

APPENDIX I

Standard form and statistics of the Annual Directors' Remuneration Report, according to Circular 4/2013 issued by the Spanish Securities and Exchange Commission (CNMV)

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IDENTIFICATION DETAILS OF THE ISSUER

END DATE OF THE REFERENCE FINANCIAL YEAR 31/12/2023

Tax Identification Code (CIF): A28027944

Company name:

NH HOTEL GROUP, S.A

Registered office:

Calle Santa Engracia 120

ANNUAL DIRECTORS' REMUNERATION REPORT OF LISTED JOINT STOCK COMPANIES

A. THE COMPANY'S REMUNERATION POLICY FOR THE CURRENT FINANCIAL YEAR

A.1.1 Explain the current directors' remuneration policy applicable to the current year. To the extent that it is relevant, certain information may be included related to the remuneration policy approved by the General Shareholders' Meeting, providing that these references are clear, specific and explicit.

The specific determinations as the board may have made for the current year must be described in accordance with the provisions in the contracts signed with the executive officers and with the remuneration policy approved by the General Shareholders' Meeting, regarding the directors' remuneration both in their positions as such and for the executive duties they perform. In any case, at least the following aspects must be reported:

- a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.**
- b) Specification and, where applicable, an explanation about whether comparable companies have been taken into account in order to determine the company's remuneration policy.**
- c) Information about whether any external advisors took part in this process and, if so, their identity.**
- d) Procedures set forth in the current remuneration policy for the directors in order to apply temporary exceptions to the policy, the conditions under which such exceptions can be applied and the components that may be subject to exceptions according to the policy.**

General Principles and Grounds

The Directors' Remuneration Policy for NH Hotel Group S.A., (hereinafter referred to as "NH", the "Company" or the "Group") for the three-year period 2024-2026 was approved by the Board of Directors at its meeting held on 22 May 2023 and submitted for a binding ballot as a separate item on the agenda at the General Shareholders' Meeting held on 29 June 2023.

The basic aim of the Remuneration Policy is to reward the commitment, responsibility and talent of NH's Directors, always taking into consideration the economic situation, the Company's earnings, the Group's strategy and best market practices.

The Remuneration Policy is in line with the previous Policy, including the same principles and remuneration elements, while taking into account the economic environment, the results obtained in the last exercises, the Group's strategy, the best market practices as well as the corporate governance recommendations.

According to the foregoing, the principles that govern the Remuneration Policy are as follows:

- Alignment with the investors: The design of the Remuneration Policy is regularly reviewed to ensure it is aligned with achieving earnings and creating value for the shareholder.
- Proportionality: The remuneration is in a suitable proportion to the Company's features and business model.
- Balance: The Directors' remuneration should strike a balance between the different components of the remuneration.
- Suitability: The Remuneration Policy of the Non-Executive Directors is adapted to the composition of the Board and the amounts are sufficient to remunerate the Directors' qualifications, the time they spend on their duties and their responsibility, guaranteeing their required loyalty and allegiance to the Company, but without compromising its members' independence.
- Non-discrimination: NH's Remuneration Policy respects non-discrimination due to gender, age, culture, religion or race.

- Alignment with the strategy: The Directors' remuneration must be consistent with the Group's strategy, including any remuneration components that may be necessary for such purpose. It must also contribute to the Company's long-term interests and sustainability.
- Transparency: The information published about the remuneration is in line with the best corporate governance practices.

Pursuant to the provisions in Article 42 of NH's Articles of Association and Article 36 of the Board of Directors' Regulations, regarding the remuneration components contained in the Remuneration Policy, NH differentiates between the Remuneration Policy applicable to Non-Executive Directors, in which their joint supervisory and decision-making duties are remunerated, and the Policy applicable to Executive Directors, which rewards the senior management duties they perform, as shown below:

- The remuneration components for Non-Executive Directors are as follows:
 - A fixed annual amount that depends on the post or posts the directors hold on the Board or on its committees.
 - Fees for attending the Board of Directors' committee meetings. The total annual amount for this item will vary depending on the number of meetings held by each committee and the Director attending them.
- The remuneration components for Executive Directors are as follows:
 - Fixed remuneration, sufficient for their services and the duties they perform.
 - Short and long-term variable remuneration linked to the Company's earnings and creating value for the shareholder.
 - Remuneration in kind.

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

The Company's main bodies involved in determining and approving the Remuneration Policy are as follows:

- The General Shareholders' Meeting:

According to the Spanish Capital Companies Act, the General Shareholders' Meeting is competent for approving the following matters related to the Directors' remuneration:

- The Remuneration Policy at least every three years.
- Possible amendments to the Remuneration Policy in force from time to time.
- The maximum amount of the annual remuneration payable to all the Directors in their positions as such.
- The remuneration system, including the award of shares or stock options or share-linked remuneration.
- The Annual Remuneration Report (advisory ballot).

- The Board of Directors:

This is the competent body for proposing the Remuneration Policy to the General Shareholders' Meeting. The Board is also responsible for adopting resolutions related to the Directors' remuneration within the scope of the Articles of Association and the Remuneration Policy.

Moreover, the Board of Directors determines the basic terms and conditions for the contracts, including the remuneration for the executives who directly report to the Board or any of its members.

The Board of Directors is informed of all the actions performed by the Appointment, Remuneration and Corporate Governance Committee, as explained below, and provides it with the relevant documents in order to be informed of such actions to perform its duties.

As a precautionary measure, in order to avoid any conflict of interests, at the Board's meetings that deal with proposals related to the specific remuneration of the Executive Directors, the latter may not be present nor take part in the deliberations or decision-making process.

- The Appointment, Remuneration and Corporate Governance Committee, (hereinafter referred to as the "ARCGC"):

This is the main body for determining and applying the Remuneration Policy. In this respect, the ARCGC is competent to propose the Directors' Remuneration Policy and the remuneration for those who perform senior management duties directly reporting to the Board, Executive Committees or Executive Directors, and the individual remuneration and other contractual terms and conditions for the Executive Directors, and to ensure such terms and conditions are observed.

Notwithstanding the competences attributed by the Regulation of the Board of Directors, the ARCGC performs the following duties:

■ Determining the Policy:

- It proposes to the Board of Directors the distribution, among the different components, of the maximum remuneration amount approved by the General Shareholders' Meeting for the Directors in their positions as such.
- It determines and proposes to the Board of Directors the amount and, if need be, the adjustment of the Executive Directors' fixed remuneration.

■ Applying the Policy:

- Every year it proposes to the Board of Directors the objectives for the annual variable remuneration and the relevant cycle for the multi-year variable remuneration applicable to the Executive Directors.
- It assesses achievement of the objectives after the end of the performance period for the short- and long-term variable remuneration and proposes to the Board of Directors the amount or number of shares to be received by the Executive Directors.

■ Reviewing the Policy

- It reviews the amount of the various remuneration components for the Directors in their positions as such; bearing in mind market practices and submits its conclusions to the Board of Directors.
- It reviews the structure and level of the Executive Directors' remuneration to ensure it is competitive, taking into account the market conditions.

■ Transparency of the Policy

- The ARCGC decides on the contents of the Annual Directors' Remuneration Report and proposes it to the Board of Directors for its final approval.

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

WTW has provided advice to the ARCGC on drawing up this Annual Directors' Remuneration Report.

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

The Remuneration Policy does not include any procedure for temporary exceptions to application thereof.

A.1.2 Explain the relative importance of the variable remuneration components vis-à-vis the fixed components (remuneration mix) and the criteria and objectives taken into consideration to determine them and ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, specify the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the company's long-term goals, values and interests, which must include, as the case may be, mention of the measures taken to ensure that the company's long-term earnings are taken into account in the remuneration policy, the measures adopted in relation to the categories of staff whose professional activities have a significant impact on the company's risk profile and the measures in place to avoid conflicts of interest.

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

The remuneration mix:

The Non-Executive Directors receive remuneration based on the best corporate governance practices. Such remuneration only consists of a fixed amount and attendance fees, with no amount being payable whatsoever for variable remuneration.

On the other side, the total remuneration of the Executive Directors is mainly composed of (i) fixed remuneration, (ii) annual variable remuneration and (iii) multi-year variable remuneration. The Executive Directors are currently the Chief Executive Officer ("CEO"), the Chief Operations Officer ("COO") and the Chief Assets and Development Officer ("CADO").

In this respect, in 2024 the percentage that the ordinary (annual and multi-year) variable remuneration represents of the total remuneration, in a situation in which 100% of the objectives are achieved ("target scenario") and maximum achievement ("maximum scenario"), is approximately as follows:

- CEO: 56.5% (target scenario) - 66.1% (maximum scenario).
- COO: 47.4% (target scenario) - 57.4% (maximum scenario).
- CADO: 47.4% (target scenario) - 57.4% (maximum scenario).

Measures adopted to adapt the Remuneration Policy to the company's long-term goals, values and interests. Reference to the measures adopted to guarantee that the company's long-term earnings are taken into account in the remuneration policy.

The measures adopted by the Company related to the remuneration system to reduce exposure to excessive risks and to adapt it to the Company's long-term goals, values and interests are as follows:

a) Balance in the total remuneration:

The remuneration package of the Executive Directors includes short- and long-term variable parts, both parts being balanced. In this respect, the relative weight of the long-term variable remuneration, in annual terms, is equivalent to that of the short-term variable remuneration.

b) Formulating the variable remuneration objectives:

The variable remuneration is linked to the achievement of a combination of predetermined objectives, which are economic-financial, value creation, non-financial and/or ESG (Environmental, Social and Governance). In addition, through performance evaluation, the sustainability of the Company is promoted through the evaluation of form and procedure, other than results.

Economic-financial and value creation targets may include, for example, EBITDA, Recurring Net Profit, Revenues, return and/or cost efficiency metrics at NH Group level. In addition, strategic indicators associated with the specific position of each Executive Director may be included, such as Revenues, EBITDA, ESG metrics or other strategic indicators.

Regarding the short-term variable remuneration, the ARCGC is responsible for proposing the objectives at the beginning of each year, and for proposing the evaluation of their fulfillment at the end of it.

The variable components of the remuneration are designed with sufficient flexibility so that no amount whatsoever is payable if the minimum objectives are not achieved.

In addition, in order for the short-term or long-term variable remuneration to be accrued, the Group's Recurrent Net Profit must be positive, if not, no remuneration is payable.

Measures adopted by the company to reduce exposure to excessive risks and avoid conflicts of interest and claw-back clauses that reduce the deferred remuneration or oblige the director to reimburse the remuneration received.

a) Ex-post adjustments to Executive Directors' remuneration:

In the event that certain circumstances occur that show the targets have not been achieved, even if *a posteriori*, according to a proposal made by the ARCGC, the Board may claim the return of all or part of the long-term variable remuneration already paid (claw-back). These clauses will be applicable to all the Beneficiaries and will be applicable for two years, counted from the date the Measurement Period ends. Specifically, repayment of the long-term variable remuneration already paid may be required in the following cases, among others:

- I. Reformulation of the Company's financial statements without this being based on changes in the applicable accounting standards or interpretations.
- II. Sanctions imposed on the Beneficiary due to serious breaches of the code of conduct and other applicable internal regulations.
- III. When the settlement and payment of the incentive was partially or fully based on information that is clearly shown *a posteriori* to be seriously false or inaccurate.

b) Adjustments to the variable remuneration:

Under exceptional circumstances caused by extraordinary internal or external factors or events, the ARCGC may propose to the Board of Directors adjustments of the components, criteria, thresholds and limits of the annual or multi-year variable remuneration.

c) Measures to avoid conflicts of interest:

At the Board's meetings that deal with proposals related to the specific remuneration of the Executive Directors, the latter may not be present or take part in the deliberations or decision-making process.

Regarding measures to avoid conflicts of interest by the Directors, according to the Spanish Capital Companies Act, Articles 29-33 of the Board of Directors' Regulations include the obligations of the Directors related to their duties of diligence, allegiance, confidentiality, loyalty and prohibition of competition.

A.1.3. State the amount and nature of the fixed components that are expected to be accrued during the year by the directors in their positions as such.

The maximum amount of the remuneration that could be payable every year by the Company to all its Directors, in their positions as such, is €800,000, such amount being approved at the Ordinary General Shareholders' Meeting held on 29 June 2023, however such limit may be changed at the General Shareholders' Meeting to be held in 2024 (on the date this Report is drawn up, it is not expected this will occur).

The remuneration system of the Non-Executive Directors for their supervisory and joint decision-making duties, as specified above in this Report, consists of an annual fixed amount and fees for attending the meetings of the Board of Directors and its committees.

In this respect, the amounts planned for the aforementioned components in 2024 will be as follows:

■ Annual fixed amount:

- The Chair of the Board of Directors: €200,000. No amount will be payable for fees to attend the meetings of the Board or the Committees.
- The Chairs of the Auditing Committee and/or the ARCGC: €90,000. No amount will be payable for fees to attend the committee meetings that they chair.
- The other members of the Board of Directors: €50,000 for each Director.

■ Attendance fees:

- Fees for attending the Audit and Supervisory Committee Meetings: €1,000.
- Fees for attending the ARCGC Meetings: €1,000.

However, the Proprietary Directors representing the shareholder, Minor International PLC, have waived payment of the aforementioned remuneration.

The amounts payable to the Non-Executive Directors may vary from year to year within the maximum amounts approved by the General Shareholders' Meeting with the prior approval of the Board of Directors. In this respect, additional remuneration may be granted if any Director is required to spend additional time over a certain period of time.

However, the Executive Directors will not be entitled to receive the aforementioned remuneration.

A.1.4. State the amount and nature of the fixed components that will be accrued during the year due to the Executive Officers performing their senior management duties.

According to the Articles of Association, the Executive Directors are entitled to receive remuneration for the executive duties they perform, apart from their duties as Directors, within the scope of their labour or commercial relationship with the Company. Such remuneration includes both their executive duties and their duties as Director.

The amount of the aforementioned fixed remuneration planned for each of the Executive Directors in 2024 is €771,750 for the CEO, €441,000 for the COO and €385,875 for the CADO. These amounts approved by the Board of Directors imply an increase of 5% compared with the previous year. When approving this increase, the Board of Directors, according to a proposal made by the ARCGC, has taken into consideration the importance of the three Executive Directors in achieving the necessary stability of the Company in terms of business performance.

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

The Directors do not receive any remuneration in kind due to being members of the Board of Directors.

The Executive Directors are beneficiaries of a health care insurance policy for them and their first-degree relatives, a life and accident insurance policy and a company car. It is estimated that the cost for this remuneration in 2024 will amount to €27,480 for the CEO, €18,791 for the COO and €10,922 for the CADO. However, the final amount could vary depending on the changes taking place in the prices or premiums of the aforementioned remuneration.

A.1.6. Specify the amount and nature of the variable components, differentiating between those established in the short- and long-term. Financial and non-financial parameters, including among these the social, environmental and climate change parameters selected to determine the variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance at the end of the year with the parameters used in the design of the variable remuneration, explaining the criteria and

factors applied related to the time required and methods used for verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

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

The Executive Directors are the only members of the Board of Directors that are entitled to be paid variable remuneration. The Executive Directors' variable remuneration is structured as additional and supplementary to their fixed remuneration and it consists of a short-term annual variable and a long-term variable. This compensation is contingent and non-consolidable.

The main features of the variable remuneration components for the Executive Directors are described below:

1. ANNUAL VARIABLE REMUNERATION

The short-term variable remuneration is linked to achieving the corporate goals determined by the ARCGC and approved by the Board of Directors at the beginning of each financial year.

The functioning of the annual variable remuneration for NH's Executive Directors is the same as for the Company's other employees. It is determined based on the Management by Objectives Programme (MBO) for the following purposes:

1. To reward performance, bearing in mind achievement of the Company's quantitative goals.
2. To link achievement of the annual objectives set by the Company to its medium- and long-term strategy.
3. To align the individual objectives with the Company's goals.

The ARCGC approved the following objectives for the Executive Directors with their corresponding weightings for the financial year 2024:

- 50% Corporate Goals:
 - 25% Group's recurrent EBITDA.
 - 25% Group's recurrent Net Profit.
- 10% Performance assessment.
- 40% of strategic indicators related to the position.

The functioning of each of the aforementioned objectives is described below, along with the specified scales of achievement:

1. **Group EBITDA/ Net Profit:** The goal initially set for the Group's recurrent EBITDA/ Net Profit is compared with the Group's actual recurrent EBITDA/ Net Profit, determining the following pay-out levels established based on the scale of achievement:
 - If the level of achievement of the Group's recurrent EBITDA/ Net Profit goal is lower than 90%, no amount whatsoever is payable for this target.
 - If the level of achievement of the Group's recurrent EBITDA/ Net Profit goal is between 90% and 100%, 100% of the annual variable remuneration will be payable for this target.
 - If the level of achievement of the Group's recurrent EBITDA/ Net Profit goal is 120% or higher, a maximum of 120% of the annual variable remuneration for this target is payable.
 - When the achievement level of the target is between 100% and 120%, the pay-out will be calculated by linear interpolation.
2. **Performance assessment:** The performance assessment system for the Executive Directors has the same structure as for NH's other employees.

In order to promote the Company's sustainability, the performance assessment is included in the annual variable remuneration by evaluating the system and procedures apart from the earnings obtained.

Performance will be evaluated according to the following scale consisting of five levels: Underperforming, Needs Improvement, Good, Very Good and Outstanding. Each one of the levels will be equivalent to a percentage of achievement of the target according to the following scheme:

- "Underperforming". Equivalent to 0% achievement.
- "Needs Improvement". Equivalent to 50% achievement.

- "Good". Equivalent to 100% achievement.
 - "Very Good". Equivalent to 125% achievement.
 - "Outstanding". Equivalent to 200% achievement.
3. **Individual Objectives** (indicators related to the post): Maximum achievement is set for the rest of the objectives that could imply up to 125% of the target payment level for this. These individual objectives include objectives related to the reduction of net CO2 emissions and NH's position in the S&P Sustainability Index.

The ARCGC determines the specific amount payable depending on the achievement level of the objectives.

In addition, in order to guarantee that the annual variable remuneration is aligned with the Company's earnings, the Group's Recurrent Net Profit acts as a "key target". In this respect, in order to accrue annual variable remuneration, the Group's recurrent Net Profit must be positive, otherwise no remuneration will be payable.

The target annual variable remuneration is set at 65% of the CEO's fixed remuneration (€501,637.5) and 45% of the COO's and the CADO's fixed remuneration (€198,450 and €173,643.7 respectively), providing 100% of the targets set by the Board of Directors are achieved.

The maximum amount the Executive Directors can receive, if the maximum score is obtained in the performance assessment and a maximum percentage is obtained in their individual objectives, is 130% for the three Directors, equivalent to €652,128.75 for the CEO, €257,985 for the COO and €225,736.8 for the CADO, notwithstanding the fact that, in accordance with the Remuneration Policy, these amounts may reach up to 150% of the target amount in certain scenarios.

If the aforementioned minimum targets are not achieved, the Executive Directors will not be paid any amount whatsoever as variable remuneration.

In order to calculate the amount of the annual variable remuneration, the ARCGC will first and foremost consider the individual level of achievement and weighting of each of the objectives and subsequently the level of overall achievement of the objectives as a whole, along with the key goal for the Group's Recurrent Net Profit. This assessment is conducted based on the results audited by the Company's external auditor. Both for determining the objectives and assessment of their being achieved, the Committee also takes into consideration any associated risk and can rely on the support of the Audit and Supervisory Committee.

In this respect, any positive or negative economic impact caused by extraordinary events that could distort the findings of the assessment are disregarded and the quality of the long-term earnings and any associated risk in the proposal for annual variable remuneration are taken into consideration.

The annual variable remuneration will be fully paid in cash, providing the targets set for such purpose are achieved. This remuneration will not be paid until the ARCGC has carried out the aforementioned actions in the first quarter of the year.

2. LONG-TERM INCENTIVE PLANS

Long Term Incentive Plan 2022-2026:

The Company implemented the Long-Term Incentive Plan 2022-2026 ("Performance Cash Plan") in 2022. This plan grants a cash amount to be paid out if the targets set in this respect are achieved. The plan was proposed to the Board and was approved on 24 February 2022.

The term of the Plan is five years, divided into three cycles of three years each one:

1. First cycle 2022-2024 payable in 2025.
2. Second cycle 2023-2025 payable in 2026.
3. Third cycle 2024-2026 payable in 2027.

Before the start of each of the cycles, the Board of Directors is authorised to decide on its effective implementation depending on the Group's economic situation at the time.

The main features of the third and last cycle of the Plan applicable to the Executive Directors, the start date of which is 1 January 2024, are set out below:

Purpose: To reward the achievement of NH's long-term strategic goals and the creation of sustainable value for the shareholder.

Amount: The target incentive in the second cycle is set at 65% of the CEO's fixed remuneration (€501,637.5) and 45% of the COO's and the CADO's fixed remuneration (€198,450 and €173,643.7 respectively), providing 100% of the targets set by the Board of Directors are achieved.

The maximum amount of the incentive can be up to 120% of the target amount, i.e. 78% of the fixed remuneration for the CEO (€601,965) and 54% of the fixed remuneration for the COO and the CADO (€238,140 and €208,372.5 respectively), notwithstanding the fact that, in accordance with the Remuneration Policy, these amounts may reach up to 150% of the target amount in certain scenarios.

Performance period: Years 2024, 2025 and 2026.

Objectives: 50% of the incentive will be linked to the Group's recurrent EBITDA for the financial years 2024, 2025 and 2026 and the other 50% of the incentive will be linked to the Group's recurrent Net Profit for the financial years 2024, 2025 and 2026.

Performance Scale: The incentive for the third cycle 2024-2026 is determined as follows:

- If the level of achievement of the Group's recurrent EBITDA/Net Profit goal is lower than 90%, no amount whatsoever is payable for the long-term incentive.
- If the level of achievement of the Group's recurrent EBITDA/Net Profit goal is between 90% and 100%, 100% of the long-term incentive will be payable.
- If the level of achievement of the Group's recurrent EBITDA/Net Profit goal is 120% or higher, a maximum of 120% of the long-term incentive will be payable.

When the achievement level of the target is between 100% and 120%, the level of achievement of the Group's recurrent EBITDA/Net Profit will be calculated by linear interpolation.

Functioning: The ARCGC will consider the level of achievement of the recurrent EBITDA/Net Profit goal based on the results audited by the Company's external auditor in each of the cycles included in the target performance period. Both for determining the objectives and assessment of them being achieved, the Committee also takes into consideration any associated risk and can rely on the support of the Audit and Supervisory Committee.

In this respect, any positive or negative economic impact caused by extraordinary events that could distort the findings of the assessment are disregarded and the quality of the long-term earnings and any associated risk in the proposal for incentive payable is taken into consideration.

The incentive 2024-2026, will be fully paid in cash, providing that the targets set for such purpose are achieved. This remuneration will not be notified as fulfilled until the ARCGC has carried out the aforementioned actions in the first quarter of the year 2027.

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

Specify whether the accrual or vesting of any of the long-term savings plans is linked to achieving certain targets or parameters related to the director's short- or long-term performance.

The Company does not plan to undertake any obligation or commitment whatsoever with the Directors in 2024 related to pensions, retirement or similar items.

A.1.8. Any other type of payment or compensation for early termination or dismissal, or related to the termination of the contractual relationship, according to the stipulated terms, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contractual term or loyalty, which entitles the director to any kind of remuneration.

The Company's Directors, in their positions as such, are not entitled to any severance pay or compensation in the event of dismissal or resignation from their posts.

The terms and conditions included in the Executive Directors' commercial contracts in this respect are described below:

- **CEO:** Under no circumstances will the CEO be entitled to any severance pay due to his resignation or termination of his commercial relationship. However, the terms and conditions regulating his suspended labour relationship stipulate that the period of time in which the Executive Director holds his commercial relationship must be acknowledged as seniority for the purpose of possible severance pay due to termination of such labour relationship.

In this respect, once the commercial relationship has been terminated, the labour relationship that was in force between the Company and the Executive Director will be resumed until he takes up his new position, unless gross and wilful breach of contract is ruled by the courts. If, at the time of termination of the commercial relationship and, apart from the aforementioned exception, the Company refuses to reinstate the Executive Director in his previous labour relationship, this fact will be considered unfair dismissal. In such case, the Executive Director will be entitled to the relevant severance

pay according to applicable labour regulations. In order to calculate the severance pay, the compensation basis will be determined according to the full salary paid and received thereby over the twelve months prior to the termination including, if any, those paid and received in his position as Executive Director.

If the termination of the labour relationship is due to serious and wilful breach of the Executive Director's essential obligations and this is ruled by the competent court, all rights to receive any kind of severance pay will be deemed null and void.

- **COO:** The COO is not entitled to receive any severance pay whatsoever if the Company decides to terminate his contract by virtue of a resolution adopted by the General Shareholders' Meeting or the Board of Directors, which implies the COO being dismissed from his post as Executive Director, however his seniority in the position is acknowledged for all purposes (even for the purpose of severance pay that could be applicable in the event of termination) in the previous labour relationship between the parties, which will be resumed after the aforementioned termination of the commercial relationship.

If the Company refuses to reinstate the COO in his previous labour relationship, the COO will be entitled to severance pay, according to the applicable labour regulations, and his acknowledged seniority, the Company undertaking to pay him severance pay at least equivalent to one year of his fixed salary and the last variable remuneration he received. In order to calculate the severance pay that could be received by the COO in the event of termination of his ordinary labour relationship, the basis for the severance pay will be calculated regarding the whole remuneration paid and received thereby in the twelve months prior to such termination, even if it were payable by virtue of a commercial relationship.

However, if the termination of the commercial relationship between the parties is due to serious and wilful breach of the Executive Director's essential obligations and this is ruled by the competent court, all rights to receive any kind of severance pay will be deemed null and void.

- **CADO:** The Executive Director is not entitled to receive any severance pay whatsoever due to her dismissal as a Director by virtue of a resolution adopted at the General Shareholders' Meeting or the Board of Directors, due to her resignation, mutual agreement or because her term of office has expired. However, her seniority in the post will be acknowledged for all purposes (even for the purpose of severance pay that could be applicable in the event of dismissal) in the previous labour relationship between the parties, which will be resumed after the aforementioned termination of the commercial relationship, unless the termination of the commercial relationship between the parties is due to serious and wilful breach of the Executive Director's essential obligations and this is ruled by the competent court.

If, at the time of termination of the commercial contract (and apart from the aforementioned exception), the Company refuses to reinstate the Executive Director or CADO in her previous labour relationship as Chief Asset and Development Officer, this fact will be considered unfair dismissal and the Executive Director or CADO will be entitled to the relevant severance pay according to applicable labour regulations and the Company must undertake to pay her at least an amount of severance pay equivalent to one year of her fixed salary and the last variable remuneration she received.

In order to calculate the severance pay that could be received by Ms. Laia Lahoz Malpartida in the event of termination of her ordinary labour relationship, after termination of her commercial relationship regulated by such contract, the basis for the severance pay will be calculated regarding the whole remuneration paid and received thereby in the twelve months prior to such termination, even if it were payable by virtue of a commercial relationship.

A.1.9. Specify the conditions that the contracts of the Executive Officers performing senior management duties should contain. Among other things, information must be provided on the duration, limits on amounts of compensation, minimum contractual term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to contractual bonuses, as well as compensation or golden parachute clauses in the event of early termination of the contractual relationship between the company and the executive officer. Include, inter alia, the clauses or agreements related to non-competition, exclusivity, minimum contractual terms and loyalty and post-contractual non-competition, unless these have been explained in the previous section.

The contract of NH's Executive Directors is of a commercial nature and includes the duties and obligations they undertake within the scope of their posts and their remuneration.

The most significant clauses in their contracts are described below:

- Indefinite term.
- Full-time commitment and non-competition. They may not perform the following actions without the Company's prior consent during the period they render their services within the scope of their valid contracts:
 - Acquire an indirect or direct stake of any kind in companies that perform activities that are in competition with or are similar or related to the Company's activities or that are suppliers and/or customers of NH. Any part-time teaching activities that could be performed by the Executive Directors shall be deemed excluded from the previous point.

- This condition will remain in force, in the case of the CEO, until twelve months have elapsed after the termination of his commercial agreement or employment contract with NH, whatever the reason for such termination may be. The gross annual fixed remuneration of the Executive Directors already includes compensation for the non-competition clause.

- The Executive Directors must provide at least two months' prior notice of their decision to terminate their commercial relationship with NH and may choose to renew their ordinary labour relationship.
- Severance pay: See the previous section.
- Confidential information: During the valid term of the commercial agreement and after the termination thereof for any reason, the Executive Directors must not indirectly or directly disclose or disseminate to third parties not associated with NH any commercial or industrial secrets, processes, methods, information or data related to the activities, business or finances of NH or any company in its Group, making every effort to prevent, if need be, publication of such information and all that is related to activities and future plans both of NH HOTEL GROUP, S.A. and any of its enterprises.

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

The Directors have not received any other supplementary remuneration for services apart from those inherent to their posts and that have not already been described in this Report.

A.1.11. Specify any other remuneration components, such as those related to the company granting the director advances, loans or guarantees or any other remuneration.

It is not expected to grant to the Directors any advances, loans, guarantees or other remuneration.

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

It is not planned for the Directors to receive, any other supplementary remuneration for services apart from those inherent to their posts and that have not already been described in this Report.

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

- A new policy or an amendment to a policy already approved by the General Shareholders' Meeting.
- Significant changes in the specific determinations established by the Board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.
- Proposals that the Board of Directors has agreed to submit to the General Shareholders' Meeting that this annual report will be subject to and for which it is proposed they will be applicable in the current year.

Up to the date this report is published, no significant changes have been made to the Remuneration Policy that could seriously affect the Remuneration Policy for this year.

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

https://www.nh-hotels.com/corporate/assets/uploads/files-accionistas/2023/en/4.-_nh_politica_remuneraciones_consejeros_2024-2026_eng.pdf

A.4. Taking into account the data provided in Section B.4, explain how the votes of the shareholders at the General Shareholders' Meeting have been taken into account to which the annual report on remuneration for the previous year was submitted on an advisory basis.

The last General Shareholders' Meeting held on 29 June 2023 approved the Annual Directors' Remuneration Report with 99.99% of the votes.

B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED LAST YEAR

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

In 2023 the Policy in force has been the Directors' Remuneration Policy for NH for the three-year period 2021-2023, approved by the Board of Directors at the meeting held on 12 May 2021 and submitted to a binding b as a separate item on the agenda at the General Shareholders' Meeting on 30 June 2021.

Process used to apply the Remuneration Policy

The main bodies of the Company that are involved in applying the Company's Remuneration Policy are the General Shareholders' Meeting, the Board of Directors and the ARCGC.

The role played by the ARCGC

The ARCGC is the competent body for proposing the Directors' Remuneration Policy and the remuneration for those who perform senior management duties, directly reporting to the Board, Executive Committees or Executive Directors, and the individual remuneration and other contractual terms and conditions for the Executive Directors, and for ensuring such terms and conditions are met.

As explained in the Remuneration Policy, the ARCGC may hold meetings to correctly fulfil its duties as often as (i) considered necessary by its Chair, (ii) required by the Board of Directors or (iii) requested by two or more of its members with voting rights. The ARCGC held 7 meetings in 2023.

The items related to remuneration that were discussed by the ARCGC in 2023 are explained below:

- Proposal and approval of the Annual Directors' Remuneration Report for the financial year 2022.
- Proposal and approval of the launch of a new Long-Term Variable Remuneration Plan 2022-2026, whose second cycle began on 1 January 2023.
- Proposal and approval of the salary adjustment for the Executive Directors for 2023. Assessment and approval of the annual variable remuneration for the CEO and COO (Executive Directors) due to the 2022 results.
- Approval of the objectives linked to the annual variable remuneration of the Executive Directors in 2023.
- Information from the CEO to the ARCGC on the assessment of the variable remuneration in 2022 for the Executive Committee, along with the objectives linked to the annual variable remuneration in 2023.
- Proposal and approval of the NH Hotel Group Directors' Remuneration Policy effective from 1 January 2024 until 31 December 2026.

During 2024, up to the date of preparation of this report, the ARCGC has discussed the following matters related to the implementation of the 2023 Remuneration Policy:

- Proposal and approval of the settlement of the 2023 annual variable remuneration of the Executive Directors
- Proposal and approval of the settlement of the Biennial Long-term Incentive 2022-2023 of the Executive Directors.

Composition of the ARCGC

According to Article 47 of the Articles of Association, the Committee must be comprised of a minimum of three and a maximum of six Directors and must only consist of Non-Executive Directors appointed by the Board of Directors, at least two of which must be Independent Directors.

On 31 December 2023, the Committee was composed of three non-executive members, two of whom were Independent Directors:

- Mrs. [María Segimón de Manzanos](#): Chair and Independent Director since 29/06/2023.
- Mr. [Stephen Andrew Choinacki](#): Member and Independent Director since 21/06/2018.
- Mr. [Tomás López Fernebrand](#): Member and Proprietary Director since 29/06/2023.

B.1.2. Explain any changes in the procedure established for application of the remuneration policy that have occurred during the year.

There has been no deviation from the procedure established in the Remuneration Policy. All the remuneration elements accrued by the Directors in 2023 are included in the Remuneration Policy and their amounts have been determined in accordance with the corresponding procedures.

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

No temporary exceptions to the Remuneration Policy were applied in 2023.

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

The actions carried out by the Company related to the remuneration system to reduce exposure to excessive risks and to adapt it to the Company's long-term goals, values and interests have been in line with those explained in sections A.1.6 and A.1.7 of this Report. It is explained below how these actions were carried out in 2023:

A) Claw-back clauses:

The claw-back clauses referred to in section A.1.2 are applicable to the Long-Term Variable Remuneration Plan 2022-2023.

B) Formulation of the variable remuneration objectives:

A binary scheme was applied to the variable remuneration accrued in 2023 so that failure to achieve the Group's positive Recurrent Net Profit resulted in a 0% pay-out.

The objectives determined for the annual variable remuneration for 2023, as described in section B.7, by the Board of Directors for the Executive Directors, according to a proposal made by the ARCGC, are also aligned with the Company's strategic priorities. Moreover, the Company's sustainability is promoted through the performance assessment by evaluating the system and procedures, apart from the Company's earnings.

C) Balance of the total remuneration:

The remuneration package of the Executive Directors includes short- and long-term variable parts, both parts being balanced.

In this respect, the percentage that the (annual and multi-year) variable remuneration represented of the total remuneration in 2023, in a situation in which 100% of the targets were achieved, was approximately 62% for the CEO and 53% for the COO and the CADO. In the event of achievement above the target level, both short- and long-term variable remuneration had maximum amounts established in the Remuneration Policy in force in 2023.

Lastly, the variable remuneration accrued in 2023 was the following:

- The short-term variable remuneration was 124%, 117% and 120% for the CEO, COO and CADO respectively.
- In relation to multi-year variable compensation, the biennial incentive that began on 1 January 2022 and ended on 31 December 2023 was completed in 2023, with a final target achievement of 115.99%.

B.3. Explain how the remuneration accrued and consolidated over the financial year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

Furthermore, provide information about the link between the remuneration obtained by the directors and the earnings or other performance measures of the company in the short- and long-term, explaining, if applicable, how variations in the company's performance have influenced changes in the directors' remuneration, including any accrued remuneration payment that has been deferred, and how such remuneration contributes to the company's short- and long-term earnings.

The components included in the Directors' remuneration package in the financial year 2023 are summarized below. Similarly, the details of these components can be found in the following paragraphs of this section:

Remuneration of the Non-Executive Directors:

In 2023, the Non-Executive Directors' remuneration consisted of fixed amounts and fees for attending the meetings, as explained in section B.5.

The maximum gross annual amount payable to the Directors in their positions as members of the Board of Directors observed the limit stipulated by the General Shareholders' Meeting held on 29 June 2023 (€800,000), a total of €310,589.04 being paid out as fixed remuneration and attendance fees.

Executive Directors:

The remuneration items of the Executive Directors in 2023 were as follows:

CEO:

- Fixed remuneration: €735,000.
- Short-term variable remuneration accrued in 2023: €593,568,64, bearing in mind an overall achievement level of the targets of 124%. The settlement of the variable remuneration accrued in 2023 will be approved and paid in the first quarter of 2024.
- Long-term variable compensation (2022-2023 biennial plan that began on 1 January 2022 and ended on 31 December 2023): €827,732 taking into account an overall target achievement rate of 115,99%.
- Other remuneration (company car, health care insurance policy and life and accident insurance policy): €27,480.

COO:

- Fixed remuneration: €420,000.
- Short-term variable remuneration accrued in 2023: €220,643,33 bearing in mind an overall achievement level of the targets of 117%. The settlement of the variable remuneration accrued in 2022 will be approved and paid in the first quarter of 2023.
- Long-term variable compensation (2022-2023 biennial plan that began on 1 January 2022 and ended on 31 December 2023): €334,773 taking into account an overall target achievement rate of 115,99%.
- Other remuneration (company car, health care insurance policy and life and accident insurance policy): €18,791.

CADO:

- Fixed remuneration: €367,500.
- Short-term variable remuneration accrued in 2023: €199,264.47 bearing in mind an overall achievement level of the targets of 120%. The settlement of the variable remuneration accrued in 2023 will be approved and paid in the first quarter of 2024.
- Long-term variable compensation (2022-2023 biennial plan that began on 1 January 2022 and ended on 31 December 2023): €268,676, taking into account an overall target achievement rate of 115,99%.
- Other remuneration (company car, health care insurance policy and life and accident insurance policy): €10,921

A breakdown of the level of achievement of the targets for the annual variable remuneration is provided in section B.7.

The above long-term variable compensation amounts include an additional component that rewards extraordinary management performance during the 2022-2023 period, beyond EBITDA overachievement. When awarding these amounts, the overall limit established by the Remuneration Policy in force in 2023 with respect to long-term variable remuneration has been taken into account.

As explained in the previous sections, the Executive Directors are not paid any additional remuneration for their positions as members of the Board of Directors.

In addition, the Executive Directors' remuneration package contributes to the Company's sustainable performance to the extent that a minimum Recurrent Net Profit is required for the annual variable remuneration to be accrued.

B.4. Provide information about the result of the advisory ballot on remuneration for the previous year held at the General Shareholders' Meeting, specifying the number of votes in favour, votes against, abstentions and blank votes:

	Number	% of total
Votes cast	419,698,688	96.32%

	Number	% of votes cast
Votes against	4,112	0.01%
Votes in favour	419,694,576	99.99%
Blank votes	0	0.00%
Abstentions	0	0.00%

Remarks

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

The Directors, in their positions as such, who received fixed remuneration in 2023 were Non-Executive Directors that do not represent the shareholder, Minor International PLC. Such Non-Executive Directors waived all remuneration payable to them due to being members of the Board of Directors.

The remuneration effectively received in the financial year 2023 was as follows:

■ Annual fixed amount:

- Chair of the Board of Directors (until 29 Jun 2023): €99,452.
- Chair of the Auditing Committee (until 29 Jun 2023): €44,753.
- Chair of the ARCGC (until 29 Jun 2023): €44,753.
- Chair of the Auditing Committee (since 29 Jun 2023): €45,247.
- Chair of the ARCGC (since 29 Jun 2023): €45,247.
- Member of the Auditing Committee and the ARCGC (since 29 July 2023): €31,137.

■ Attendance fees of the members:

- Fees for attending the Audit and Supervisory Committee Meetings: €1,000 per meeting.
- Fees for attending the ARCGC Meetings: €1,000 per meeting.

B.6. Explain how the salaries accrued and vested by each of the Executive Officers over the past financial year for performing their management duties were determined and how they changed compared with the previous year.

The CEO's fixed remuneration for performing his senior management duties last year amounted to €735,000 in accordance with the Remuneration Policy. This remuneration means a 5% increase compared to 2022.

The COO's fixed remuneration for performing his senior management duties in 2023 amounted to €420,000. This remuneration means a 5% increase compared to 2022.

The CADO's fixed remuneration for performing his senior management duties in 2023 amounted to €367,500. This remuneration means a 5% increase compared to 2022.

As mentioned above, the Executive Directors are not paid any remuneration whatsoever for their positions as Directors.

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

In particular:

- a) **Specify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors last year, including information on their scope, date of approval, date of implementation, any applicable vesting conditions, periods of accrual and validity, criteria used to evaluate performance and how this affected the calculation of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the stipulated conditions and criteria, explaining the criteria and factors applied in regard to the time required and the methods for verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.**
- b) **In the case of share options and other financial instruments, the general features of each plan must include information about the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.**
- c) **Each director that is a beneficiary of remuneration schemes or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).**
- d) **Information must be provided about any periods for accrual, vesting or deferral of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.**

Explain the short-term variable components in the remuneration systems

As explained above, the only Directors entitled to payment of variable remuneration are those assigned executive duties.

An overall framework for the annual variable remuneration of Executive Directors was agreed at the ARCGC meeting held on 21 February 2023. The features of this annual variable remuneration were outlined in section A.1.6 of 2022's Annual Remuneration Report.

The details about the process to calculate the aforementioned amounts are provided below.

1. Level of achievement of the targets

■ **CEO:** The level of achievement of the targets was as follows:

- EBITDA (weighting of 25%): The level of achievement was between target and maximum.
- Recurrent Net-profit (weighting of 25%): The level of achievement was at the maximum.
- Performance evaluation (weighting of 10%): The level of achievement was at the maximum.
- Individual objectives (weighting of 40%): The level of achievement was between the target level and the maximum.

■ **COO:** The level of achievement of the targets was as follows:

- EBITDA (weighting of 25%): The level of achievement was between target and maximum.
- Recurrent Net-profit (weighting of 25%): The level of achievement was at the maximum.
- Performance evaluation (weighting of 10%): The level of achievement was at the maximum.
- Individual objectives (weighting of 40%): The level of achievement was between the target level and the maximum.

■ **CADO:** The level of achievement of the targets was as follows

- EBITDA (weighting of 25%): The level of achievement was between target and maximum.
- Recurrent Net-profit (weighting of 25%): The level of achievement was at the maximum.
- Performance evaluation (weighting of 10%): The level of achievement was at the maximum.
- Individual objectives (weighting of 40%): The level of achievement was between the target level and the maximum.

2. Key target

As we have mentioned in previous sections of this report, the Net Profit acts as a key target for accrual of the annual variable remuneration. For such purpose, it is indispensable that the Group's Recurrent Net Profit is positive. The Company's Recurrent Net Profit was positive in 2023.

3. Calculating the annual variable remuneration

Bearing in mind the target amount of variable remuneration, (65% of the fixed remuneration for the CEO and 45% for the COO and the CADO), and that the overall level of achievement of the targets was 124% (CEO), 117% (COO) and 120% (CADO), the Board of Directors agreed on 07 February 2024 the following amounts::

- CEO: €593,568.54.
- COO: €220,643.33
- CADO: €199,246.47.

Explain the long-term variable components in the remuneration systems

The main features of the biennial Long-Term Incentive that ended on 31 December 2023, as well as the final amounts to be vested, are as follows:

Biennial long-term incentive 2022-2023

This biennial long-term incentive has the following general and particular characteristics:

Purpose: adapt the compensation package of the Company's executives to incentivize the extra effort they are making to recover NH's business volume and results within the economic context derived from COVID-19.

Amount: The target incentive of the Biennial Incentive is set at 65% of the fixed compensation in 2022 for the CEO (€455,000) and 45% of the fixed compensation in 2022 for the COO and CADO (€180,000 and €157,500 respectively), in the event of 100% achievement with the objectives established by the Board of Directors.

Performance period: Years 2022 and 2023.

Targets: 100% of the incentive will be linked to the Group's recurring EBITDA for fiscal years 2022 and 2023. However, the Group's recurring Net Profit must be positive in each of the aforementioned years in order to vest the full incentive. Otherwise, the portion of the target incentive linked to the year in which the recurring Net Profit target has not been met will be forfeited.

Achievement scales: The biennial Long-Term Incentive is set as follows:

- If the level of achievement of the Group's recurrent EBITDA goal is lower than 90%, no amount whatsoever is payable for the biennial incentive.
- If the level of achievement of the Group's recurrent EBITDA goal is between 90% and 100%, 100% of the biennial incentive will be payable.
- If the level of achievement of the Group's recurrent EBITDA goal is 120% or higher, a maximum of 120% of the biennial incentive will be payable.

When the achievement level of the target is between 100% and 120%, the level of achievement of the Group's recurrent EBITDA will be calculated by linear interpolation.

Achievement level:

- 2022: Maximum level.
- 2023: Between target and maximum.

The ARCGC has considered the degree of compliance with the recurring EBITDA target based on the results audited by the Company's external auditor in each of the years included in the measurement period. Both for the establishment of the objectives and for the evaluation of their compliance, the Committee also considers any associated risks and can count on the support of the Audit and Control Committee.

In this regard, the economic effects, positive or negative, derived from extraordinary events that shall introduce distortions in the evaluation results are eliminated and the quality of the results in the long-term and any associated risks will be considered in the incentive proposal to be paid.

Incentive amount:

The overall achievement rate was 115.99%. In addition, in view of the extraordinary performance of the management team beyond the achievement of EBITDA, the Board of Directors has decided to increase the incentive to be paid within the overall limit established in the Remuneration Policy in force in 2023.

In view of the above, the amounts granted were as follows:

- CEO: €827,732.
- COO: €334,773.
- CADO: €268,676.

The incentive will be paid in full in cash during the first quarter of 2024.

Clawback: This Plan provides for a clawback clause, the basic conditions of which have been previously reported.

B.8. Specify whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or claw-back clauses, why they were implemented and the years to which they refer.

No clause of this kind was applied in 2023.

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

In 2023, the Company did not undertake any obligation or commitment related to pensions, retirement or similar items.

B.10. Explain, where applicable, the severance pay or any other type of payment for early termination, whether at the company's or the director's initiative, or due to termination of the contract, according to the terms stipulated therein, accrued and/or received by directors last year.

The Company has not undertaken any commitment or obligation for any severance payment or other payments due to early termination, whether at the Company's or the Director's initiative, or due to termination of the contract.

B.11. Specify whether there have been any significant changes in the contracts of persons performing senior management duties, such as Executive Officers, and, if so, explain such changes. In addition, explain the main terms and conditions of the new contracts signed with Executive Officers during the year, unless these have already been explained in Section A.1.

In 2023, no changes were made to the Executive Directors' contracts.

B.12. Explain any supplementary remuneration accrued by directors as consideration for rendering services other than those inherent in their positions.

The Remuneration Policy does not include any supplementary remuneration other than that previously specified.

On the date this Report is issued, there was no supplementary remuneration payable to the Directors as consideration for services rendered other than those related to their posts.

B.13. Explain any remuneration payable for advances, loans or guarantees granted, specifying the interest rate, their key features and any amounts reimbursed, as well as the obligations undertaken on their behalf as a guarantee.

The Remuneration Policy does not include any possibility to grant advances, loans or guarantees to the Directors.

On the date this Report is issued, no advances, loans or guarantees have been granted to any of the Directors.

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

The Directors, in their positions as such, do not receive remuneration in kind.

The Executive Directors accrued the following remuneration in kind for performing their executive duties:

- A health care insurance policy for each Executive Director and their first-degree relatives.
- A life insurance policy with insured capital of €2,205,000 (CEO), €1,260,000 (COO) and €1,102,500 (CADO).
- An accident insurance policy with insured capital of €2,205,000 (CEO), €1,260,000 (COO) and €1,102,500 (CADO).
- A company car in the case of the CEO and the CADO. The COO has chosen to receive economic compensation instead of a company car.

The amount for such remuneration was €27,480 for the CEO, €18,791 for the COO (including the company car) and €10,922 for the CADO.

B.15. Explain the remuneration accrued by any director due to payments made by the listed company to a third company in which the director renders services when the purpose of these payments is to remunerate the director's services to the company.

On the date this Report is approved, no amounts have been paid to third-party enterprises due to possible services being rendered by the Directors.

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

On the date this Report is approved, there are no other items of remuneration apart from those explained in the previous sections.

C. LIST OF INDIVIDUAL REMUNERATION PAYABLE TO EACH DIRECTOR

NAME:	TYPE:	Period of accrual in year 2023
MR. ALFREDO FERNÁNDEZ AGRAS	Independent Director	From 01/01/2023 to 29/06/2023
MR. RAMÓN ARAGONÉS MARÍN	Executive Director	From 01/01/2023 to 31/12/2023
MR. RUFINO PEREZ FERNÁNDEZ	Executive Director	From 01/01/2023 to 31/12/2023
MRS. MIRIAM GONZALEZ-AMEZQUETA LOPEZ	Independent Director	From 29/06/2023 to 31/12/2023
MRS. MARIA SEGIMON DE MANZANOS	Independent Director	From 29/06/2023 to 31/12/2023
MR. TOMAS LOPEZ FERNEBRAND	Independent Director	From 29/06/2023 to 31/12/2023
MR. DILLIP RAJAKARIER	Proprietary Director	From 01/01/2023 to 31/12/2023
MR. STEPHEN ANDREW CHOJNACKI	Proprietary Director	From 01/01/2023 to 31/12/2023
MR. WILLIAM ELLWOOD HEINECKE	Proprietary Director	From 01/01/2023 to 31/12/2023
MR. KOSIN CHANTIKUL	Proprietary Director	From 01/01/2023 to 31/12/2023
MR. JOSÉ MARÍA CANTERO DE MONTES-JOVELLAR	Independent Director	From 01/01/2023 to 29/06/2023
MR. FERNANDO LACADENA AZPEITIA	Independent Director	From 01/01/2023 to 29/06/2023
MRS. LAIA LAHOZ MALPARTIDA	Executive Director	From 01/01/2023 to 31/12/2023

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

a) Remuneration of the company, object of this report

i) Remuneration accruing in cash (in thousands of euros)

Name	Fixed Remuneration	Fees	Remuneration for membership of Board's Committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance payment	Other items	Total in 2023	Total in 2022
Mr. Ramón Aragonés Marín	735	-	-	-	594	828	-	16	2,173	1,290
Mr. Rufino Pérez Fernández	420	-	-	-	221	335	-	3	979	626
Mrs. Laia Lahoz Malpartida	368	-	-	-	199	269	-	10	846	276
Mrs. Miriam Gonzalez-Amezqueta Lopez	45	-	-	-	-	-	-	-	45	-
Mrs. María Segimón de Manzanos	45	-	-	-	-	-	-	-	45	-
Mr. Tomás López Fernebrand	25	6	-	-	-	-	-	-	31	-
Mr. Alfredo Fernández Agras	99	-	-	-	-	-	-	-	99	200
Mr. Fernando Lacadena Azpeitia	45	-	-	-	-	-	-	-	45	90
Mr. José María Cantero de Montes-Jovellar	45	-	-	-	-	-	-	-	45	90
Mr. Emmanuel Jude Dillip Rajakarier	-	-	-	-	-	-	-	-	-	-
Mr. Stephen Andrew Chojnacki	-	-	-	-	-	-	-	-	-	-
Mr. William Ellwood Heinecke	-	-	-	-	-	-	-	-	-	-
Mr. Kosin Chantikul	-	-	-	-	-	-	-	-	-	-

Remarks:

The Proprietary Directors representing the shareholder Minor International PLC have waived receiving remuneration.

Ms. Laia Lahoz' remuneration in 2022 is only recorded since her appointment as Executive Officer.

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

Name	Name of plan	Financial instruments at start of 2023		Financial instruments granted in 2023		Financial instruments vested during the year				Instrument matured but not exercised	Financial Instruments at end 2023	
		No. of instruments	No. of Shares	No. of instruments	No. of equivalent Shares	No. of instruments	No. of equivalent Shares / vested shares	Price of vested shares	Gross profit from shares awarded or vested financial instruments (in thousands of €)	No. of instruments	No. of instruments	No. of equivalent Shares
-	-	-	-	-	-	-	-	-	-	-	-	-

Remarks:

No award of shared-based remuneration was granted or accrued in 2023 nor is any planned for 2024.

iii) Long-term saving schemes

Name	Remuneration by vesting savings scheme rights								Year 2022
	Year 2023				Year 2022				
-	-	-	-	-	-	-	-	-	-

Name	Contribution by the company during the year (in thousands of €)				Amount of accumulated funds (in thousands of €)			
	Vested economic savings scheme rights		Non-vested economic savings scheme rights		Vested economic savings scheme rights		Non-vested economic savings scheme rights	
	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022
-	-	-	-	-	-	-	-	-

Remarks

In 2023, the Company did not undertake any commitment or obligation related to pensions, retirement or similar items.

iv) Details of other items

Name	Item	Amount of Remuneration
Mr. Ramón Aragonés Marín	Premiums of Life and Accident Insurance Policy	11
Mr. Rufino Pérez Fernández	Premiums of Life and Accident Insurance Policy	2
Mrs. Laia Lahoz Malpartida	Premiums of Life and Accident Insurance Policy	1
Mrs. Miriam Gonzalez-Amezqueta Lopez		
Mrs. María Segimón de Manzanos		
Mr. Tomás López Fernebrand		
Mr. Alfredo Fernández Agras	-	-
Mr. Fernando Lacadena Azpeitia	-	-
Mr. José María Cantero de Montes-Jovellar	-	-
Mr. Emmanuel Jude Dillip Rajakarier	-	-
Mr. Stephen Andrew Chojnacki	-	-
Mr. William Ellwood Heinecke	-	-
Mr. Kosin Chantikul	-	-

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

i) Remuneration in cash (thousands of euros)

Name	Fixed remuneration	Per diem expenses	Remuneration for membership of Board's Committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance Pay	Other items	Total in 2023	Total in 2022
-	-	-	-	-	-	-	-	-	-	-

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

		Financial instruments start of 2023		Financial items awarded in 2023		Financial instruments vested during the year					Instruments measured but not exercised	Financial instruments at end of 2022	
Name	Name of Plan	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	Price of the vested shares	Gross profit from shares awarded or vested financial instruments (in thousands of €)		No. of instruments	No. of instruments	No. of equivalent shares
-	-	-	-	-	-	-	-	-	-	-	-	-	-

iii) Long term saving schemes

Remuneration by vesting savings scheme rights									
Name	Year 2023					Year 2022			
-	-					-			
	Contribution by the company during the year (in thousand of €)					Amount of accumulated funds (in thousands of €)			
	Vested economic savings scheme rights		Non-vested economic savings scheme rights		Vested economic savings scheme rights		Non-vested economic savings scheme rights		
Name	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022	
-	-	-	-	-	-	-	-	-	-

iv) Detail of other items

Name	Item	Amount of Remuneration
-	-	-

c) Summary of remuneration (thousands of euros):

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

Name	Remuneration accrued in the Company					Remuneration accrued in Group companies					
	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration for savings systems	Other items of remuneration	Total FY2023 company	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration for savings systems	Other items of remuneration	Total FY2023 company	Total FY2023 company + Group
Mr. Ramón Aragonés Marín	2,173	-	-	11	2,184	-	-	-	-	-	2,184
Mr. Rufino Pérez Fernández	979	-	-	2	981	-	-	-	-	-	981
Mrs. Laia Lahoz Malpartida	846	-	-	1	847	-	-	-	-	-	847
Mrs. Miriam Gonzalez-Amezqueta Lopez	45	-	-	-	45	-	-	-	-	-	45
Mrs. María Segimón de Manzanos	45	-	-	-	45	-	-	-	-	-	45
Mr. Tomás López Fernebrand	31	-	-	-	31	-	-	-	-	-	31
Mr. Alfredo Fernández Agras	99	-	-	-	99	-	-	-	-	-	99
Mr. Fernando Lacadena Azpeitia	45	-	-	-	45	-	-	-	-	-	45
Mr. José María Cantero de Montes-Jovellar	45	-	-	-	45	-	-	-	-	-	45
Mr. Emmanuel Jude Dillip Rajakarier	-	-	-	-	-	-	-	-	-	-	-
Mr. Stephen Andrew Chojnacki	-	-	-	-	-	-	-	-	-	-	-
Mr. William Ellwood Heinecke	-	-	-	-	-	-	-	-	-	-	-
Mr. Kosin Chantikul	-	-	-	-	-	-	-	-	-	-	-
TOTAL	4,308	-	-	14	4,322	-	-	-	-	-	4,322

Remarks:

The Proprietary Directors representing the shareholder Minor International PLC have waived receiving remuneration.

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

	Total amounts accrued and % annual variation								
	Year 2023	% Variation 2023/2022	Year 2022	% Variation 2022/2021	Year 2021	% Variation 2021/2020	Year 2020	% Variation 2020/2019	Year 2019
Executive Directors									
Mr. Rufino Pérez Fernández	981	56.21	628	44.68	434	176.43	157	-	-
Mr. Ramón Aragonés Marín	2,184	67.98	1,300	56.63	830	20.46	689	-54.28	1,507.00
Mrs. Laia Lahoz Malpartida	847	205.55	277	-	-	-	-	-	-
External Directors									
Mrs. Miriam Gonzalez-Amezqueta Lopez	45	-	-	-	-	-	-	-	-
Mrs. María Segimón de Manzanos	45	-	-	-	-	-	-	-	-
Mr. Tomás López Fernebrand	31	-	-	-	-	-	-	-	-
Mr. Alfredo Fernández Agras	99	-50.50	200	30.43	153	31.05	117	-59.38	288
Mr. José María Cantero de Montes Jovellar	45	-50.00	90	27.12	71	26.43	56	-55.56	126
Mr. Fernando Lacadena Azpeitia	45	-50.00	90	28.57	70	32.08	53	-59.23	130
Mr. Emmanuel Jude Dillip Rajakarier	0	-	0	-	0	-	0	-	0
Mr. Stephen Andrew Chojnacki	0	-	0	-	0	-	0	-	0
Mr. William Ellwood Heinecke	0	-	0	-	0	-	0	-	0
Mr. Kosin Chantikul	0	-	0	-	0	-	0	-	0
Company consolidated results	203,161	30.56	155,610	2.07	-145,257	71.82	-515,489	-	131,419
Average employee remuneration	34	5.43	33	50.75	22	13.67	19	40.03	32

Remarks:

- Mr. William Ellwood Heinecke, Mr. Emmanuel Jude Dillip Rajakarier, Mr. Stephen Andrew Chojnacki and Mr. Kosin Chantikul: The Proprietary Directors representing the shareholder Minor International PLC waived receiving remuneration.
- Calculations: In order to calculate the employees' average remuneration, the average workforce and the amount specified in "Wages, salaries and similar", "Severance Pay", "Contributions to pension plans and similar" and "Other social expenses" in section 24.3 "Staff expenses" have been used (excluding social charges) of the Autonomous Communities.
- % variation 2023/2022:
 - Regarding Mr. Rufino Pérez Fernández, Mr. Ramón Aragonés Marín and Mr. Laia Lahoz Malpartida, total amount accrued includes vested amounts as part of the 2023-2023 biennial incentive.
 - Mrs. Lahia Lahoz's total amount accrued in 2022 is only recorded since his appointment as Executive Officer in June 2022.
 - Regarding Mr. Alfredo Fernández, Mr. Jose María Cantero and Mr. Fernando Lacadena, total amount accrued is only recorded until their leave in June 2023.
 - Regarding Mrs. Miriam Gonzalez-Amezqueta Lopez, Mrs. María Segimón de Manzanos and Mr. Tomás López Fernebrand, total amount is only recorded since his appointment as Executive Officer in June 2023.

D. OTHER INFORMATION OF INTEREST

If there are any relevant issues related to the Directors' remuneration that you have not been able to explain in the previous sections of this report but that are necessary to provide more comprehensive information with full grounds for the company's remuneration structure and practices regarding its Directors, please list them briefly.

This annual remuneration report was approved at the company's Board of Directors' Meeting held on 08/02/2024.

State whether any Director has voted against or abstained from approving this report.

☐ Yes

☒ No