



NH | HOTEL GROUP  
PART OF

MINOR  
HOTELS

4

CORPORATE  
GOVERNANCE

NH Collection Prague Carlo IV  
Czech Republic



## CORPORATE GOVERNANCE

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The Corporate Governance system of NH Hotel Group is made up of the Bylaws, the Board of Directors' Regulations, the General Shareholders' Meeting Regulations and the Internal Regulations for Conduct on Securities Markets, as well as the other rules, codes, internal procedures and corporate policies approved by the competent bodies of the Company.

This System has been formalized in line with the highest standards of compliance with good practice in corporate governance, as defined by, among others, the Good Governance Code for listed companies (the "Good Governance Code"), approved by a Resolution of the Board of the CNMV on February 18<sup>th</sup>, 2015 and revised in June 2020, which is aligned with the recommendations on good governance of international markets.

### Governance structure

The functioning of the management bodies and the decision-making process is described in detail in the Annual Corporate Governance Report (ACGR), where the roles of the General Shareholders' Meeting and the Board of Directors are notable, as the Company's senior governance bodies.



## BOARD OF DIRECTORS OF NH HOTEL GROUP

The Board of Directors is the Company's senior management and representation body. It is empowered, within the scope of the corporate object defined in the Bylaws, to carry out any acts of administration or disposal, under any legal title, except those reserved by law or by the Company's Bylaws to the exclusive competence of the General Shareholders' Meeting. Consequently, the Board of Directors is conceived basically as a supervisory and control body, while the ordinary management of the Company's business is entrusted to the executive bodies and the management team.

The functions of the Board of Directors and its Committees (Audit and Control Committee and Nominations, Remuneration and Corporate Governance Committee) are expressly reflected in articles 33, 47 and 48 of the Bylaws and articles 5, 25 and 26 of the Board Regulations, among others. At the General Meeting of the Shareholders of NH Hotel Group dated June 30<sup>th</sup>, 2021, and at the meeting of the Board of Directors of NH Hotel Group held on July 28<sup>th</sup> 2021, the Company approved the amendment of several articles of the Bylaws and of the Board Regulations in order to adapt their content, to Law 5/2021, of April 12, which amends Royal Legislative Decree 1/2010, of July 2<sup>nd</sup>, which approved the revised text of the Companies Act (Consolidating Act), in relation to the functions and powers of the Board of Directors and its Committees.

The Board of Directors discharges its duties in line with the corporate interest, which is understood to be the Company's interest; and in this regard it will act to safeguard the Company's long-term viability and to maximize its value, also weighing the many legitimate public or private interests involved in relation to any business activity.

For further information, please access the NH Hotel Group Board of Directors' Regulation on the corporate website: <https://www.nh-hotels.com/corporate/shareholders-and-investors/corporate-governance>.

The current composition is the result of:

- The re-election of the Directors:
  - Mr. Alfredo Fernández Agras, as an Independent Director.
  - Mr. Kosin Chantikul, as a Proprietary Director.
- The appointment of Ms. Laia Lahoz Malpartida as an Executive Director.

The re-elections and the appointment of these Directors were resolved at the Ordinary General Shareholders' Meeting of the Company held on June 30<sup>th</sup>, 2022.



### COMPOSITION OF THE BOARD OF DIRECTORS (As of December 31<sup>st</sup>, 2022)

Name	Position on the Board	Category
<b>D. Alfredo Fernández Agras</b>	Chairman	Independent
<b>D. Ramón Aragonés Marín</b>	CEO	Executive
<b>D. Jose María Cantero de Montes-Jovellar</b>	Director	Proprietary
<b>D. Kosin Chantikul</b>	Director	Independent
<b>D. Stephen Andrew Chojnacki</b>	Director	Proprietary
<b>D. William Ellwood Heinecke</b>	Director	Proprietary
<b>D. Fernando Lacadena Azpeitia</b>	Director	Proprietary
<b>Dña. Laia Lahoz Malpartida</b>	Director	Independent
<b>D. Rufino Pérez Fernández</b>	Director	Executive
<b>D. Emmanuel Jude Dillipraj Rajakarier</b>	Director	Executive
<b>D. Carlos Ulecia Palacios</b>	Secretary	Non-Director

Between December 31<sup>st</sup>, 2022 and the date of drawing up this Report, there have been no changes in the composition of the Board.

The complete profile of all the members of the Board of NH Hotel Group and its committees is public and can be consulted at the Corporate Governance section of the Company's corporate website.



## BOARD COMMITTEES

### Audit and Control Committee

Focused mainly, among other matters, on supervising the effectiveness of the Company's internal control and the process of drawing up and presenting statutory financial and non-financial information, ensuring the independence and effectiveness of the internal audit function and of the external audit.

In 2022, Mr. Fernando Lacadena Azpeitia was appointed as chairman of the Audit and Control Committee, replacing Mr. José María Cantero de Montes-Jovellar, in compliance with the mandatory rotation established in article 25 of the Board of Directors Regulations.

#### COMPOSITION OF THE AUDIT AND CONTROL COMMITTEE (As of December 31<sup>st</sup>, 2022)

Name	Position	Category
<b>D. Fernando Lacadena Azpeitia</b>	Chairman	Independent
<b>D. José María Cantero de Montes-Jovellar</b>	Member	Proprietary
<b>D. Stephen Andrew Chojnacki</b>	Member	Independent
<b>D. Carlos Ulecia Palacios</b>	Secretary	Non-Director

### Nominations, Remuneration and Corporate Governance Committee

Focused mainly on proposing the appointment of Independent Directors or reporting on the suitability of other directors to be appointed, as well as analyzing and evaluating everything related to remuneration of both Board members and Senior Management, drawing up the corresponding policies. It is also responsible for supervising and controlling compliance with corporate governance rules and for environmental, social and financial, non-financial and corporate reporting policies, proposing the necessary Reports to the Board.

#### COMPOSITION OF THE NOMINATIONS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE (As of December 31<sup>st</sup>, 2022)

Name	Position	Category
<b>D. José María Cantero de Montes-Jovellar</b>	Chairman	Independent
<b>D. Stephen Andrew Chojnacki</b>	Member	Proprietary
<b>D. Alfredo Fernández Agras</b>	Member	Independent
<b>D. Carlos Ulecia Palacios</b>	Secretary	Non-Director



## Selection Policy for Director Candidates

### Candidate Selection Objectives and Process

On December 22<sup>nd</sup>, 2020, following a favorable report issued by the Nominations, Remuneration and Corporate Governance Committee, the Board of Directors approved modifications to the Director Selection Policy in line with the Good Governance Code, which ensures that proposed appointments of directors of the Company are based on a prior analysis of the Board's needs. To evaluate the candidates who participate in the selection process, the procedure takes into account the skills, experience, professionalism, suitability, gender, independence, knowledge, qualities, capacities and availability of members of the Board of Directors from time to time. The Nominations, Remuneration and Corporate Governance Committee plays a relevant role in this process.

This Policy seeks to avoid discrimination and ensure that merit is the governing selection principle in finding the best candidates for the Company.

### Conditions that candidates must fulfil

Candidates for the post of Director of the Company must meet requisites of qualification and professional and personal honorability. In particular, they must be suitable and prestigious individuals, of recognized professional capability, competence and experience, with sufficient qualifications, training and availability for the position. Candidates must show a commitment to their role, with a personal and professional history of respect for the law and commercial good practice, and they must comply with the obligations established by law at all times in order to be part of the Board of Directors. Furthermore, they must be professionals of integrity, whose conduct and career are aligned with the ethical principles and duties established in the Company's internal regulations, and they must share the Group's vision and values.

### Promotion of Diversity

NH Hotel Group is convinced that diversity in all its facets, at all levels of its professional team, is an essential factor to ensure the Company's competitiveness and a key element of its corporate governance strategy. In the candidate selection process, discrimination is avoided, and merit is the principal selection criterion, in the corporate interest, and the process is designed to seek the most qualified candidates.

However, and notwithstanding the above, every time a vacancy arises on the Board of Directors, and the corresponding selection process starts, at least one woman must participate as a candidate. As far as is compatible with the composition of the shareholders and the management body, the Company maintains the intention to comply with the 15<sup>th</sup> Recommendation of the Good Governance Code. For these purposes, in 2022, the Nominations, Remuneration and Corporate Governance Committee proposed the appointment as Director of Ms. Laia Lahoz, which was duly approved by a resolution of the Ordinary General Shareholders' Meeting held on June 30<sup>th</sup>, 2022, with the corresponding resolution to increase the number of Directors of the Company.

To reach this target, the Nominations, Remuneration and Corporate Governance Committee will ensure that the selection process does not suffer from any implicit bias that impedes the selection of female Directors and that the potential candidates include women who match the required professional profile.





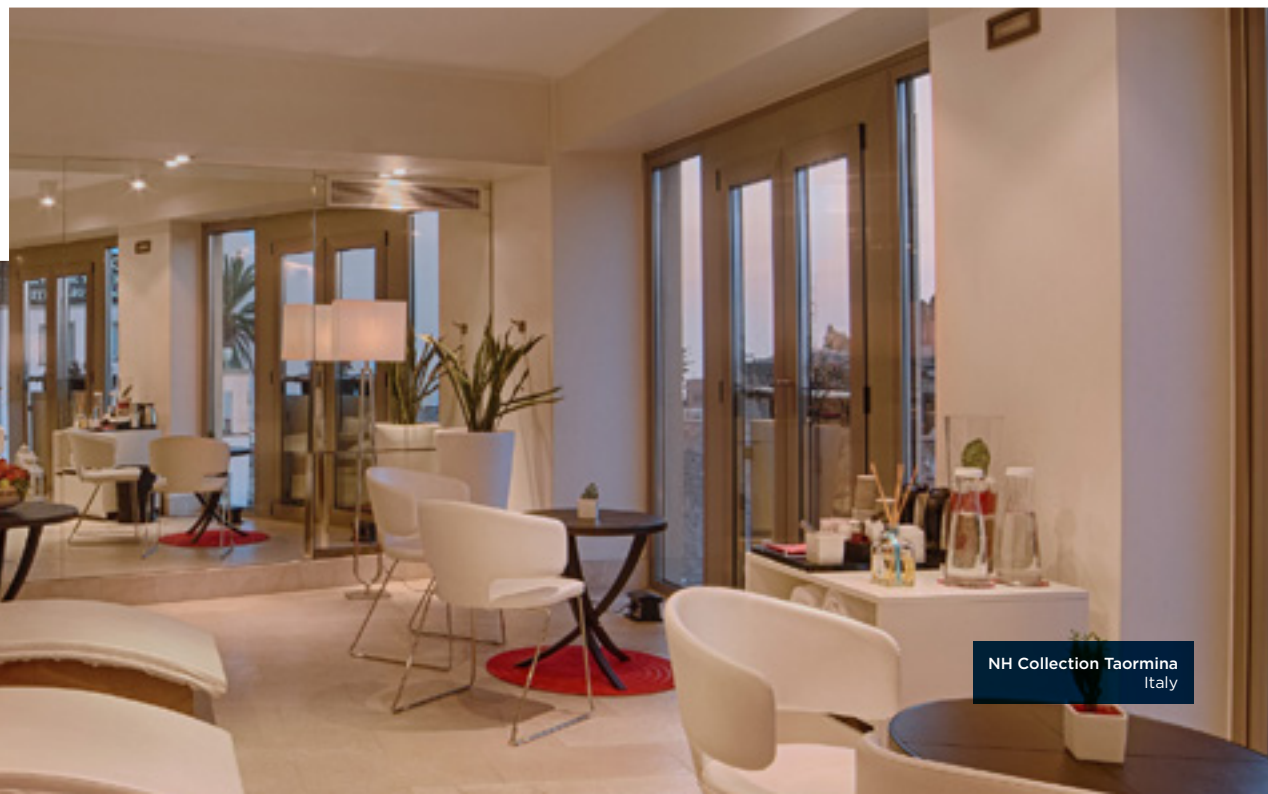
## MANAGEMENT COMMITTEE

The NH Hotel Group Management Committee is conceived as a body that guarantees the viability of the business, seeking growth and establishing the Company's strategic framework, development talent and leadership.

The Management Committee meets on a weekly basis and is made up of the Chief Officers of the different areas:

### COMPOSITION OF THE MANAGEMENT COMMITTEE AS OF PUBLICATION DATE OF SNFI 2022

Name	Position
1 D. Ramón Aragonés Marín	Chief Executive Officer
2 D. Alonso Escrivá de Romaní Arsuaga	Chief Strategy Officer
3 D <sup>a</sup> Laia Lahoz Malpartida	Chief Assets & Development Officer
4 D. Isidoro Martínez de la Escalera Álvarez	Chief Marketing & Communication Officer
5 D. Luis Martínez Jurado	Chief Financial Officer
6 D. Rufino Pérez Fernández	Chief Operations Officer & Global Transformation Leader
7 D <sup>a</sup> . Marta Perez-Leirós Fernández	Chief People & Sustainable Business Officer
8 D. Carlos Ulecia Palacios	General Counsel & Chief Legal and Compliance Officer
9 D. Fernando Vives Soler	Chief Commercial Officer



## SENIOR MANAGEMENT AND BOARD REMUNERATION

The average remuneration of the Senior Management in 2022 is 421,004 Euros which includes: fixed salary, variable salary accrued in 2022, vehicle, health, life and accident insurance.

As of 31<sup>st</sup> December 2022, the Senior Management, excluding the Executive Directors, consists of 4 men and 1 woman. For confidentiality reasons, the average remuneration has not been broken down by gender. The gender pay gap for the Senior Management is -1.6%. For the calculation of the gender pay gap, the amounts of those members who have left or joined senior management during 2022 have been annualised.

In accordance with the Directors' Remuneration Policy, the Chairman of the Board of Directors receives a fixed annual allowance of 200,000 Euros, and the Chairmen of the Audit and Control Committee and the Nomination, Remuneration and Corporate Governance Committee receive a fixed annual allowance of 90,000 Euros. The fixed allowance for a member is 50,000 Euros.

Executive Directors do not receive any fixed annual remuneration or expenses for attending Board or Committee meetings.

As of 31<sup>st</sup> December 2022, the Executive Directors are 2 men and 1 woman. The average remuneration of the Executive Directors for their Senior Management duties in 2023 is 822,416 Euros which includes: fixed salary, variable salary accrued per 2022, vehicle, health, life and accident insurance. By gender, the average annual remuneration of male Executive Directors is 970,558 Euros and the average annual remuneration of female Executive Directors is 526,132 euros. For the calculation of the average remuneration by gender, the amounts of the Executive Director appointed as such on 30 June 2022 have been annualised.

Further information on the Remuneration Policies for the Board of Directors is available in the Annual Report on Remuneration of Directors of Listed Companies 2022. Specifically in section "C1. Individualized remuneration of each of the directors (including remuneration for the exercise of executive functions) accrued during the financial year.



## SHAREHOLDER STRUCTURE

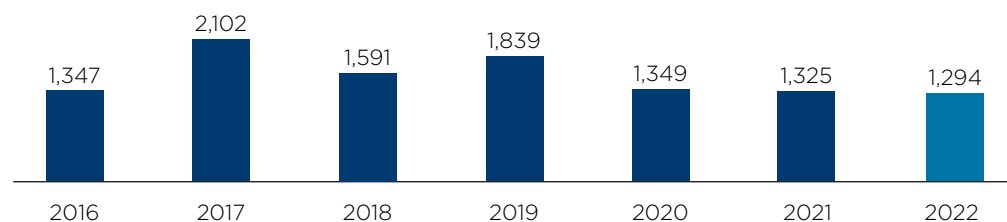
At the end of 2022, the share capital of NH Hotel Group, S.A. totals € 871,491,340 and was represented by 435,745,670 bearer shares with a par value of 2€ each, fully subscribed and paid in.

According to the latest notifications received by the Company and the communications sent to the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores – CNMV) before the year end, the most significant shareholders at the end of the year were as follows:

	2022	2021
Minor International Public Company Limited (“MINT”)	94.13%	94.13%

*MINT is the indirect shareholder through MHG Continental Holding (Singapore) Pte Ltd.*

### CAPITALISATION AT THE END OF EACH YEAR (in million €)



## Relations with shareholders and investors

Throughout 2022, NH Hotel Group has been in permanent contact with the Company's analysts and investors in order to satisfy their needs concerning the Group's general evolution. This contact with the market has taken place through individual meetings and in the participation in investors' conferences organized by various financial institutions and individual call requests.

### KEY INDICATORS ON RELATIONS WITH SHAREHOLDERS AND INVESTORS IN 2022

Entities that performed analyses of NH Hotel Group	8
Queries from shareholders and investors handled	80
Individual meetings with shareholders and investors	100
Analyst follow-up reports	45

The Company produces consistent and transparent financial information on a regular basis, with the aim of permitting monitoring for the analysis and valuation of the Group.

As a listed company, NH Hotel Group publishes quarterly results for the market. At the time of the half-yearly and annual publications, a call / conference with the market is also carried out, attended on average by 50 participants between investors and analysts.

The quarterly results published detail the following:



KPIS AND DRIVERS OF RESULTS



EVOLUTION BY GEOGRAPHICAL AREAS

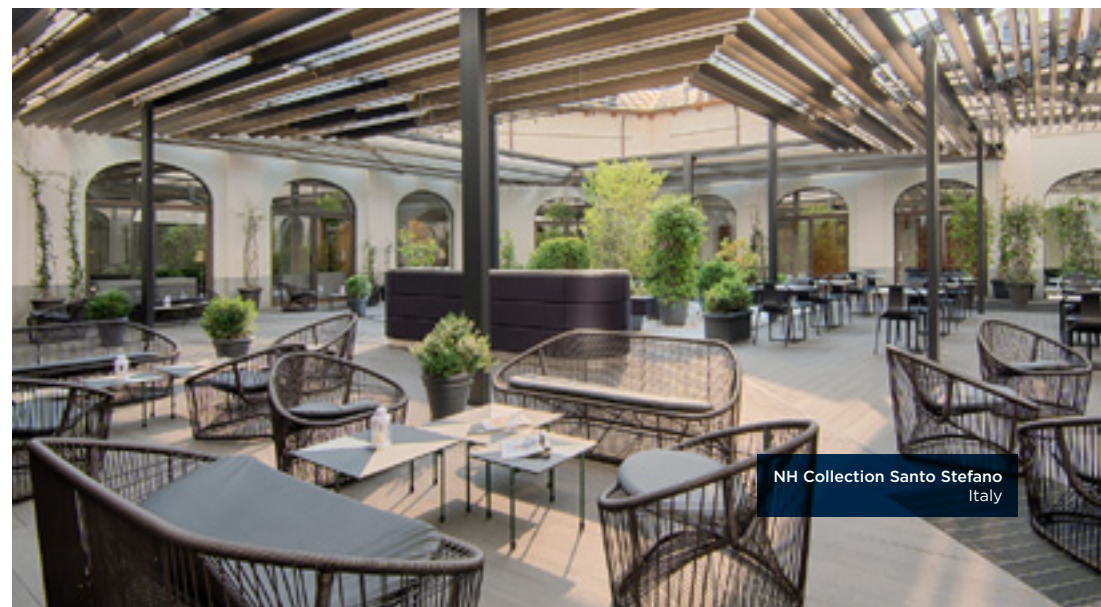


EVOLUTION OF COSTS



BREAKDOWN OF CASHFLOW AND FINANCIAL DEBT POSITION

In addition, the Investor Relations department is in permanent contact with the market through calls, trips, investors' conferences... in order to inform the investment community of the Company's evolution. All the information of interest to shareholders, including information on corporate governance and other information on General Meetings is available at all times on the NH Hotel Group website, [www.nh-hotels.es](http://www.nh-hotels.es), under “Shareholders and Investors”.



NH Collection Santo Stefano  
Italy