

**ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES**

**IDENTIFICATION DETAILS OF ISSUER**

FISCAL YEAR ENDING	31/03/2018
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CORPORATE NAME
eDreams ODIGEO, S.A.

REGISTERED OFFICES:
1, Boulevard de la Foire, L-1528 Luxembourg Grand Duchy of Luxembourg, R.C.S. Luxembourg: B 159.036

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

### A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.1. Explain the company's remuneration policy. This section will include information regarding:

- General principles and foundations of the remuneration policy.
- Most significant changes made to the remuneration policy from the policy applied during the prior financial year, as well as changes made during the financial year to the terms for exercising options already granted.
- Standards used to establish the company's remuneration policy.
- Relative significance of the variable items of remuneration as compared to fixed items and standards used to determine the various components of the director remuneration package (remuneration mix).

#### Explain the remuneration policy

A.1.1. General Principles and foundations of the remuneration policy.

The *Director Remuneration Policy* seeks to ensure adequate remuneration commensurate with the dedication and responsibility assumed, and in accordance with the remuneration paid on the market at comparable domestic and international companies, taking into account the long-term interest of all of the shareholders.

In particular, with respect to Executive Directors, the guiding principle is to offer remuneration systems that make it possible to attract, retain, and motivate the most outstanding professionals in order to enable the Company and the Group to attain their strategic objectives within the increasingly competitive and internationalized context in which they operate. Accordingly, in connection with Executive Directors, the *Director Remuneration Policy* seeks to:

- a) Ensure that the remuneration, in terms of structure and total amount, is in line with best practices, as well as competitive, vis-à-vis that of comparable entities at the domestic and international level, taking into account the situation of the regions in which the Group operates. In the past the Company has engaged the services of an external consultant Willis Towers Watson to provide expert advice.
- b) Establish the remuneration, in accordance with objective standards, based on individual performance and on the achievement of the business objectives of the Company and the Group.
- c) Include a significant annual/multi-annual variable component tied to performance and to the achievement of specific, pre-established, quantifiable objectives in line with the corporate interest and strategic goals of the Company, and generating a motivating effect that acts as a driving force to ensure the loyalty and retention of the best professionals. The aforementioned should be understood to be without prejudice to the possibility of considering other objectives, especially in the area of corporate governance and corporate social responsibility.
- d) Set appropriate maximum limits to any short-term or long-term variable remuneration, and establish suitable mechanisms to reconsider the implementation and payment of any deferred variable remuneration when a reformulation occurs that has a negative effect on the Company's consolidated annual accounts, including the potential total or partial cancellation of the payment of deferred variable remuneration if there is a reformulation of the annual accounts or a correction of non-financial dimensions or parameters upon which such remuneration was based.

Without prejudice to all of the aforementioned, the *Director Remuneration Policy* may be adjusted to the prevailing economic situation.

A.1.2. Most significant changes made to the remuneration policy from the policy applied during the prior financial year, as well as changes made during the financial year to the terms for exercising options already granted.

At the date of publication of this report, the elements and characteristics of the remuneration policy for fiscal year ended 31<sup>st</sup> March 2018 are the same as those applied in FY2017.

A.1.3. Standards used to establish the company's remuneration policy.

The remuneration system applicable to the Board of Directors of eDreams ODIGEO, as well as the process for preparation thereof, are established in the Articles of Associations (article 10.13) and in the Internal Rules of Procedure of the Board of Directors (article 12).

The members of the Board of Directors are entitled to remuneration, decided in aggregate by the Shareholders' Meeting. The aggregate remuneration shall be divided among the Directors in such proportions as the Board of Directors decides or, if no decision is made, equally. The Board of Directors may grant additional remuneration within the limits of any budget approved by the Shareholders' Meeting to Directors who are in charge of specific duties or missions within their mandate as members of the Board of Directors.

The Remuneration and Nomination Committee shall assist the Board of Directors with this task.

Directors' remuneration paid by means of delivery of shares in the Company or companies of the Group, share options or instruments indexed to the price of the shares, and variable remuneration linked to the Company's performance or pension schemes shall be only confined to Executive Directors, senior officers and other employees.

The remuneration of External Directors shall be such as is necessary to compensate them for the dedication, qualifications, and responsibility required by their position, but is not so high as to compromise their independence.

The remuneration linked to Company earnings shall take into account any qualifications included in the external audit report that reduce such earnings.

In the case of variable remuneration, such remuneration shall intend to reflect the professional performance of the beneficiaries thereof.

A Director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as Director including expenses incurred in attending meetings of the Board of Directors or of committees of the Board of Directors or Shareholders' meetings or separate meetings of the holders of debentures, if any. Subject to the 1915 Law, the Board of Directors shall have the power to make arrangements to provide a Director with funds to meet such expenditure. A Director who, at the request of the Board of Directors, resides abroad, makes a special journey or performs a special service on behalf of the Company may be paid such reasonable additional expenses as the Board of Directors may decide.

A.1.4. Relative significance of the variable items of remuneration as compared to fixed items and standards used to determine the various components of the director remuneration package (remuneration mix).

**Executive Directors:** The Executive Directors receive an annual base salary, payable monthly, for the performance of executive duties at the Company. The purpose of this element is to reflect the market value of the role, attract talent and reward skills and experience. The total remuneration of the Executive Directors is made up of various components, primarily consisting of: (i) base salary (ii) short-term variable remuneration (bonus); (iii) and Long Term Incentive Plan; The Executive Directors are not paid a fee for their service on the Board of Directors.

**Independent Directors:** Independent Directors are remunerated with respect to their effective dedication, qualification and responsibility, without constituting an impediment to their independence. Along these lines, the remuneration of the independent Directors consists primarily of a fixed fee (as described in Section A.3.), they are not entitled to incentive plans.

**Proprietary Directors:** Proprietary Directors, candidates put forward by a Principal Shareholder Group, are not paid a fee for their service on the Board of Directors or on the Committees.

A.2. Information regarding preparatory work and the decision-making process followed to determine the remuneration policy, and any role played by the remuneration committee and other control bodies in the configuration of the remuneration policy. This information shall include any mandate given to the remuneration committee, the composition thereof, and the identity of external advisers whose services have been used to determine the remuneration policy. There shall also be a statement of the nature of any directors who have participated in the determination of the remuneration policy.

Explain the process for determining the remuneration policy

#### **A.2.1 Preparatory work and decision making**

As provided for in the By-Laws and in the internal regulations of eDreams ODIGEO, the Board of Directors, upon a proposal of the Remuneration Committee, is the body with power to set the remuneration of Directors.

eDreams ODIGEO's Board of Directors formulates the Company's Director Remuneration Policy, which forms part of the Corporate Governance system. Said Director Remuneration Policy, implements, among other things, the structure for the remuneration of the Directors for their activities and the structure of the Executive Directors' remuneration for the performance of their executive duties.

When proposing the policy for executive remuneration to the Board of Directors, the Committee is mindful of the pay and employment conditions of employees as a whole, in particular when considering the level of any increase in the annual salary review for the CEO.

In the selection of performance measures the Committee takes into account the group's strategic objectives and short- and long-term business goals. Targets related to internal financial metrics (such as EBITDA) are normally set in accordance with the group's budget for the annual bonus and long-term incentive plan. For all performance measures, the threshold level of performance reflects the minimum acceptable outcome, and the maximum level of performance represents a very demanding but achievable outcome.

At the end of the performance period the Committee may review performance against targets, using its judgment to account for items such as (but not limited to) mergers, acquisitions, disposals, foreign exchange rate movements, changes in accounting treatment, material one-off tax

settlements etc. The application of judgment is important to ensure that the final assessments of performance are appropriate and fair.

The reason for any adjustment will be disclosed in the minutes of the Remuneration and Nomination Committee for the relevant year.

The main issues discussed during the meetings held by the Committee in Fiscal year 2018 are included in the 2018 Annual Activity Report of the Remuneration and Nomination Committee.

#### **A2.2. Remuneration and Nomination Committee: Mandate**

The Remuneration and Nomination Committee, the duties of which are established in article 12.7 of the By-Laws and article 10.5 of the Internal Rules of Procedure of the Board of Directors, plays a key role in the determination of eDreams ODIGEO Group's remuneration policy and in the development and implementation of its components. Its mandate in the area of remuneration consists in particular to make proposals of the appointment and/or removal of Directors, to review the remuneration policy of the Company, and as the Board of Directors deems fit, to make proposals, together with the CEO, as to the individual remuneration of Directors and to advise on any benefit or incentive schemes. The CEO is excluded from all deliberations on Executive Pay for himself.

#### **A2.3. Remuneration and Nomination Committee: Composition**

Pursuant to article 10.4 of the Internal Rules of Procedure of the Board of Directors, the Remuneration and Nomination Committee shall comprise of at least three (3) members to initially include (i) one (1) Director nominated for appointment to the Board of Directors by the Luxgoal 3 Group or Ardian Group and (ii) two (2) independent Directors. The members of the Remuneration and Nomination Committee shall all be Non-Executive Directors, the majority of who shall be Independent Directors. The Chair of the Remuneration and Nomination Committee shall be selected from among its members and shall be an Independent Director.

The members of the Remuneration and Nomination Committee shall be designated by the Board of Directors.

All members of the Remuneration and Nomination Committee are Non-Executive Directors, two (2) of whom are Independent and the other one (1) Proprietary. All the Committee members have extensive experience and expertise in the duties to be performed. As of March 31, 2018, the composition of the Committee is as follows:

- Amanda Wills (External Independent Director), who was appointed as Chair on March, 14<sup>th</sup>, 2017, for a three year term, effective 1<sup>st</sup> April, 2017;
- Philip C. Wolf (External Independent Director).
- Lise Fauconnier (External Proprietary Director)

#### **A2.4 Remuneration and Nomination Committee: External Advisors**

The Committee may request the Board to engage legal, accounting or financial advisors or other experts at the Company's expense. During the fiscal year ended March 2018, the Committee engaged Russel Reynolds to perform a remuneration benchmarking exercise.

A.3. State the amount and nature of the fixed components, with a breakdown, if applicable, of remuneration for the performance by the executive directors of the duties of senior executives, of additional remuneration as chair or member of a committee of the board, of attendance fees for participation on the Board and the committees thereof or other fixed remuneration as director, and

an estimate of the annual fixed remuneration to which they give rise. Identify other benefits that are not paid in cash and the basic parameters upon which such benefits are provided.

Explain the fixed components of remuneration

### **Remuneration of the Members of our Board of Directors (for Board, Audit Committee and Remuneration and Nomination Committee duties)**

**Independent Directors** on the Board of Directors receive an annual fee based on attendance each year at a minimum of six (6) Board meetings plus associated committee meetings, with availability for up to ten (10) Board meetings. This fee also includes; attendance at the AGM, involvement in committee meetings, one annual Board away day each year, at least one Company site visit a year, meetings with the Non-Executive Directors, meetings with shareholders, meetings forming part of the Board evaluation process, and strategic update and training meetings. The remuneration shall be subject to periodic review by the Board. This fee covers all duties, including service on any Board Committee or Company subsidiary. This total compensation will be adjusted on a pro-rata basis in the event that their duties or number of meetings exceed the expectation. The aforementioned compensation includes a fixed supplementary fee for each Independent Director holding the role of Chair of the Board of Directors, the Audit Committee, the Remuneration and Nomination Committee, or Senior Director.

**Proprietary Directors** appointed from among candidates put forward by a Principal Shareholder Group are not paid a fee for their service on the Board of Directors, or any Committee.

#### **Executive Directors:**

Executive Directors receive annual fixed remuneration, payable monthly, for the performance of executive duties for the Company. This remuneration is approved by the Board, based on the proposal of the Remuneration and Nomination Committee. Remuneration levels are set taking into account the degree of responsibility and leadership within the organization, the promotion and retention of key professionals and the need to attract the best talent.

Annual gross fixed remuneration may be reviewed annually on the basis of criteria approved at any time by the Remuneration and Nomination Committee.

In certain situations, such as a change of responsibility, the development of the position and/ or special needs for retention and motivation, the Committee may decide to apply higher increases. The underlying reasons shall be explained in the Annual Report on Remuneration of the Directors.

Executive Directors are not entitled to attendance fees for the positions they hold on the Board of Directors or for the committees on which they sit.

The remuneration of the Executive members for the performance of executive duties consists of the following fixed and variable components:

- **a fixed base remuneration;**
- a variable annual bonus (short-term annual cash incentive) (described in section A.4)
- a long-term variable incentive plan (described in section A.4)

During the year ended at 31st March 2018, the annual fixed gross remuneration, for the two Executive Directors, that had served on the Board during the whole year was:

- Dana Philip Dunne: CEO and Executive Director from 1st April 2017 to 31st of March 2018.
  - Annual fixed gross remuneration in Euros: €678.098,92 (€651.540 (Base fixed annual salary) + € 26,557.92 (Home Allowance as part of fixed salary)), both payable in 12 monthly instalments.

Other Remuneration: None

- David Elizaga Corrales: CFO and Executive Director from 1<sup>st</sup> April 2017 to 31st of March 2018.
  - Annual fixed gross remuneration in Euros: €300.096,74 (Base fixed annual salary payable in 12 monthly instalments)
  - Other Remuneration: None

A.4 Explain the amount, nature and main features of the variable components of the remuneration systems. In particular:

- Identify each of the remuneration plans of which the directors are beneficiaries, the scope thereof, the date of approval thereof, the date of implementation thereof, the date of effectiveness thereof, and the main features thereof. In the case of share option plans and other financial instruments, the general features of the plan shall include information on the conditions for the exercise of such options or financial instruments for each plan.
- State any remuneration received under profit-sharing or bonus schemes, and the reason for the accrual thereof;
- Explain the fundamental parameters and rationale for any annual bonus plan.
- The classes of directors (executive directors, external proprietary directors, external independent directors or other external directors) that are beneficiaries of remuneration systems or plans that include variable remuneration.
- The rationale for such remuneration systems or plans, the chosen standards for evaluating performance, and the components and methods of evaluation to determine whether or not such evaluation standards have been met, and an estimate of the absolute amount of variable remuneration to which the current remuneration plan would give rise, based on the level of compliance with the assumption or goals used as the benchmark.
- If applicable, information shall be provided regarding any payment deferral periods that have been established and/or the periods for retaining shares or other financial instruments.

Explain the variable components of the remuneration systems

The remuneration policy provides that only the Executive Directors on the Board have items with a variable component, and these consist of:

- **a variable annual bonus (short-term annual cash incentive); and**
- **a long-term variable incentive plan**

#### **Variable Annual Cash Bonus**

The objective of this short-term annual cash incentive is to strengthen commitment to the Company, improve performance, and achieve targets in the shorter term. This variable remuneration shall be tied, for the most part, to the achievement of specific, pre-established objectives that are quantifiable and aligned with the corporate interest and with the strategic goals of the Company.

Following their guidelines, the performance conditions will be set by the Remuneration and Nomination Committee, after considering the relevant information provided by the Chief Executive Officer and may include criteria relating to the Company's financial performance, qualitative criteria relating to Company performance, individual qualitative performance and, for Executive Members and Direct Reports, common targets. In general, the larger the fixed remuneration of Executive Directors or of a member of the Senior Management Leadership Team, the higher the percentage of his/her variable cash bonus.

The Remuneration and Nomination Committee is responsible for reviewing and proposing these objectives to the Board at the beginning of each fiscal year and for evaluating compliance therewith, once ended. This assessment is performed on the basis of the audited results, which are analyzed, first, by the Audit Committee, as well as on the basis of the extent to which the objectives are met. Following this examination, the Remuneration and Nomination Committee prepares a bonus proposal that is submitted to the Board of Directors for approval.

The Company has different types of variable bonuses:

- i. Call Centre employee's monthly incentive plan linked to different criteria (number of calls taken, quality of the work, punctuality, etc.)
- ii. Manual fraud employee's incentive plan linked to different criteria (number of fraudulent bookings, new rules, etc.)
- iii. Sales related bonus plans based on a quarterly target and payout (for Media Service Sales staff ),
- iv. Standard ODIGEO bonus plan with yearly targets and an annual pay-out conditioned by achievement of minimum thresholds of defined targets.

Approximately 900 employees (which include the two Executive Directors) benefit from the ODIGEO bonus plan and 60 to 70 employees benefit from the sales plan. The Call Centre incentive plan is in place at our own contact centers.

For the two Executive Directors, the standard ODIGEO bonus plan is based on:

- **Company performance metrics:** weighted 90% of the overall bonus.  
There are 3 Company KPIs in the FY2018 Bonus Plan:
  - **Adjusted EBITDA:** weighted as 60% of the Company KPIs' components.
  - **Product Diversification Ratio:** weighted as 15% of the Company KPIs' component.
  - **Net Promoter Score (NPS):** weighted as 15% of the Company KPIs' component each
- **Individual performance: Weighted 10% of the overall bonus.**

The range of performance, set at the beginning of each fiscal year for the Company financial performance metrics (Group Adjusted EBITDA), includes a minimum threshold of a 96% achievement of the target below which no incentive is payable reaching up to a maximum



achievement level of 150%. The design intends to dis-incentivize underperformance and create relevant incentives for over-performance.

For the FY18 Group Annual Bonus, the 100% achievement target was Group Adjusted EBITDA was set at EUR116,3M (vs EUR107 M for FY17). Final achievement against this target was 103,26%

With regards to the fiscal year ended 31st March, 2018, the bonus payable at the end of June 2018 for Executive Directors will be:

- Dana P. Dunne: The final bonus for Dana is 430.884€, euros gross, which represented 64% of total fixed remuneration.
- David Elizaga Corrales: 172.326 euros gross which represented 57% of total fixed remuneration.

The annual bonus is paid entirely in cash.

### **Management Long-Term Variable Incentive Plan**

During the Fiscal Year ended as 31<sup>st</sup> March 2018, the Company had in place two long term incentive plans (1<sup>st</sup> LTI Plan which expired in November 2017, and 2<sup>nd</sup> LTI Plan, currently in place).

- **1<sup>st</sup> LTI Plan (expired in November 2017): Details of the LTIP (The plan was initially approved by the Board of Directors on April 2nd, 2014, amendments to the plan were approved in May 2016 by the Board of Directors as proposed by the Remuneration and Nomination Committee)**

#### **Structure**

The system established under the Plan consisted of granting the Beneficiaries the right to vest a given number of ODIGEO shares based on the conditions, payment terms and time periods set out in the Plan. The Rights did not have the status of shares for legal purposes until they vested, so they did not imply in any event the granting of any voting or economic rights in the shares.

#### **Duration and Tranches**

The 2016 PSR applied from May 4th, 2016 to December 31, 2017 and was divided into two tranches. The First Tranche Rights represented 65% of the Rights awarded under the Plan. The Second Tranche Rights represented the outstanding 35% of the Rights awarded under the Plan; with the following delivery calendar

##### **a) First Tranche:**

- i. 37.5% of the Incentive Shares corresponding to First Tranche Rights delivered on the date on which the financial results of the second quarter of fiscal year 2016-2017 were made public.
- ii. 37.5% of the Incentive Shares corresponding to First Tranche Rights delivered on the date on which the financial results of the third quarter of fiscal year 2016-2017 were made public.
- iii. 25% of the Incentive Shares corresponding to First Tranche Rights delivered on the date on which the year-end financial results of fiscal year 2016-2017 were made public.

##### **b) Second Tranche:**

- iv. 50% of the Incentive Shares corresponding to Second Tranche Rights delivered on the date on which the financial results of the first quarter of fiscal year 2017-2018 were made public.
- v. 50% of the Incentive Shares corresponding to Second Tranche Rights delivered on the date on which the financial results of the second quarter of fiscal year 2017-2018 were made public.

### **Allocation of Rights**

The allocation of the potential number of rights to the Beneficiaries was delegated by the Board of Directors to the CEO, with the exception of the allocation of Potential Rights to the executive members of the Board of Directors.

According to the Bylaws of the Company, the Board of Directors is authorized and empowered to issue rights to subscribe to shares in the form of a performance share plan, performance stock units, or similar instruments (the "PSR"), issue rights to subscribe to shares in the form of a restricted stock units or otherwise (the "RSU"), or issue any similar instruments, entitling their holders to subscribe for, upon their exercise of such PSRs and/or RSUs, new Board Issued Shares to be subscribed for by or on behalf of employees or the management of the Company and/or any entity in which the Company has a direct or indirect interest within the framework of any long-term incentive plan.

In the framework of such an incentive plan, the Board of Directors is empowered to allocate the existing shares of the Company without consideration or to issue new shares (the "Bonus Shares") paid up from available reserves (i) to employees of the Company or to certain classes of such employees, (ii) to employees of companies or economic interest groupings in which the Company holds directly or indirectly at least ten percent (10%) of the share capital or the voting rights, (iii) to employees of companies or economic interest groupings which hold directly or indirectly at least ten percent (10%) in the share capital or of the voting rights of the Company, (iv) employees of the companies or economic interest groupings in which at least fifty percent (50%) of the share capital or of the voting rights are held, directly or indirectly, by a company holding itself, directly or indirectly, at least fifty percent (50%) of the share capital of the Company and/or (v) to members of the corporate bodies of the Company or any of the other companies or economic interest groupings referred to under items (ii) to (iv) above. The Board of Directors sets the terms and conditions of the allocation of Bonus Shares to such persons, including the period for the final allocation and a minimum period during which such Bonus Shares cannot be transferred by their holders.

The Incentive Shares were delivered to the Beneficiaries at no cost to them.

### **Targets and metrics**

The specific financial targets required for the Rights to be granted, for each Tranche, were approved by the Board of Directors of the Company, at the proposal of the Remuneration and Nomination Committee (the "Remco") (following the proposal of the Company's CEO), and were the following:

- First Tranche:
  - Metrics for the First Tranche: adjusted EBITDA (Fiscal year 2016 of 95.1 million euros.)
  - 96% of rights granted were converted into shares taking into account the performance EBITDA target and the attrition ratio)
- Second Tranche curve:
  - Metrics for the Second Tranche: adjusted EBITDA less Capex (Fiscal year 2017 of 78.1 million euros, then 80% conversion of rights into shares.)
  - 73,5% of rights granted were converted into shares taking into account the performance EBITDA Less Capex target and the attrition ratio)

As of 31<sup>st</sup> March 2018, the total rights granted (4.197.143 rights) were valued at €13.32 million, which had been fully accrued as of 31<sup>st</sup> March 2018.

Senior Management has been granted with 2,589.740 rights since the beginning of the plan (of which 1,677,146 rights correspond to the two Executive Directors), to acquire a determined number of shares of the parent company eDreams ODIGEO at a zero subscription cost. The total rights granted to Senior Management were valued at €7,8million and had been fully accrued as of 31<sup>st</sup> March 2018.

During the fiscal year ended 31<sup>st</sup> March 2018, the two Executive Directors converted 721.592 rights into eDreams ODIGEO shares with a gross value of €2.293.980. At the end of the plan, 137.946 rights granted to the two Executive Directors had not been converted into shares because 100% of the performance target had not been reached.

- **2<sup>nd</sup> LTI Plan: Details of the LTIP 2016 (Approved in July 2016 by the Board of Directors as proposed by the Remuneration and Nomination Committee)**

### **Structure**

The system established under the Plan consists of granting to the Beneficiaries the right to vest a given number of ODIGEO shares (hereinafter, the "**Incentive Shares**") on the conditions, payment terms and time periods set out in this Plan.

The Rights do not have the status of shares for legal purposes, so they do not imply in any event the granting of any voting or economic rights in the shares.

The Rights solely constitute the right to receive the Incentive Shares of the Company at the relevant Delivery Date, provided that the Beneficiary is still engaged with the Company at the relevant Delivery Date.

### **Duration and Tranches**

The LTIP-2016 will apply from 13 September, 2016 (hereinafter, the "**Initial Date**") to the Third Tranche Third Delivery Date (as defined below) (hereinafter, the "**Final Date**") and will be divided into three tranches:

**a) The first tranche** (hereinafter, the "**First Tranche**") will go from the date on which the Beneficiaries are granted the First Tranche First Sub-Tranche Rights (as defined below) and the First Tranche Second Sub-Tranche Third Delivery Date (as defined below).

The First Tranche will be an extraordinary tranche since it will be split into two equal independent sub-tranches with separate performance targets and different Delivery Dates:

- 1/3 of the Incentive Shares corresponding to First Tranche First Sub-Tranche Rights will be delivered on the date on which the financial results of the first quarter of fiscal year 2018-2019 are made public (hereinafter, the "**First Tranche First Sub-Tranche First Delivery Date**").
- 1/3 of the Incentive Shares corresponding to First Tranche First Sub-Tranche Rights will be delivered on the date on which the financial results of the second quarter of fiscal year 2018-2019 are made public (hereinafter, the "**First Tranche First Sub- Tranche Second Delivery Date**").
- 1/3 of the Incentive Shares corresponding to First Tranche First Sub-Tranche Rights will be delivered on the date on which the financial results of the third quarter of fiscal year 2018-2019 are made public (hereinafter, the "**First Tranche First Sub-Tranche Third Delivery Date**").
- 1/3 of the Incentive Shares corresponding to First Tranche Second Sub-Tranche Rights will be delivered on the date on which the financial results of the first quarter of fiscal year 2019-2020 are made public (hereinafter, the "**First Tranche Second Sub- Tranche First Delivery Date**").

- 1/3 of the Incentive Shares corresponding to First Tranche Second Sub-Tranche Rights will be delivered on the date on which the financial results of the second quarter of fiscal year 2019-2020 are made public (**hereinafter, the "First Tranche Second Sub- Tranche Second Delivery Date"**).
- 1/3 of the Incentive Shares corresponding to First Tranche Second Sub-Tranche Rights will be delivered on the date on which the financial results of the third quarter of fiscal year 2019-2020 are made public (**hereinafter, the "First Tranche Second Sub- Tranche Third Delivery Date"**).

**b) The second tranche** (hereinafter, the **"Second Tranche"**) will go from the date on which the Beneficiaries are granted the Second Tranche Rights (as defined below) and the Second Tranche Third Delivery Date (as defined below).

- 1/3 of the Incentive Shares corresponding to Second Tranche Rights will be delivered on the date on which the financial results of the first quarter of fiscal year 2020-2021 are made public (hereinafter, the **"Second Tranche First Delivery Date"**).
- 1/3 of the Incentive Shares corresponding to Second Tranche Rights will be delivered on the date on which the financial results of the second quarter of fiscal year 2020- 2021 are made public (hereinafter, the **"Second Tranche Second Delivery Date"**).
- 1/3 of the Incentive Shares corresponding to Second Tranche Rights will be delivered on the date on which the financial results of the third quarter of fiscal year 2020-2021 are made public (hereinafter, the **"Second Tranche Third Delivery Date"**).

**c) The third tranche** (hereinafter, the **"Third Tranche"**) will go from the date on which the Beneficiaries are granted the Third Tranche Rights (as defined below) and the Third Tranche Third Delivery Date (as defined below).

- 1/3 of the Incentive Shares corresponding to Third Tranche Rights will be delivered on the date on which the financial results of the first quarter of fiscal year 2021-2022 are made public (hereinafter, the **"Third Tranche First Delivery Date"**).
- 1/3 of the Incentive Shares corresponding to Third Tranche Rights will be delivered on the date on which the financial results of the second quarter of fiscal year 2021-2022 are made public (hereinafter, the **"Third Tranche Second Delivery Date"**).
- 1/3 the Incentive Shares corresponding to Third Tranche Rights will be delivered on the date on which the financial results of the third quarter of fiscal year 2021-2022 are made public (hereinafter, the **"Third Tranche Third Delivery Date" or "Final Date"**).

#### **Date of Delivery of Rights**

Within 45 days following the public announcement of the financial results for each reporting quarter, and provided that the Beneficiary is currently employed or holds a management position in the Group during the Tranche each Beneficiary will be granted:

- (i) a number of Performance Rights conditional upon the degree of fulfillment of the financial targets set by the Company's Board of Directors in respect of the financial year; and
- (ii) the corresponding RSU Rights. Altogether, the "First Tranche Second Sub-Tranche Rights".

Each Right will entitle the Beneficiaries to acquire one Incentive Share in the capital of ODIGEO on the corresponding Delivery Dates (as defined below).

### **Allocation of Rights**

The allocation of the potential number of rights to the Beneficiaries (the "Potential Rights") is delegated by the Board of Directors to the CEO, with the exception of the allocation of Potential Rights to the executive members of the Board of Directors.

The Potential Rights to be allotted to each of the Beneficiaries (and the specific targets that must be reached for conversion into Rights) will be communicated individually to each Beneficiary in an individual written communication according to the calendar.

The Board of Directors has authorized the CEO to re-allocate any Rights allotted to a Beneficiary who has left the Company or a management position in the Company, which become unvested to any other Beneficiary, with the exception of the executive members of the Board of Directors, at any time after these Rights are unvested but, in any event, before the Final Date.

### **Targets and metrics**

So as to fulfill the double objective of incentivizing key employees to continue improving the Group's results in the future and retaining and motivating key personnel, the Plan will have the following structure:

- a) 50% of the ODIGEO rights granted on each relevant Tranche and Delivery Date (as defined below) will be conditional upon the fulfillment of the financial targets set by the Company's Board of Directors in respect of the financial year of the relevant Tranche provided that the Beneficiary is currently employed or holds a management position in the Group during the relevant Tranche (hereinafter, the "**Performance Rights**"); and
- b) 50% of the ODIGEO rights granted on each relevant Tranche and Delivery Date (as defined below) will only be subject to being engaged with the Company during the relevant Tranche (hereinafter, the "**RSUs Rights**").

The specific financial targets that must be reached for the Performance Rights to be granted will be determined, for each Tranche, by the Board of Directors of the Company, at the proposal of the Remuneration and Nomination Committee (hereinafter, the "**Remco**") after reviewing the relevant information provided by the CEO.

The metrics taken into account to set the financial targets will be: EBITDA less Capex, and Revenue Margin.

The specific targets will be communicated in an individual written communication to the Beneficiaries as per the following calendar:

- First Tranche First Sub-Tranche target have already been communicated and are based on the FY18 budget. •
- First Tranche Second Sub-Tranche targets have already been communicated and are based on the FY19 budget.
- Second Tranche targets have already been communicated and are based on the FY20 budget.
- Third Tranche targets will be communicated no later than 31 March 2019.

Performance target values will be disclosed on an ex-post basis in the Annual Remuneration Report.

As of 31<sup>st</sup> March 2018, the total rights granted (4,341,558 rights) were valued at €9,2 million, of which €3,2 million had been accrued at the end of fiscal year.

To date, under the 2<sup>nd</sup> LTI Plan, Senior Management has been granted with 2.729.258 rights (of which 1.542.258 rights correspond to the two Executive Directors (see table D.1 a ii for more information)) to acquire a determined number of shares of the parent company eDreams ODIGEO at a zero subscription cost. The total rights granted to Senior Management were valued at €5,7 million of which €2,5 million had been accrued as of 31<sup>st</sup> March 2018.

### **Maximum Dilution of the two Plans**

Total maximum dilution of the performance stock rights ("PSRs") and restricted stock units ("RSUs") of the second plan would represent, if fully vested, 6.32% of the total issued share capital of the company, over a period of 4 years, and therefore a 1.58% yearly average on a fully diluted basis.

Note: Expected dilution (which takes into account attrition and actual expected achievement of stringent financial and strategic objectives) for all PSRs and RSUs since the IPO (Plan 1 and 2) is a 1.1% yearly average over an 8 year period.

A.5. Explain the main features of the long-term savings systems, including retirement and any other survival benefit, either wholly or partially financed by the company, and whether funded internally or externally, with an estimate of the equivalent annual amount or cost thereof, stating the type of plan, whether it is a defined- contribution or -benefit plan, the conditions for the vesting of economic rights in favour of the directors, and the compatibility thereof with any kind of indemnity for advanced or early termination of the labour relationship between the company and the director.

Also state the contributions on the director's behalf to defined contribution pension plans; or any increase in the director's vested rights, in the case of contributions to defined-benefit plans.

Explain the long-term savings systems

Nothing to report.

A.6. State any termination benefits agreed to or paid in case of termination of duties as a director.

Explain the termination benefits

No provision has been made for the payment of termination benefits to Directors in the event of termination of their duties as such. Provision is made only for payment of termination benefits in the event of termination of the executive duties, if any, that Directors perform, as explained in section A.7. Below.

A.7. State the terms and conditions that must be included in the contracts of executive directors performing senior management duties. Include information regarding, among other things, the term, limits on termination benefit amounts, continuance in office clauses, prior notice periods, and payment in lieu of prior notice, and any other clauses relating to hiring bonuses, as well as benefits or golden parachutes due to advanced or early termination of the contractual relationship between the company and the executive director. Include, among other things, any clauses or agreements on non-competition, exclusivity, continuance in office or loyalty, and post-contractual non-competition.

## Explain the terms of the contracts of the executive directors

The Board of Directors is responsible for approving the remuneration payable to Executive Directors for the performance of their executive duties and the other basic terms that must be set forth in their contracts, which include the following:

- **Indefinite Duration:** The contracts with Executive Directors of the Company are of indefinite duration. For the Chief Executive Officer a financial compensation is contemplated therein in the event of termination of the contractual relationship with the Company, provided that such termination does not occur exclusively due to the decision of the Executive Director to withdraw or as a result of a breach of their duties.
- **Exclusivity:** While performing executive duties, the Executive Director may not hold any direct or indirect interest in any other business or activity which may represent a conflict of interest in relation to the Company's obligations and liabilities or in relation to its activity and that of eDreams ODIGEO.

The Board will take into consideration best practice recommendations of a maximum of 2 outside mandates for Executive Directors, and 3 to 4 outside mandates for Non-Executive Directors.

The Chief Executive Officer has a clause that restricts his participation as a Non-Executive Director to one Board of Directors.

- **Confidentiality and Return of Documents:** There is a rigorous duty of confidentiality both during the term of the contracts and after the relationship has terminated. In addition, upon termination of their relationship with the Company, the Executive Director must return to the Company any documents and items in their possession relating to the activities carried out thereby. Executive Directors may not directly or indirectly, on an individual basis or through any other natural or legal person, use the information for their own benefit, or for the benefit of third parties.
- **Non-competition:** The contracts with Executive Directors in all cases establish a duty not to compete with respect to companies and activities that are similar in nature during the term of their relationship with the Company for a period of up to 12 months after the contract ends.
- **Industrial Property:** The contracts with Executive Directors contain a clause to prevent the Director from using any work produced by him or any of the Company's copyright, experiences, confidential information, design right, registered trademark, patents, applications for any of the intellectual property rights. For the CEO, this obligation remains effective after the termination of the contract and will not be affected should the contract end for any reason.
- **Non-hiring:** for 24 months after the termination date of the employment contract the Executive Director will not recruit or participate in the recruitment (for him/her or for the entity which he represents or in which he/she performs his activities) of employees who, at the date of termination of their contract or in the preceding six to twelve months, form part or have formed part of the Company's workforce or that of any eDreams ODIGEO Group.
- **Non-solicitation:** The contracts with Executive Directors in all cases establish a duty to prevent them engaging in activities with existing customer/suppliers of the Company for a determined period of time.

- **Applicable Legal Provisions:** The contracts with Executive Directors are governed by the legal provisions applicable in each case.
- **Compliance with the Company's Corporate Governance System:** Executive Directors have the duty to strictly observe the rules and provisions contained in the Company's Corporate Governance System, to the extent applicable thereto.

Executive Directors have a three month notice period clause in their contracts.

With respect to the above clauses; 35% of the fixed annual remuneration in cash is paid in consideration for the above clauses. Should the Executive Director breach this commitment and compete with the Company and with any eDreams ODIGEO Group Company, they must return the amounts paid by the Company to compensate the agreement.

In addition, Dana Philip Dunne, CEO of the Company, is eligible for an indemnity (in case of unfair dismissal) severance equivalent to 30 days' fixed remuneration per year of service (with a minimum amount of Eur500.000 rising up to the equivalent amount of a maximum of 24 monthly salary payments)

With regards to the LTI plans the CEO and the CFO have the following specific clauses in case of a "change of control":

- 1<sup>st</sup> LTI plan (expired November 2017): Both Executive Directors will vest rights entitling them to receive all the incentive shares that each would have been entitled to receive had they stayed in the Company until the Second Cycle Second Tranche Value date.
- 2<sup>nd</sup> LTI plan: should the present shareholders lose control directly or indirectly (in a material sense) as a result of any transaction by ODIGEO, its shareholders or the Group in relation to a third party ("Change of Control"), (i) the non-vested Rights that have been already allocated to them will automatically vest upon the date of the Change of Control, and (ii) the Potential Rights that have been already allotted to them, by means of an individual invitation letter, will be converted into Rights and will automatically vest upon the date of the Change of Control.

A.8. Explain any supplemental remuneration accrued by the directors in consideration for services provided other than those inherent in their position.

Explain the supplemental remuneration

As of the date of issuance of this report, no supplemental remuneration has been accrued for the Directors in consideration for services provided other than those inherent in their position.

A.9. State any remuneration in the form of advances, loans or guarantees provided, with an indication of the interest rate, main features, and amounts potentially returned, as well as the obligations assumed on their behalf as a guarantee.

Explain the advances, loans and guarantees provided

As of the date of issuance of this report, no advances, loans or guarantees had been provided to or on behalf of any Director.

A.10. Explain the main features of remuneration in-kind.

Explain the remuneration in-kind.



With the exceptions of the shares received under the LTI plans (described in section A4), the Executive Directors did not receive any other remuneration in-kind during the period.

The company does not offer any benefit on top of the total compensation agreed.

However, the company offers a flexible compensation package to all employees, within which Executive Directors are included. The Flexible Compensation Plan allows employees to redistribute part of the annual remuneration in goods and services with a maximum salary in kind of 30% of the gross annual salary. The available products are: medical insurance, kindergarten, restaurant and transport tickets.

A.11. State the remuneration accrued by the director by virtue of payments made by the listed company to a third party to which the director provides services, if such payments are intended to provide remuneration for the services thereof at the company.

Explain the remuneration accrued by the Director by virtue of the payments made by the listed company to a third party to which the Director provides services

As of the date of issuance of this report, no such remuneration was accrued.

A.12. Any item of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it is deemed to be a related-party transaction or when the making thereof detracts from a true and fair view of the total remuneration accrued by the director.

Explain the other items of remuneration

As of the date of issuance of this report, the Director Remuneration system does not include any additional items of remuneration other than those explained in the preceding sections.

A.13. Explain the actions taken by the company regarding the remuneration system in order to reduce exposure to excessive risk and align it with the long-term goals, values and interests of the company, including any reference to: measures provided to ensure that the remuneration policy takes into account the long-term results of the company, measures establishing an appropriate balance between the fixed and variable components of remuneration, measures adopted with respect to those categories of personnel whose professional activities have a significant impact on the entity's risk profile, recovery formulas or clauses to be able to demand the return of the variable components of remuneration based on results if such components have been paid based on data that is later clearly shown to be inaccurate, and measures provided to avoid any conflicts of interest.

Explain actions taken to reduce risks

As stated in section A.2.1, when proposing the policy for executive remuneration to the Board of Directors, the Remuneration and Nomination Committee is mindful of the pay and employment conditions of employees as a whole, in particular when considering the level of any increase in the annual salary review for the CEO.

In the selection of performance measures the Committee takes into account the group's strategic objectives and short, medium and long-term business goals. Targets related to internal financial metrics (such as Adjusted EBITDA) are normally set in accordance with the group's budget for the annual bonus and long-term incentive plan. For all performance measures, the threshold level of performance reflects the minimum acceptable outcome, and the maximum level of performance represents a very demanding but achievable outcome.

The proportion of variable term compensation as a percentage of the total remuneration package, and the variable targets set, are such to ensure heavy alignment with Group Performance. For the

Executive Directors the variable compensation with regards to the fiscal year ended 31st March, 2018 is:

- Dana P. Dunne:
  - o Short term variable compensation: 430.884 € euros gross, which represented 15% of total remuneration.
  - o Long term variable compensation:
    - LTI 1: Long term incentive rights converted into shares as at 31<sup>st</sup> March 2018:
      - 535.695 rights were converted into eDreams ODIGEO shares with a gross value of €1,703.003, at the time of the conversion, which represented 61% of total remuneration
      - Note: 102.409 rights of LTI 1 (expired in November 2017) have not been converted into shares because performance target was not reached.
    - LTI 2: The CEO has received 414.086 rights over eDreams ODIGEO shares under the Second Long Term Incentive Plan during the fiscal year ended 31<sup>st</sup> March 2018.

In total, 76% of CEO total remuneration is variable compensation.

- David Elizaga Corrales:
  - o Short term variable compensation: 172.326 € euros gross which represented 16% of total remuneration.
  - o Long term variable compensation:
    - LTI 1: Long term incentive rights converted into shares as at 31<sup>st</sup> March 2018:
      - 185.897 rights were converted into eDreams ODIGEO shares with a gross value of €590.977, at the time of the conversion, which represented 56% of total remuneration
      - Note: 35.537 rights of LTI 1 (expired in November 2017) have not been converted into shares because performance target was not reached.
    - LTI 2: The CFO has received 100,000 rights over eDreams ODIGEO shares under the Second Long Term Incentive Plan during the fiscal year ended 31<sup>st</sup> March 2018.

In total, 72% of CFO total remuneration is variable compensation.

The new LTI program approved in September 2016 was introduced in order to offer an attractive compensation package providing a motivational backdrop to strengthen continuity and development commitments, with and in the company. So as to fulfill the double objective of incentivizing key employees to continue improving the Group's results in the future and retaining and motivating key personnel 50% of the ODIGEO rights granted are conditional upon the fulfillment of the financial targets set by the Company's Board of Directors in respect of the financial year, and the other 50% of the ODIGEO rights granted are subject to being engaged by the Company during the relevant Tranche.

The Director Remuneration Policy seeks to set appropriate maximum limits to any short or long-term variable remuneration, and establish suitable mechanisms to reconsider the payment of any deferred variable remuneration when a reformulation occurs that has a negative effect on the Company's consolidated annual accounts. This includes a Malus clause providing for the potential for total or partial cancellation of the payment of deferred variable remuneration if there is a reformulation of the annual accounts or a correction of non-financial dimensions or parameters upon which such remuneration was based.

## B REMUNERATION POLICY FOR FUTURE FINANCIAL YEARS

Revoked

## C OVERALL SUMMARY OF THE APPLICATION OF THE REMUNERATION POLICY DURING THE FINANCIAL YEAR JUST ENDED

C.1 Summarize the main features of the structure and items of remuneration from the remuneration policy applied during the financial year just ended, which give rise to the breakdown of individual remuneration accrued by each of the directors as reflected in section D of this report, and provide a summary of the decisions made by the board to apply such items.

### Executive Directors

Executive Directors are not paid a fee for their service on the Board of Directors.

- Current CEO, Dana P. Dunne. The data below relates to the full fiscal year period ended 31st March 2018:
  - i) Annual fixed Gross Remuneration in Euros: € 651.540 (Base fixed annual salary) + € 26,557.92 (Home Allowance as part of fixed salary), both payable in 12 monthly instalments.
  - ii) Board fees: €0
  - iii) Benefits in kind: €0
  - iv) Pension: €0.
  - v) Annual bonus to be paid for the year ended 31<sup>st</sup> March 2018: € 430.884.
  - vi) Long term incentive rights converted into shares as at 31<sup>st</sup> March 2018:
    - LTI 1: 535.695 rights were converted into eDreams ODIGEO shares with a gross value of €1,703.003, at the time of the conversion.
    - LTI 1 Note: 102.409 rights of LTI 1 (expired in November 2017) have not been converted into shares because performance target was not reached.
  - vii) Long term incentive rights:
    - LTI 2: The CEO has received 414.086 rights over eDreams ODIGEO shares under the Second Long Term Incentive Plan during the fiscal year ended 31<sup>st</sup> March 2018.
  - viii) Other One-Off Remuneration: None
  
- Current CFO, David Elizaga Corrales. The data below relates to the full fiscal year period ended 31st March 2018:
  - i) Annual fixed Gross Remuneration in Euros: €300.097 (Base fixed annual salary payable in 12 monthly instalments)
  - ii) Board fees: 0€
  - iii) Benefits in kind: €0
  - iv) Pension: €0.
  - v) Annual bonus to be paid for the year ended 31<sup>st</sup> March 2018: € 172.326.
  - vi) Long term incentive rights converted into shares as at 31<sup>st</sup> March 2018:
    - LTI 1: 185.897 rights were converted into eDreams ODIGEO shares with a gross value of €590.977, at the time of the conversion.
    - LTI 1 Note: 35.537 rights of LTI 1 (expired in November 2017) have not been converted into shares because performance target was not reached.
  - vii) Long term incentive rights:

- LTI 2: The CFO has received 100,000 rights over eDreams ODIGEO shares under the Second Long Term Incentive Plan during the fiscal year ended 31<sup>st</sup> March 2018.
- viii) Other One-Off Remuneration: None

### Annual Bonus for Executive Directors:

During the fiscal year ended March 2018, the two Executive Directors participated in the annual bonus plan. The plan was focused on the financial performance of eDreams ODIGEO, the outcome of which was linked to Adjusted, EBITDA, common objectives and personal performance.

Throughout the year the Remuneration and Nomination Committee monitors the objectives set; the final evaluation is based on the audited results for the year ended 31<sup>st</sup> March 2018, which have been examined by the Audit Committee, and on the level of achievement of the objectives. Following this examination, the Remuneration and Nomination Committee prepares a bonus proposal that is submitted to the Board of Directors for approval. The Committee also takes into account the quality of results over the long-term and any associated risks in formulating the variable remuneration proposal.

Achievement of bonus targets for the current fiscal year ended 31<sup>st</sup> March, 2018 were reviewed during the meeting held by the Remuneration and Nomination Committee on the 14<sup>th</sup> June 2018 and approved by the Board during the meeting held on the 20<sup>th</sup> June 2018. Bonus pay-out will be at the end of June 2018.

### Proprietary Directors:

Directors appointed from among candidates put forward by a Principal Shareholder Group are not paid a fee for their service on the Board of Directors.

### Chair and Independent Directors

For the Chair and Independent Directors, the total remuneration received in respect of the financial year ended 31<sup>st</sup> March 2018 amounted to Eur.284K. Individual information is included in the total remuneration tables of section D.1.

Explain the structure and items of remuneration from the remuneration policy applied during the financial year

## D. BREAKDOWN OF INDIVIDUAL REMUNERATION ACCRUED BY EACH OF THE DIRECTORS

Name	Type	Year period ended March 2018
Philip Clay Wolf	Independent (Chair)	From 1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018
Robert Apsey Gray	Independent (Vice-Chair)	From 1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018
Amanda Wills	Independent	From 1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018
Dana P. Dunne	Executive (CEO)	From 1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018
David Elizaga Corrales	Executive (CFO)	From 1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018
Philippe Michel Poletti	Proprietary	From 1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018
Lise Fauconnier	Proprietary	From 1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018
Benoit Vauchy	Proprietary	From 1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018
Pedro Lopez	Proprietary	From 28 <sup>th</sup> July 2017 to 31 <sup>st</sup> March 2018
Carlos Mayo	Proprietary	From 1 <sup>st</sup> April 2017 to 20 <sup>th</sup> June 2017

D.1. Complete the following tables regarding the individualized remuneration of each of the directors (including remuneration for the performance of executive duties) accrued during the financial year.

a) Remuneration accrued at the company that is the subject of this report:

i) Compensation in Cash (in thousands of €)

Name	Salary	Fixed Remuneration	Attendance fees	Short-term variable compensation	Long-term variable compensation	Compensation for Committee Chair	Indemnification	Other concepts	Year ended 2017	Year ended March 2016
Dana P. Dunne	-	-	-	-	-	-	-	-	-	-
David Elizaga Corrales	-	-	-	-	-	-	-	-	-	-
Philip C. Wolf	-	50	-	-	-	-	-	40	<b>90</b>	<b>100</b>
Robert A.Gray	-	50	-	-	-	20	-	54	<b>124</b>	<b>70</b>
Amanda Wills	-	50	-	-	-	20	-	-	<b>70</b>	<b>40</b>
Philippe Michel Poletti	-	-	-	-	-	-	-	-	-	-
Lise Fauconnier	-	-	-	-	-	-	-	-	-	-
Benoit Vauchy	-	-	-	-	-	-	-	-	-	-
Pedro Lopez	-	-	-	-	-	-	-	-	-	-
Carlos Mallo	-	-	-	-	-	-	-	-	-	-

ii) Share-based remuneration systems

<b>DANA PHILIP DUNNE</b>												
<b>Long Term Incentive (1<sup>ST</sup> LTIP) 2 Cycles with 5 deliveries</b>												
Date of Implementation		Ownership of Options at the beginning of 2017					Options assigned during 2017					
		No. of Options	Shares affected	Exercise Price (€)	Exercise Period		No. of Options	Shares affected	Exercise Price (€)	Exercise Period		
04/2014		638,104	0		T1: 06/2017; T2: 08/2017; 11/2017;							
Shares delivered during 2017			Options exercised in 2017				Op. vested and not exercised	Options at the end of 2017				
No. of Shares	Price	Amount	Exercise Price (€)	No. of Options	Shares affected	Gross Benefit(m€)	No. of Options	No. of Options	Shares affected	Exercise Price (€)	Exercise Period	
			2,96	202.325	202.325	1.703.	0	0	0	0,00	0	
			2,885	166.685	166.685							
			3,74	166.685	166.685							
Rights exercised: 6/2017 → (202.325 rights exercised); 08/2017 → (166.685 rights exercised) 11/2017 → (166.685 rights exercised) Note: 102.409 rights have not been converted into shares because 100% performance targets had not been reached.												

<b>DAVID ELIZAGA CORRALES</b>												
<b>Long Term Incentive (1<sup>ST</sup> LTIP) 2 Cycles with 5 deliveries</b>												
Date of Implementation		Ownership of Options at the beginning of 2017					Options assigned during 2017					
		No. of Options	Shares affected	Exercise Price (€)	Exercise Period		No. of Options	Shares affected	Exercise Price (€)	Exercise Period		
04/2014		221,434	0		T1: 06/2017; T2: 08/2017; 11/2017;							
Shares delivered during 2017			Options exercised in 2017				Op. vested and not exercised	Options at the end of 2017				
No. of Shares	Price	Amount	Exercise Price (€)	No. of Options	Shares affected	Gross Benefit (m€)	No. of Options	No. of Options	Shares affected	Exercise Price (€)	Exercise Period	
			2,96	70.211	70.211	591	0	0	0	0		
			2,885	57.843	57.843							
			3,74	57.843	57.843							

Rights exercised: 6/2017 → (70.211 rights exercised); 08/2017 → (57.843 rights exercised) 11/2017 → (57.843 rights exercised)  
 Note: 35.537 rights have not been converted into shares because 100% of the performance target had not been reached.

**DANA PHILIP DUNNE**  
**Long Term Incentive (2<sup>ND</sup> LTIP) 3Tranches**

Date of Implementation	Ownership of Options at the beginning of 2017				Options assigned during 2017			
	No. of Options	Shares affected	Exercise Price (€)	Exercise Period	No. of Options	Shares affected	Exercise Price (€)	Exercise Period
July 2016	828.172	0	0	T1 1st ST: 02/2019; T1 2nd ST: 02/2020	414.086	0		T2: 02/2021;

Delivery dates  
 T1 1<sup>st</sup> S-T: 414.086 rights (Will be assigned 07/2018 -->exercise dates: 08/18: 138,029; 11/18: 138,029; 2/19: 138,028)  
 T1 2<sup>nd</sup> S-T: 414.086 rights (will be assigned 07/2019 --> exercise dates: 08/19: 138,029; 11/19: 138,029; 2/20: 138,028)  
 T2: 414.086 rights (will be assigned 07/2020 --> exercise dates: 08/20: 138,029; 11/20: 138,029; 2/21: 138,028)  
 T3: Rights not yet allocated, will be allocated (11/18)

Shares delivered during 2017			Options exercised in 2017				Op. vested and not exercised	Options at the end of 2017			
No. of Shares	Price	Amount	Exercise Price (€)	No. of Options	Shares affected	Gross Benefit (m€)	No. of Options	No. of Options	Shares affected	Exercise Price (€)	Exercise Period
0	0	0	0	0	0	0	0	1.242.258	0		T1 1st ST: 02/2019; T1 2nd ST: 02/2020; T2: 02/2021

- a) 50% of the ODIGEO rights granted on each relevant Tranche and Delivery Date will be conditional upon the fulfillment of the financial targets set by the Company's Board of Directors in respect of the financial year of the relevant Tranche  
 b) 50% of the ODIGEO rights granted on each relevant Tranche and Delivery Date will be subject to being engaged with the Company during the relevant Tranche

<b>DAVID ELIZAGA CORRALES</b>												
<b>Long Term Incentive (2<sup>ND</sup> LTIP) 3 Tranches</b>												
Date of Implementation	Ownership of Options at the beginning of 2017					Options assigned during 2017						
	No. of Options	Shares affected	Exercise Price (€)	Exercise Period		No. of Options	Shares affected	Exercise Price (€)	Exercise Period			
July 2016	200.000	0	0	T1 1st ST: 02/2019; T1 2nd ST: 02/2020		100,000	0		T2: 02/2021;			
Delivery dates T1 1 <sup>st</sup> S-T: 100.000 rights (Will be assigned 07/2018 --> exercise dates: 08/18: 33,334; 11/18: 33,333; 2/19: 33,333) T1 2 <sup>nd</sup> S-T: 100.000 rights (Will be assigned 07/2019 --> exercise dates: 08/19: 33,334; 11/19: 33,333; 2/20: 33,333) T2: 100.000 rights (Will be assigned 07/2020 --> exercise dates: 08/20: 33,334; 11/20: 33,333; 2/21: 33,333) T3: Rights not yet allocated, will be allocated (11/18)												
Shares delivered during 2017			Options exercised in 2017				Op. vested and not exercised	Options at the end of 2017				
No. of Shares	Price	Amount	Exercise Price (€)	No. of Options	Shares affected	Gross Benefit (m€)	No. of Options	No. of Options	Shares affected	Exercise Price (€)	Exercise Period	
0	0	0	0	0	0	0	0	300,000	0		T1 1st ST: 02/2019; T1 2nd ST: 02/2020; T2: 02/2021;	
a) 50% of the ODIGEO rights granted on each relevant Tranche and Delivery Date will be conditional upon the fulfillment of the financial targets set by the Company's Board of Directors in respect of the financial year of the relevant Tranche b) 50% of the ODIGEO rights granted on each relevant Tranche and Delivery Date will be subject to being engaged with the Company during the relevant Tranche												



iii) Long-term savings systems

	Company contribution during the year (thousands €)		Accumulated funds (thousands €)	
	Year ended March 2017	Year ended March 2016	Year ended March 2017	Year ended March 2016
	N/A	NA	NA	NA

iv) Other benefits

	Life insurance premiums	
	Year ended March 2017	Year ended March 2016
	NA	NA

b) Remuneration earned by the company's directors for their membership of boards of other group companies:

i) Cash remuneration (in thousands of €)

Name	Salary	Fixed Remuneration	Attendance fees	Short-term variable compensation	Long-term variable compensation	Compensation for Committee Chair	Indemnification	Other concepts	Year ended 2017	Year ended 2016
Dana P. Dunne	678	-	-	431	-	-	-	-	<b>1.109</b>	<b>1.035</b>
David Elizaga Corrales	300	-	-	172	-	-	-	-	<b>472</b>	<b>429</b>

c) Summary of remuneration (in thousands €)

Name	Remuneration accrued at the Company				Remuneration accrued at Group companies				Total		
	Total Cash Remuneration	Amount of shares awarded	Gross profit on options exercised	Total Fiscal Year 2017 Company	Total Cash Remuneration	Amount of shares awarded	Gross profit on options exercised	Total Fiscal Year 2017 Group	Total FY 2017	Total FY 2016	Contribution to savings systems during the FY
Dana P. Dunne	-	-	1.703	<b>1.703</b>	1.109	-	-	<b>1.109</b>	<b>2,812</b>	<b>2,850</b>	-
David Elizaga Corrales	-	-	591	<b>591</b>	472	-	-	<b>472</b>	<b>1.063</b>	<b>1,059</b>	-
Philip C. Wolf	90	-	-	<b>90</b>	-	-	-	-	<b>90</b>	<b>100</b>	-
Robert A.Gray	124	-	-	<b>124</b>	-	-	-	-	<b>124</b>	<b>70</b>	-
Amanda Wills	70	-	-	<b>70</b>	-	-	-	-	<b>70</b>	<b>40</b>	-
Philippe Michel Poletti	-	-	-	-	-	-	-	-	-	-	-
Lise Fauconnier	-	-	-	-	-	-	-	-	-	-	-
Benoit Vauchy	-	-	-	-	-	-	-	-	-	-	-
Pedro Lopez	-	-	-	-	-	-	-	-	-	-	-
Carlos Mallo	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>284</b>	-	<b>2.294</b>	<b>2.578</b>	<b>1.581</b>	-	-	<b>1.581</b>	<b>4.159</b>	<b>4.119</b>	-

D.2 Report the relationship between remuneration obtained by the directors and the results or other measures of the entity's performance, explaining how any changes in the company's performance may have influenced changes in the remuneration of the directors.

As explained in section A.1.4 and A.4, the CEO's and Executive Directors total remuneration is linked to company performance.

The Non-Executive Directors do not participate in incentive plans; therefore their remuneration is not linked to the Company's performance

D.3. Report the results of the consultative vote of the shareholders on the annual remuneration report for the preceding financial year, indicating the number of votes against, if any:

	Number	% of total
Votes cast	64.640.445	60%

	Number	% of votes
Votes against	2.218.786	3,4%
Votes for	62.421.659	96,6%
Votes withheld (abstentions)	0	0

## E OTHER INFORMATION OF INTEREST

If there are any significant aspects regarding director remuneration that could not be included in the other sections of this report, but should be included in order to provide more complete and well-reasoned information regarding the remuneration structure and practices of the company with respect to its directors, briefly describe them.

### • Periods:

- 2016 – means the financial year from 01/04/2016 to 31/03/2017
- 2017 – means the financial year from 01/04/2017 to 31/03/2018

### Section A.4 – Share plan

"RSUs Rights" means 50% of the ODIGEO rights granted in each relevant Tranche and Delivery Date, only subject to being engaged with the Company during the relevant Tranche.

### Section D1. Compensation in Cash

#### Philip C. Wolf

As per the Annual Appointment Letter: An annual gross fee of Eur.50K. plus an additional Eur.40K. in consideration of his role as Chair of the Board.

#### Robert A. Gray

As per Annual Appointment Letter: An annual gross fee of Eur.50K. plus an additional amount of Eur.20K for his participation as Chair of the Audit Committee, a further Eur.10K in consideration of his role as a Vice-Chair and a one off payment of Eur.44K, for additional hours dedicated to the strategic Calypso Project, over and above the standard hours for the aforementioned roles. This additional investment of time was specific, exceptional and outside of the normal commitment spent as Director and Chairman of the Special Committee.

#### Amanda Wills

As per Annual Appointment Letter: An annual gross fee of Eur.50K. plus an additional amount of Eur.20K for her participation as Chair of the Remuneration and Nominations Committee,

### Section D1a.ii. Share-based remuneration systems

- **In the section "Options assigned during the fiscal year" column "N ° of Options",** the numbers reported refer to rights to acquire a number of shares of the parent company eDreams ODIGEO at zero cost under the LTI plan (described in detail in A4).
- **In the section "Options exercised",** the numbers reported refer to the rights delivered and converted into shares.
- **In the section "Options at the end of 2017",** the numbers reported refer to the rights at the beginning of the fiscal year *plus* rights assigned during the fiscal year *less* rights exercised (converted into shares) during the fiscal year.
- **Note:** Both Executive Directors sold a number of shares in order to pay the tax retention applicable. This was reported to the Luxembourg authorities (CSSF) under the Managers Transactions Notices, available on the corporate website. (As at 31<sup>st</sup> March, 2018 Dana Dunne had sold 148.304 shares, and David Elizaga had sold 96.469 shares)

**Section D1.b. Remuneration earned by the company's directors for their membership of boards of other group companies:**

**Cash remuneration:**

Executive Directors do not receive any remuneration for serving as Board Members of any of the Companies of the Group. The remuneration reported under this section relates to the remuneration earned for performance of their executive duties. It is reported in this section as it is paid by one of the Group Companies.

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Please indicate whether there were Directors who voted against or abstained in relation to the approval of this report.

Yes             No