

ANNUAL REPORT OF THE AUDIT AND CONTROL COMMITTEE OF MINOR HOTELS EUROPE & AMERICAS, S.A., FOR THE YEAR 2024

1. Introduction

The Audit and Control Committee of MINOR HOTELS EUROPE & AMERICAS, S.A. ("MHEA") issues this report on the operation and fulfillment of its duties during fiscal year 2024 (hereinafter, the "Report").

The purpose of the Report is to report on the activity carried out by this Committee to the Board of Directors in accordance with the provisions of Recommendation 6 of the Good Governance Code of Listed Companies, approved by Resolution of the CNMV Board on February 18, 2015 (and revised in June 2020).

The composition, competences and operation of the Audit and Control Committee is regulated in Articles 48 of the Bylaws and 25 of the Board Regulations, modified by virtue of a resolution of the MHEA General Shareholders' Meeting held on June 30, 2021, and in the MHEA Board of Directors' meeting held on December 22, 2020, in order to adapt the provisions regarding the composition and competences of this Committee to Law 5/2021, of April 12, amending the revised text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of July 2, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies and to adapt its content to the best practices of good corporate governance.

2. Composition of the Audit and Control Committee

As of December 31, 2024, the Audit and Control Committee was composed of the following 3 members, as well as its non-member Secretary.

President: Ms. Miriam González-Amézqueta López (Independent)

Members: D. Stephen Andrew Chojnacki (Proprietary)

D. Tomás López Fernebrand (Independent)

Secretary: D. Carlos Ulecia Palacios

The Audit and Control Committee shall be formed by a minimum of three and a maximum of six Board Members appointed by the Board of Directors and all the members of said Committee must be non Executive Board Members, the majority of which, at least, must be Independent Board Members.

The members of the Audit and Control Committee as a whole, and especially its Chair, have been appointed taking into account their knowledge and experience in accounting, auditing and risk management, both financial and non-financial.

The Chair shall be appointed from among the Independent Board Members and shall be replaced every four years, and may be re-elected after a period of one year has elapsed since her resignation.

3. Competencies

The Audit and Control Committee's main function is to support the Board of Directors in its oversight and control functions, the most important of which is to ensure the effectiveness of the Company's internal control and to supervise the process of preparing and presenting regulated and non-financial information.

In compliance with the provisions of Recommendation 42 of the Unified Code of Good Governance, amended on June 26, 2020 and duly included in Article 25 of the MHEA Board Regulations and Article 48 of the MHEA Bylaws, the Audit and Control Committee has been assigned, as a minimum, the following competencies:

1. To report to the General Meeting on matters arising within its competence.
2. To supervise the effectiveness of the Company's internal control, internal audit, if any, and risk management systems, including tax risks, as well as to discuss with the auditors or audit firms any significant weaknesses in the internal control system detected in the course of the audit.
3. Supervise and evaluate the preparation process and the integrity of financial and non-financial information, as well as the control and management systems for financial and non-financial risks relating to the company and, where appropriate, to the group - including operational, technological, legal, social, environmental, political, reputational and corruption-related risks - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
4. To submit to the Board of Directors proposals for the selection, appointment, reappointment and replacement of the external auditor, as well as the terms and conditions of his engagement, and to obtain regular information from him on the audit plan and its execution, in addition to preserving his independence in the performance of his duties.
5. In relation to the external auditor:
 - 5.1. To establish appropriate relations with the auditors or audit firms in order to receive information on those matters that may jeopardize their independence, for examination by the Committee, and any other matters related to the process of auditing the accounts, as well as any other communications provided for in the legislation on auditing of accounts and in the auditing standards. In any case, they must receive annually from the auditors or audit firms written confirmation of their independence from the entity or entities directly or indirectly related to it, as well as information on additional services of any kind rendered and the corresponding fees received from these entities by the aforementioned auditors or firms, or by the persons or entities related to them in accordance with the provisions of the legislation on auditing of accounts.

- 5.2 To issue annually, prior to the issuance of the audit report, a report expressing an opinion on the independence of the auditors or audit firms. This report shall contain, in any case, an assessment of the provision of the additional services referred to in the preceding paragraph, individually considered and as a whole, other than the statutory audit and in relation to the independence regime or the regulatory audit regulations.
- 5.3 In the event of resignation of the external auditor, examine the circumstances leading to such resignation.
- 5.4 Ensure that the external auditor's remuneration for its work does not compromise its quality or independence.
- 5.5 Supervise that the company notifies the CNMV of the change of auditor and accompanies it with a statement on the possible existence of disagreements with the outgoing auditor and, if any, their content.
- 5.6 Ensure that the external auditor holds an annual meeting with the full board of directors to report on the work performed and on the evolution of the company's accounting and risk situation.
- 5.7 Ensure that the company and the external auditor comply with current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and, in general, other regulations on auditor independence.
6. Report, in advance, to the Board of Directors on all matters provided for in the Law, the Articles of Association and the Board Regulations and, in particular, on:
1. the financial information that the company must periodically disclose to the public,
 2. the creation or acquisition of shares in special purpose entities or entities domiciled in countries or territories considered tax havens, and
 3. transactions with related parties.
7. Ensure the independence and effectiveness of the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the budget for the internal audit service; approve or propose approval to the Board of the internal audit orientation and annual work plan, ensuring that the activity is focused primarily on relevant risks (including reputational risks), receive regular information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.
8. Establish and supervise a mechanism that allows employees and other persons related to the company, such as board members, shareholders, suppliers, contractors or subcontractors, to confidentially report any irregularities of potential importance, including financial, accounting or any other type related to the company that they may notice within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which communications may be made anonymously (according to local legislation), respecting the rights of the whistleblower and the reported party.

9. To ensure in general that the policies and systems established for internal control are effectively applied in practice To supervise compliance and internal codes of conduct, as well as the rules of corporate governance.

4. Functioning

The Audit and Control Committee shall meet at least once a quarter and as often as appropriate, when convened by its Chair, by her own decision or in response to the request of two of its members or of the Board of Directors.

The Audit and Control Committee may require the attendance at its meetings of any employee or officer of the Company, as well as the Company's Auditor.

Through its Chair the Audit and Control Committee shall report to the Board on its activity and the work performed, at the meetings scheduled for this purpose, or at the meeting immediately following when the Chairperson of the Audit and Control Committee deems it necessary. The Minutes of its meetings shall be available to any member of the Board who requests them.

The Audit and Control Committee held 6 meetings during fiscal year 2024.

Likewise, the meetings of the Audit and Control Committee may be attended occasionally by Directors who are not members of the Committee or MHEA executives, upon invitation by the Chairman of the Committee. This took place at the meeting of the Audit and Control Committee held on September 18, 2024, at which the Board Member Ms. María Segimon de Manzanos attended the meeting at the invitation of its Chairwoman, Ms. Miriam González-Amézqueta López.

5. Relations with External Auditors

MINOR HOTELS EUROPE & AMERICAS, S.A. has been audited since 1986 by companies of recognized prestige. The period 1986-1992 was covered by Peat Marwick, and in the period 1993-2001 by Arthur Andersen. From the 2002 financial year to the 2018 financial year (inclusive) the audit has been carried out by Deloitte. On the occasion of the General Shareholders' Meeting held on May 13, 2019, PricewaterhouseCoopers Auditores, S.L. was appointed as the new Auditor of the Company and its consolidated group for the fiscal years 2019, 2020 and 2021. The appointment was made in compliance with the provisions of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements for the statutory audit of public interest entities, the Audit and Control Committee having submitted its recommendation to the Board of Directors regarding the appointment of Statutory Auditor under the terms provided for in Article 16.5 of the aforementioned Regulation. The Shareholders' Meeting held on June 30, 2022 approved the reappointment of PricewaterhouseCoopers Auditores, S.L. as the Company's Statutory Auditor for a period of 3 years, beginning with the fiscal year ended December 31, 2022.

During fiscal years 2024 and 2023, fees for auditing and other services rendered by the auditor of the Group's consolidated financial statements, as well as fees for services billed by entities related to the Group by control, common ownership or management were as follows:

	Miles de Euros	
	2024	2023
Audit services	803	704
Other verification services	411	251
Total audit and related services	1.214	955
Other services	357	392
Total other services	357	392
Total professional services	1.571	1.347

In addition, entities related to the international network of the auditor of the consolidated financial statements have billed the Group for the following services:

	Miles de Euros	
	2024	2023
Audit services	1.163	992
Other verification services	258	260
Total Audit and related services	1.421	1.252
Tax advice services	38	37
Other services	13	134
Total other services	51	171
Total	1.472	1.423

6. Content and results of the work of the Audit Committee during fiscal year 2024

The Audit Committee held 6 meetings during fiscal year 2024 in which it dealt with the following matters:

- Analysis, evaluation and supervision, together with the external auditors, of the Financial Statements and Annual Report for fiscal year 2023, verifying that their audit opinion has been issued under conditions of absolute independence.
- Review of the information on those issues that may jeopardize the independence of the auditors. Issuance of a report on the independence of the auditors.
- Review of the periodic public financial information for 2024 prior to its analysis and approval by the Board of Directors in order to ensure that it is reliable, transparent and prepared by applying homogeneous accounting principles and criteria.
- Supervision of the preparation and integrity of Consolidated Non-financial information Statement - Sustainability Information.

- e) Approval of the External Auditor's fees for audit and non-audit services, fiscal year 2024.
- f) Review, approval and follow-up of the Annual Internal Audit Plan for fiscal year 2024, and its budget.
- g) Follow-up of the most relevant works carried out by the Internal Audit department.
- h) Supervision and validation of the 2025 MHEA's Risk Map Update and selective monitoring of controls and action plans for the most relevant risks.
- i) Supervision of the Internal Control over Financial Reporting System (ICFR).
- j) Examination of the Annual Report on Corporate Governance, prior to its submission to the Board of Directors for its study and approval, with special emphasis on the analysis of the record of situations of directors and executives (membership in other administrative bodies, procedural vicissitudes, related-party transactions, etc.).
- k) Analysis and validation of (i) the Company's tax organization, (ii) determination of the tax policy and (iii) certain corporate restructuring operations.
- l) Summary of compliance activities.
- m) Approval of MHEA's internal control procedure.
- n) Review and prior approval of non-audit services provided by external auditors, ensuring that the requested services are not on the list of prohibited services, and analyzing possible threats to the independence of the external auditor and possible safeguards.
- o) Information to the general shareholders' meeting on the result of the audit, explaining how the audit has contributed to the integrity of the financial information and the role that the committee has played in this process.
- p) Analysis and considerations of the valuation report of the Company issued by EY, at the request of the majority shareholder, regarding the range of the value of the Company's shares on the occasion of the Offer presented by MHG and its delisting from the Stock Exchange. Analysis and considerations of the valuation report of the Company issued by Bank of America, at the request of the Board of Directors.

7. Analysis of related party transactions

During fiscal year 2024, the Audit and Control Committee has had the opportunity to analyze the following transactions with related parties:

- Novation of the Licence Agreement (License and Hotel Services Agreement) signed between Minor Hotels Europe & Americas, S.A. and MHG IP Holding (Singapore) Pte Ltd on 7 February 2019, on the following terms:
 - o To include, in favour of MHEA as licensee, The Wolseley brand as a licensed brand.
 - o To reciprocally extend the licensed brands for the purpose of commercialization of Branded Residences, for hotel or residential use.

- To reciprocally include that in the event of termination of the License and Hotel Services Agreement, the rights granted by the licensee for hotels operated by third parties shall survive.
- Contract signed between COPERAMA HOLDING, S.L.U. and THE WOLSELEY HOSPITALITY GROUP LIMITED for the affiliation of the latter in the platform that manages purchases (Coperama).
- Share purchase agreement between MHG Continental Holding (Singapore) Pte. LTD, a company wholly owned by Minor, and Minor Hotels Europe & Americas, S.A. for the purchase of 100% of the share capital of Minor Continental Holding (Luxembourg) II S.à r.l., which in turn holds 99.99% of the share capital and voting rights of the Brazilian company Pojuca, S.A., which in turn holds the ownership or the lease or hotel services contract of the properties where the following hotel assets of the Minor Group in Brazil are located.

Hotel	Marca	Régimen de titularidad o explotación	Núm. de habitaciones
Ecoresort Praia do Forte	Tivoli	Propiedad	291
Mofarrej São Paulo Hotel	Tivoli	Contrato de arrendamiento hasta 2065	218
Curitiba The Five	NH	Contrato de servicios hoteleros prorrogable anualmente	178
Feira de Santana	NH	Contrato de servicios hoteleros hasta 2044, prorrogable hasta 2049	112

The suscription of all Related Party's Transactions has always been carried out in strict compliance with the rules established in the applicable regulations and the Procedure for Conflicts of Interest and Related Transactions with Significant Shareholders, Directors and Senior Management of Minor Hotels Europe & Americas, S.A., the latest update of which was approved by the Board of Directors on November 11, 2021.

All the aforementioned transactions entered into with Minor (and/or its group of companies) have always had the prior report of the Audit and Control Committee, have been signed under market conditions, and in compliance with the provisions of the Framework Agreement signed between the parties on February 7, 2019, which regulates, among others, the scope of action of the respective hotel groups headed by MHEA and Minor, through the identification of preferential areas or geographical zones, the necessary mechanisms to prevent and respond to possible conflicts of interest, as well as for the performance of transactions with related parties and the development of business opportunities. The aforementioned Framework Agreement was duly communicated to the Market and is published in full on the Company's website.

During the meetings of the Board of Directors and the Audit and Control Committee that dealt with matters related to Minor, the Proprietary Board Members were absent from the meeting when dealing with such matters, and consequently did not participate in the debate or in the adoption of the corresponding resolution.

Additionally, and when the related transaction so requires, the Company informs the market of the details of the transaction, as was done through the communication sent to the CNMV on September 19, 2024, describing in detail the transaction entered into with Minor in relation to the transaction in Brazil, whose review, study and approval has scrupulously complied with the rules of good governance.

8. Priorities for fiscal year 2025

Independently of the customary tasks required by general and MHEA regulations in relation to the financial information to be transferred to the market and the supervision of the independence of the external auditors, the Audit and Control Committee has reviewed and approved the Internal Audit Department's work plan for 2025, which includes the following priorities:

1. Operational and financial audits of the Company's key processes and relevant hotels in person and remotely with the use of massive data processing tools ("Goldeneye").

Supervision of the adequate implementation of internal processes and controls that contribute to partially mitigate the main risks included in the Risk Map and to guarantee the achievement of the objectives included in the strategic lines approved by the Board of Directors.

2. Follow-up of the incidents detected in the audits carried out in previous years and of the execution of the action plans prepared by the different Departments and Business Units.
3. In the exercise of the Risk Management function, the updating of the Risk Map and the collaboration with the other second line Departments so that the Company benefits from a combined Assurance.
4. In the exercise of the Fraud prevention/detection and investigation function: (i) management of the Minor Hotels Europe & Americas Complaints Channel, and (ii) identification and investigation of possible breaches of the principles contained in the Code of Conduct and/or of possible fraudulent acts.

As a conclusion to this Report, it should be noted that in order to carry out the aforementioned work, this Committee has had access, whenever it has considered it useful, to all those external professionals (auditors, experts or consultants) or members of the Economic-Financial, Legal and Internal Audit departments and direct contact with the External Auditor that it has deemed necessary.

In Madrid, on February 13, 2025