

eDreams ODIGEO S.A.  
(The "Company")

# Director Remuneration Policy

eDreams ODIGEO  
Société anonyme  
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Grand Duchy of Luxembourg  
R.C.S. Luxembourg: B 159.036

**eDreams ODIGEO**

March 2019

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## ARTICLE 1. INTRODUCTION

The Board of Directors of eDreams ODIGEO, S.A. (the "**Company**") approves this Director Remuneration Policy in exercise of the powers granted thereto.

The Company is committed to continuous improvement and alignment of the Director Remuneration Policy with corporate governance code recommendations in the international markets in which it operates, within the area of director remuneration, adjusting them to the specific needs and circumstances of the Company and of the Group of which the Company is the controlling entity, within the meaning established by law (the "**Group**").

## ARTICLE 2. DURATION OF THE POLICY

The Director Remuneration Policy will be in force during the following three fiscal years (2020, 2021 and 2022) unless an agreement amending or replacing such policy is passed at the Annual General Meeting during its applicable period

## ARTICLE 3. PURPOSE AND BASIC PRINCIPLES

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 the external consultants 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 aligned 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.

The *Annual Director Remuneration Report* will be made available to the shareholders upon the call to the Annual General Shareholders' Meeting, and will be submitted to a consultative vote thereat, as a separate item on the agenda.

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## ARTICLE 4. COMPETENT BODIES

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 Group's remuneration policy and in the development and implementation of its components. Its mandate in the area of remuneration consists in particular in; proposing the appointment and/or removal of Directors, review the Remuneration policy of the Company as the Board of Directors deems fit, to make proposals, together with the CEO, with regards to the individual remuneration of Directors and provide advice on any benefit or incentive schemes.

## ARTICLE 5. STRUCTURE OF DIRECTOR REMUNERATION FOR THE DIRECTORS' ACTIVITY

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).

- **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, 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. The 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:** Proprietary Directors, candidates put forward by a Principal Shareholder Group, shall not receive any remuneration for sitting on the Board of Directors or any other Committee of the Board of Directors

- **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)
- a long-term variable incentive plan

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## ARTICLE 6. LIMIT ON THE REMUNERATION OF DIRECTORS IN THEIR CAPACITY AS DIRECTOR

The total aggregate amount of the annual remuneration for the Board of Directors as a whole, for their duties as Board members (as a fixed amount), will be approved by the General Shareholders' Meeting.

Once the total amount has been approved, the Board of Directors has the authority to allocate this by Director, in his/her condition as Board member (as a fixed amount), taking into account the functions and responsibilities attributed to each Director, membership of Board Committees, and any other objective circumstances that may be deemed relevant. The Remuneration and Nomination Committee shall assist the Board of Directors with this task.

The maximum amount to be paid to the Non-Executive Directors, as a fixed amount, in their capacity as Board members, shall not exceed an annual amount of EUR 500 thousand for each of the years 2020, 2021 and 2022. This amount takes into account any potential increase required in the future by the replacement of Proprietary Directors with Independent Directors.

This amount will be increased, during the term of the Remuneration Policy, with reference to the Consumer Price Index or any other index which may replace it in the future, unless the General Meeting approves a different amount for subsequent years.

In addition, Directors will be reimbursed for travel and accommodation expenses incurred in the course of attendance at Board of Directors and Committee meetings, as long as they are duly justified.

The remuneration of Non-Executive Directors should be that necessary to compensate them for the dedication, qualifications, and responsibility required by their position, but not be so high as to compromise their independence.

## ARTICLE 7. STRUCTURE OF REMUNERATION OF EXECUTIVE DIRECTORS FOR THE PERFORMANCE OF EXECUTIVE DUTIES

The remuneration that Executive Directors are entitled to receive for the performance of executive duties at the Company (i.e. other than the duties inherent in their status as members of the Board of Directors) is structured as follows:

### a) Fixed Remuneration

This portion of the remuneration should be in line with the remuneration paid in the market by companies with comparable capitalization, size, ownership structure, and international scope.

The full annual fixed remuneration paid to the two Executive Directors for their performance of Executive Duties for the financial year ending 31<sup>st</sup> March 2019, amounted to EUR 996K€. During the term of this Remuneration Policy, said amount may be increased with reference to the Consumer Price Index or any other index which may substitute it in the future.

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.

### b) Variable Remuneration

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Variable remuneration can be composed of short and long term elements. Any remuneration linked to Company earnings should take into account any qualifications included in the external audit report that reduce such earnings.

The objective of paying variable remuneration is to incentivize Management, linking a part of their total remuneration with the achievement of certain targets. Variable remuneration tends to account for around 60-70% of the total annual remuneration of Executive Directors.

#### - **b1. Short-term Variable Remuneration:**

A portion of the remuneration of Executive Directors is variable, in order to strengthen their commitment to the Company and improve their performance and achieve targets in the shorter term. This variable remuneration shall be tied, for the most part, to the achievement of specific and pre-established objectives that are quantifiable and aligned with the corporate interest and with the strategic goals of the Company.

Performance conditions will be set by the Chief Executive Officer based on the general guidelines proposed by the Remuneration and Nomination Committee and may include criteria concerning the Company's financial performance, qualitative criteria representing Company performance, individual qualitative performance and for, Executive Members and Direct Reports, common targets.

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.

#### - **b.2. Medium-term and Long-term Variable Remuneration:**

The Company also contemplates the implementation of incentive systems tied for the most part to the Company's performance with respect to certain specific and pre-established economic/financial, industrial, and operational goals, that are quantifiable and aligned with the medium and long term strategic objectives of the Company and the Group, in order to promote the retention and motivation of the Executive Directors and the creation of long-term value.

These systems may include the delivery of Company shares or options thereon or remuneration rights linked to the value thereof, when so resolved by the shareholders acting at a General Shareholders' Meeting at the proposal of the Board of Directors, after a report from the Remuneration and Nomination Committee. The maximum number of shares that can be assigned during an exercise will be approved by the General Shareholders' Meeting.

#### **LTIP Plan 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 eDreams 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 to the Third Tranche Third Delivery Date and will be divided into three tranches:

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a) The first tranche will go from the date on which the Beneficiaries are granted the First Tranche First Sub-Tranche Rights and the First Tranche Second Sub-Tranche Third Delivery Date.

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.
- 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.
- 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.
- 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.
- 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.
- 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.

b) The second tranche will go from the date on which the Beneficiaries are granted the Second Tranche Rights and the Second Tranche Third 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 first quarter of fiscal year 2020-2021 are made public.
- 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.
- 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.

c) The third tranche will go from the date on which the Beneficiaries are granted the Third Tranche Rights and the Third Tranche Third 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 first quarter of fiscal year 2021-2022 are made public.
- 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.
- 1/3 of 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.

#### **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 eDreams ODIGEO on the corresponding Delivery Dates (as defined below).

#### **Allocation of Rights**

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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 eDreams 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; and
- b) 50% of the eDreams 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.

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:

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

### **LTIP 2019 (Approved in June 2019 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 receive a given number of eDreams ODIGEO shares on the conditions, payment terms and time periods set out in the 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.

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### Duration and Grants

The LTI Plan will be divided into four awards:

#### First Award:

- The first award will go from April 1, 2019 to the last Delivery Date of this first award.
- The Incentive Shares corresponding to the First Award Rights will be delivered on the dates on which the financial results of the first, second and third quarters of fiscal year 2022-2023 are made public
- On each First Award Delivery Date, the Beneficiaries will receive one third of the total Incentive Shares corresponding to the First Award Rights.

#### Second Award:

- The second award will go from April 1, 2020 to the last Delivery Date of this second award.
- The Incentive Shares corresponding to the Second Award Rights will be delivered on the dates on which the financial results of the first, second and third quarters of fiscal year 2023-2024 are made public.
- On each Second Award Delivery Date, the Beneficiaries will receive one third of the total Incentive Shares corresponding to the Second Award Rights.

#### Third Award:

- The third award will go from April 1, 2021 to the last Delivery Date of this third award
- The Incentive Shares corresponding to the Third Award Rights will be delivered on the dates on which the financial results of the first, second and third quarters of fiscal year 2024-2025 are made public.
- On each Third Award Delivery Date, the Beneficiaries will receive one third of the total Incentive Shares corresponding to the Third Award Rights.

#### Fourth Award:

- The fourth award will go from April 1, 2022 to the last Delivery Date of this fourth award.
- The Incentive Shares corresponding to the Fourth Award Rights will be delivered on the dates on which the financial results of the first, second and third quarters of fiscal year 2025-2026 are made public
- On each Fourth Award Delivery Date, the Beneficiaries will receive one third of the total Incentive Shares corresponding to the Fourth Award Rights.

The participation in one particular Award does not entitle Beneficiaries to automatically participate in subsequent Awards.

### Allocation of Rights

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

Once the relevant Performance Period has elapsed the Company will determine the fulfillment of the financial targets set by the Company's Board of Directors and, provided that the Beneficiary is employed or holds a management position in the Group, will allocate the corresponding Rights to the Beneficiaries.

The Board of Directors has authorized the CEO to re-allocate any Rights already allotted to a Beneficiary which do not convert into Incentive Shares to any other Beneficiary, with the exception of the executive members of the Board of Directors, at any time after these Rights are forfeited but, in any event, before the Final Date.

### Determining the potential number of rights

The Potential Rights to be granted to each of the Beneficiaries will be communicated in writing to each Beneficiary according to a predefined calendar:

- The grant of potential rights corresponding to the First Award will be communicated on or around June 30, 2019.
- The grant of potential rights corresponding to the Second Award will be communicated on or around June 30, 2020.

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- The grant of Potential Rights corresponding to the Third Award will be communicated on or around June 30, 2021.
- The grant of Potential Rights corresponding to the Fourth Award will be communicated on or around June 30, 2022.

#### Communication of allocation

Within 45 days following the public announcement of the financial results for the relevant fiscal year, the Company will inform the Beneficiaries in writing about the number of Rights allotted in each Award.

The Rights will be allocated to the Beneficiaries at no cost for them. Each Right will entitle the Beneficiaries to acquire one Incentive Share in the capital of eDreams ODIGEO on the corresponding Delivery Dates.

#### Performance Period

The allocation of Performance Rights in each Award is conditional upon the degree of fulfillment of the financial targets set by the Company's Board of Directors during the relevant Performance Period. Each relevant Performance Period has duration of three fiscal years.

Performance Period	Start Date	End Date
First Award Performance Period	April 1, 2019	March 31, 2022
Second Award Performance Period	April 1, 2020	March 31, 2023
Third Award Performance Period	April 1, 2021	March 31, 2024
Fourth Award Performance Period	April 1, 2022	March 31, 2025

#### Targets and metrics

To fulfill the double objective of incentivising 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:

- 50% of the eDreams ODIGEO rights granted on each relevant Award and Delivery Date will be conditional upon the fulfillment of the financial targets set by the Company's Board of Directors during the relevant Performance Period provided that the Beneficiary is currently employed or holds a management position in the Group during the relevant Award, and
- 50% of the eDreams ODIGEO rights granted on each relevant Award and Delivery Date will be only subject to being engaged with the Company during the relevant Award.

The specific financial targets that must be reached during the relevant Performance Period for the Performance Rights to be granted will be determined annually by the Board of Directors of the Company, at the proposal of the Remuneration and Nomination Committee (following the proposal of the Company's CEO).

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

#### Maximum Dilution of the LTI Plan

Total maximum dilution of the performance stock rights ("PSRs") and restricted stock units ("RSUs") of LTIP2016 and LTIP2019 plans would represent, if fully vested, **9.2%** of the total issued share capital of the company, over a period of **8 years, and therefore 1.15% yearly average on a fully diluted basis.**

### b3) Ex-post Control of Variable Compensation

As regards short and long-term variable compensation, a "malus" clause will be implemented, authorizing the Company to withhold payments of any accrued and outstanding variable compensation, as well as a claw-back clause requiring Directors to return any variable compensation received when following payment of the incentive it is found that the data used for such calculation or payment was clearly erroneous.

The Remuneration and Nomination Committee may submit a proposal to the Board of Directors for nonpayment or request for reimbursement of variable components if it is subsequently determined that

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calculations were based on data that was clearly erroneous.

### c) Benefits

Directors are not entitled to any remuneration in-kind.

The company is not offering any benefit on top of total compensation agreed. However, the company offers a flexible compensation package to all the employees, including Executive Directors. The Flexible Compensation Plan allows employees to choose which part of their retribution to receive as salary and which part in goods or services (medical insurance, kindergarten, restaurant and transport tickets). The maximum amount per year an employee can allocate to this is 30% of annual gross remuneration.

### d) Severance Clauses

The Chief Executive Officer has a contractually stipulated severance compensation clause of two times annual salary, in line with international best practice. All other Executive Directors have severance clauses aligned with local labour legislation (never more than 2 years annual salary).

## ARTICLE 8. BASIC TERMS OF THE CONTRACTS OF EXECUTIVE DIRECTORS

The Board of Directors is responsible for establishing 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. Such terms are 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 his own benefit, 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 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

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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 performs his/her 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.

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, the CEO of the Company, Mr. Dana Philip Dunne, 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 following specific clauses are attached:

- **LTI plan 2016: (For CEO and the CFO):**
  - **Event of termination of their contracts due to a "change of control":** "should the present shareholders lose control directly or indirectly (in a material sense) as a result of any transaction by eDreams 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".
- **LTI plan 2019:**
  - **Delisting of eDreams ODIGEO:** in the event that eDreams ODIGEO is delisted from the Spanish stock exchanges, eDreams ODIGEO will settle the delivery of the incentive shares at the relevant delivery date in cash instead of shares. In order to calculate the amount in cash to be paid to each beneficiary, the delisting price of the shares will be taken into consideration.
  - **Adjustments due to capital events:** if, during the validity of the LTIP-2019, any change in the nominal value of the shares or any event which could create a dilution or concentration of the theoretical value of the rights or which could otherwise affect the expectations of the beneficiaries under the LTIP-2019 occurs, eDreams ODIGEO, through its Board of Directors will adopt any resolutions necessary (including the proposal of any corporate resolutions to the general shareholders' meeting of eDreams ODIGEO if required by applicable law) to preserve the value of the incentive shares expectations of the beneficiaries under the LTIP-2019.
  - **Nature of the incentive:** given the extraordinary nature of the LTIP-2019 and the conditions established to receive the incentive shares, the value of the incentive shares received is expressly

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excluded from, and does not form part of, the Beneficiary's computable salary for labor purposes and will therefore not be computable as salary in those cases where the employee's salary is used as a basis for calculation purposes.

## ARTICLE 9. PRINCIPLE OF FULL TRANSPARENCY

The Board of Directors of the Company assumes the commitment to enforce the principle of the fullest transparency of all the items of remuneration received by all Directors, providing clear and adequate information as far in advance as required, and in line with corporate governance code recommendations in the international markets in which it operates, within the area of Director Remuneration.

To this end, the Board of Directors establishes this *Director Remuneration Policy* and ensures the transparency of Director Remuneration by including in the Company's report a detailed breakdown, according to position and status, of all remuneration received by the Directors, whether, in their capacity as executives, if applicable, or in any other capacity, and whether such remuneration has been paid by the Company or by other companies of the Group.

In addition, the Board of Directors prepares the *Annual Director Remuneration Report* on an annual basis, which is made available to the shareholders upon the call to the Annual General Shareholders' Meeting and is submitted to a consultative vote, as a separate item on the agenda.

## ARTICLE 10. VALIDITY OF THE POLICY

This Director Remuneration policy shall remain in force for fiscal years 2020, 2021 and 2022, unless an agreement amending or replacing it is passed at an Annual General Meeting during the period in which it is applicable, in accordance with article 529 of the Spanish Corporate Companies Act.

**This Director Remuneration Policy was approved for the first time at the Company's General Shareholders' Meeting held in July 2016. The amendments will be submitted for approval at the Company's General Shareholders' Meeting to be held in September 2019.**