

**PROCEDURE FOR CONFLICTS OF INTEREST AND RELATED OPERATIONS WITH
SIGNIFICANT SHAREHOLDERS, DIRECTORS, AND SENIOR MANAGEMENT OF
MINOR HOTELS EUROPE & AMERICAS, S.A.**

INTRODUCTION. DEFINITIONS

The Procedure for Conflicts of Interest and Related Operations with Directors, Significant Shareholders and Senior Managers (the "Procedure"), develops the provisions in the Board of Directors Regulations and in the Internal Code of Conduct in the Stock Market of Minor Hotels Europe & Americas, S.A. ("MHEA" or the "Company"), as well as in Royal Legislative Decree 1/2010, of July 2, which approves the revised text of the Capital Companies Law ("LSC"), and aims to set out the rules to be followed in those situations where there is a conflict of interest between the Company or any of the companies in the group whose parent company, as set out in the law, is the Company (the "Group") and the direct or indirect personal interest of the Directors or those persons subject to rules on conflicts of interest, as well as in the transactions which the Group performs with the Directors, with those persons subject to rules on the conflict of interest or with the Significant Shareholders.

For the purposes of these regulations:

Significant Shareholders: those shareholders of the Company who hold, directly or indirectly, an interest in the share capital equal to or greater than that legally regarded as significant at any time or have proposed or made the appointment of any of the Directors of the Company.

Senior Managers: Those persons directly dependent on the Board and/or the Chief Executive, the members of the Management Committee of the Company and, under all circumstances, the internal auditor of MHEA, as well as any other manager considered as such by the Company's Board of Directors.

Directors: The members of the Board of Directors of MHEA or, if applicable to its subsidiaries.

Board of Directors: Board of Directors of MHEA or, if applicable to its subsidiaries.

MHEA Group: When MHEA has or may have direct or indirect control over one or more companies. In particular, it is presumed that there is control when MHEA has a relationship with another company which will be classified as dependant, in any of the following situations:

- a) It holds most of the voting rights.
- b) It has the power to appoint or dismiss most of the members of the body of administration.
- c) When as a result of agreements signed with third parties it has most of the voting rights.

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d) It has appointed with its votes most of the members of the body of administration who occupy their office at the time when the consolidated accounts have to be formulated and during the previous two financial years. In particular, it will be presumed that this circumstance arises when most of the members of the body of administration of the subsidiary company are members of the body of administration or senior managers of the parent company or another of its subsidiaries.

MHEA /the Company: MINOR HOTELS EUROPE & AMERICAS, S.A., with registered address in Madrid, c/Santa Engracia nº 120, constituted by Notary Public of Barcelona Mr José Falp, on 23 December 1881, and entered in the Companies Register of Madrid, in Volume 576 General, 176 of Section 3, Folio 34 back, page nº 1467, and C.I.F. (Tax identification code) A-28.027.944.

Persons Subject to Rules on Conflicts of Interest:

- a) The Senior Managers.
- b) Those persons designated by the Compliance Committee, according to the possibility that they could enter into potential conflicts of interest considering the office they hold in the Company or its Group. The Compliance Committee, once constituted, shall inform them about their condition as persons subject to rules on conflicts of interest.

Related Persons: Those who in relation to the Director or any of the Persons Subject to Conflicts of Interest have a close link, including blood or family relationship and specifically but without limitation:

- a) The spouse or persons with a similar affective relationship.
- b) The ascendants, descendants and siblings of the Director or of any of the Persons Subject to Conflicts of Interest or of the spouse of the Director or of any of the Persons Subject to Conflicts of Interest.
- c) The spouses of the ascendants, descendants and siblings.
- d) Companies or entities in which the Director or of any of the Persons Subject to Conflicts of Interest holds directly or indirectly, even through an intermediary, a stake that gives them significant influence or plays in them or in their parent company a position in the administrative body or in senior management. For these purposes, it is presumed to confer significant influence any holding equal to or greater than 10% of the share capital or of the voting rights or in response to which it has been possible to obtain, in fact or in law, a representation in the body of administration of the company.
- e) The partners represented by the Director or any of the Persons Subject to Conflicts of Interest in the administrative body.

Regarding the legal entity administrator, the following will be understood to be Related Persons:

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- a) Members who are in any of the situations contemplated in the first paragraph of article 42 of the Commercial Code.
- b) The legal or de facto administrators, the liquidators and the attorneys-in-fact with general powers of the legal entity administrator.
- c) The companies that are part of the same group and their partners.
- d) Persons who, with respect to the representative of the legal entity administrator, are considered related persons in accordance with what is established in the previous section

Related Operations: Those operations defined under article 10 of this Procedure.

Procedure: This Procedure for Conflicts of Interest and Related Operations with Directors, Significant Shareholders and Senior Management.

TITLE I. CONFLICTS OF INTEREST

CHAPTER 1. GENERAL REGULATIONS

Article 1. Scope of application

This regulatory compendium aims to establish and regulate the procedure to be applied to those operations or decisions here there is a direct or indirect collision between the interest of the Company or any of the companies in its group and the personal interest of the Directors, of the Persons Subject to Rules on Conflicts of Interest, and of their respective Related Persons.

For these purposes, this Title develops the provisions of article 43 of the Articles of Association, 32 of the Regulations of the Company's Board of Directors and article 5.1.5 of the Internal Code of Conduct in the Stock Market. It is expressly established that in the event of a conflict between the provisions of this Procedure and the aforementioned regulations, the provisions of this regulatory compendium shall prevail.

CHAPTER 2. CONFLICTS OF INTEREST OF THE COMPANY'S DIRECTORS

Article 2. Situation of conflict

It shall be considered that there is a conflict of interest in all those situations where there is a direct or indirect clash between the interest of the Company or of any of the companies in its Group and the Director's personal interest. The Director will have a personal interest when the matter affects him/her or a Related Person to them or, in the event of a *consejero dominical* (directors representing controlling shareholders), to the shareholder or shareholders which proposed or appointed them or persons directly or indirectly related to them.

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The participation by any Director in the administration or management of a company which has a corporate purpose which is the same or partially analogous to that of the Company or which is its competitor, or the provision of services to said company, shall be governed, apart from by this regulation, by the provisions of article 32 and 33 of the Board of Directors Regulations on the Directors' duty of loyalty and non-competition.

Without prejudice to the provisions in the above paragraphs, in those cases where the conflict of interest is, or could reasonably be expected to be, of such a nature as to constitute a structural and permanent conflict between the Director (or a Person Related to them or, in the event of a *consejero dominical* (directors representing controlling shareholders), to the shareholder or shareholders which proposed or appointed them or persons directly or indirectly related to them) and the Company or the companies in the Group, it shall be considered that the Director is not, or is no longer, suitable in order to exercise said office for the purposes of the provisions of the Company's Board of Directors Regulations.

Article 3. Obligation to report the conflict of interest to the Board of Directors

3.1 The Director who incurs in a conflict of interest must report this situation in writing via notification to the Secretary of the Company's Board of Directors, who shall on a regular basis send a copy of the communications received to the Audit and Control Commission, through its Chairperson.

In the communication the affected Director must indicate whether the conflict of interest affects him/her personally or through a Related Person, in which case they must be identified. It shall also state the situation in which the conflict of interest arose, detailing if appropriate the object and main conditions of the planned operation or decision, its amount or approximate economic evaluation, as well as the Company department or person or those of any of the companies in the Group with which the corresponding contacts have been started. Once he/she becomes aware about the start of said contacts, the affected Director must immediately make the communications and under all circumstances before the corresponding decision is taken or operation executed.

3.2. In the event of any doubt for any reason about whether the Director could be in a conflict of interest, the Director must consult the Secretary of the Board of Directors. The Director must also abstain from doing anything until the Secretary of the Board of Directors replies to the consultation which may be sent to the Compliance Committee, if deemed necessary.

The information listed in the above sections shall be published in the cases and with the scope set out in the regulations applicable at each time.

Article 4. Obligation to abstain from participating in the decision-making

4.1 The affected Director must abstain from attending and participating in the deliberation and voting on those issues where they are involved in a conflict of interest, both at the sessions of the Board of Directors and at any other company body, committee or management participating in the corresponding operation or decision.

4.2 At each of the meeting of the Board of Directors and of the Delegate Committee, the Secretary of the Board of Directors shall remind the Directors, before going on the agenda, about the rule of abstention set out in article 43 of the Articles of Association, and that this Procedure is in force. As regards the meetings of the Audit and Control Commission, the Appointments and Remunerations Commission, the provisions of this section shall be performed by the secretary of the corresponding commission.

Article 5. Information on conflicts of interest

The Secretary of the Board of Directors shall prepare a register of Directors' conflicts of interest which shall be kept constantly up to date, with detailed information about each of the situations which have occurred. The information contained in said register shall be made available to the Compliance Committee, once constituted, whenever requested, and on a regular basis available to the Audit and Control Commission.

Additionally, the directors' conflicts of interest register shall include the information provided by the Directors on their participation in the capital of a company with the same, analogous or complementary type of activity to that which constitutes the corporate object of the Company or the companies in its Group and the offices or functions which they hold in them, and about the performance for themselves or for others of the same, analogous or complementary type of activity as that which constitutes the Company's corporate purpose.

CHAPTER 3. CONFLICTS OF INTEREST OF THE PERSONS SUBJECT TO RULES ON CONFLICTS OF INTEREST

Article 6. Situation of conflict of interest

It shall be considered that there is a conflict of interest in all those situations where there is a direct or indirect clash between the interest of the Company or of any of the companies in its Group and the personal interest of Person Subject to Rules on Conflicts of Interest. The Person Subject to Rules on Conflicts of Interest will have a personal interest when the matter affects him/her or a Related Person to him/her.

Article 7. Obligation to report the conflict of interest to the General Council

7.1 The Person Subject to Rules on Conflicts of Interest must report this situation in writing via notification sent to their immediate manager who will in turn send said communication to the General Council, who will send a copy of said communication to Compliance Committee, in case this Committee has been constituted.

In the event that the conflict of interest affects a Senior Manager of the Company, the communication referred to in the previous section must be sent directly to the General Council.

In this Communication, the Person Subject to Rules on Conflicts of Interest affected by the conflict of interest must indicate whether the conflict of interest affects him/her personally or through a Related Person, in which case they must be identified. It shall also state the situation in which the conflict of interest arose, detailing if appropriate the object and main conditions of the planned operation or decision, its amount or approximate economic evaluation, as well as the Company department or person or those of any of the companies in the Group with which the corresponding contacts have been started. Once he/she becomes aware about the start of said contacts, the Person Subject to Rules on Conflicts of Interest affected by said conflict of interest must immediately make the communication and under all circumstances before the corresponding decision is taken or operation executed.

7.2 In the event of any doubt about whether the Person Subject to Rules on Conflicts of Interest could be for any reason be in a conflict of interest, said person must consult their immediate manager who will in turn send said communication to the General Secretariat. If the conflict of interest affects a Senior Manager of the Company the consultation referred to in this section must be sent directly to the General Secretariat.

7.3 The Person Subject to Rules on Conflicts of Interest must also abstain from performing any act until the General Secretariat replies to their consultation. If considered appropriate, the General Secretariat can refer the consultation to the Unit.

Article 8. Obligation to abstain from participating in the decision-making

8.1 The Person Subject to Rules on Conflicts of Interest must abstain from taking part or influencing the decision-making by any company body, committee or department which participates in the corresponding operation or decision, which could affect the persons or entities with which there is a conflict.

8.2 The Person Subject to Rules on Conflicts of Interest must also abstain from accessing confidential information which affects said conflict.

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Article 9. Information on conflicts of interest

9.1 The General Secretariat shall prepare a register of conflicts of interest of the Person Subject to Rules on Conflicts of Interest which shall be kept constantly up to date with detailed information about each of the situations which have occurred. The information contained in said register shall be provided to the Compliance Committee, once constituted, when thus requested.

9.2 The information referred to in the previous section shall be published in the cases and with the scope required under the regulations in force at each time.

TITLE II. RELATED OPERATIONS

CHAPTER I. COMMON REGULATIONS

Article 10. Definition of Related-Party Transactions

10.1 For the purposes of this Procedure, Related-Party Transactions shall be understood to be those carried out by the Company or its dependent companies with Directors, with shareholders holding 10% or more of the voting rights or represented on the Company's Board of Directors, or with any other people who should be considered Related Parties.

10.2 As an exception to the provisions of the previous section, the following will not be considered Related-Party Transactions:

a) The operations carried out between the Company and its wholly-owned subsidiaries, directly or indirectly, without prejudice to the provisions of article 231 bis. Neither will those carried out by a company with its subsidiaries or investees, provided that no other party related to the company has interests in said subsidiaries or investees, will be considered operations with related parties.

b) The approval by the Board of Directors of the terms and conditions of the contract to be signed between the Company and any director who will perform executive functions, including the CEO, or Senior Managers, as well as the determination by the Board of the amounts or remuneration specific to be paid by virtue of said contracts, without prejudice to the duty of abstention of the affected Director.

10.3 In the event that any of the operations referred to in section 1 of this article involves the successive performance of different transactions, in which the second and successive acts are merely to perform the first transaction, the provisions of this title shall only apply to the first transaction which is performed.

CHAPTER II. TRANSACTIONS WITH DIRECTORS AND SIGNIFICANT SHAREHOLDERS

Article 11. Approval of Related-Party Transactions

11.1 The approval of Related-Party Transactions will correspond to:

(i) To the General Meeting to approve Related-Party Transactions whose amount or value is equal to or greater than 10% of the total asset items according to the last annual balance sheet approved by the Company. When the General Meeting is called to rule on a Related-Party Transaction, the affected shareholder will be deprived of the right to vote, except in cases where the proposed resolution has been approved by the Board of Directors without a vote against the majority of the Independent Directors. However, when appropriate, the rule of reversal of the burden of proof provided for in article 190.3 LSC shall apply.

(ii) To the Board of Directors, for the rest of the operations, which may not delegate it. The affected Director or the one who represents or is linked to the affected shareholder, must abstain from participating in the deliberation and voting of the corresponding resolution. However, the Directors who represent or are linked to the parent company in the administrative body of the dependent Company should not abstain, without prejudice to the fact that, in such cases, if their vote has been decisive for the adoption of the resolution, it will be of application of the rule of reversal of the burden of proof in terms analogous to those provided in article 190.3 LSC.

11.2 The approval by the Board or by the Board of a Related-Party Transaction must be the subject of a prior report from the Audit and Control Committee. In its report, the Committee must evaluate whether the operation is fair and reasonable from the point of view of the Company and, where appropriate, of the shareholders other than the related party, and account for the budgets on which the evaluation is based. and the methods used. The affected directors may not participate in the preparation of the report.

11.3 Notwithstanding the provisions of sections 11.1 and 11.2 above, the Board of Directors may delegate the approval of the following Related-Party Transactions:

a) operations between companies that are part of the same group that are carried out in the field of ordinary management and under market conditions;

b) operations that are concluded by virtue of contracts whose standardized conditions are applied en masse to a large number of customers, are carried out at prices or rates generally established by whoever acts as a supplier of the good or service in question, and whose amount does not exceed 0.5 percent of the net amount of the company's turnover.

The approval of the Related-Party Transactions referred to in this section 11.3 will not require a prior report from the Audit and Control Committee. However, the Board of Directors must

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establish in relation to them an internal information and periodic control procedure, in which the Audit and Control Committee must intervene and which will verify the fairness and transparency of said operations and, where appropriate, the compliance with the legal criteria applicable to the above exceptions.

Article 12. The Directors' Obligation to report

The Directors must inform in writing about the transactions performed by them or by their respective Related Persons, by notification sent to the Secretary of the Board of Directors. In the event that no transactions have been performed by the Directors or their respective Related Persons, this shall be reported by the Directors. Said communication must be sent every six months within the first week of January and of July of each year.

The communication must include the following content: the nature of the operation; date on which the operation began; payment terms and conditions; identity of the person performing the transaction and if applicable their relationship with the director; amount of the transaction; and other aspects, like prices policies, guarantees given and received, as well as any other aspect of the operations which allows for a proper interpretation of the transaction, including information about operations which have not been performed under market conditions.

For these purposes, the Secretary of the Board of Directors shall every six months send the Directors a communication requesting appropriate information from them which they have to send to the Company.

Article 13. Information on transactions with Directors and Significant Shareholders

The Secretary of the Board of Directors shall prepare a register of the transactions performed with Directors and Significant Shareholders or with the respective Related Persons. The information contained in said register shall be made available to the Compliance Committee, when thus requested, and on a regular basis made available to the Audit and Control Commission, through the Internal Audit Corporate Department.

The transactions in said register shall be published in the cases and with the scope set out in the regulations applicable at each time.

Article 14. Publication of information on Related-Party Transactions

14.1 The Company must announce, no later than at the time of its execution, the Related-Party Transactions carried out by this or its group companies and which reach or exceed:

- a) 5 per cent of the total assets or
- b) 2.5 per cent of the annual amount of the annual turnover.

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14.2. The announcement must be inserted in an easily accessible place on the company website and will be communicated to the Spanish Stock Market Commission (“*Comisión Nacional del Mercado de Valores*”) for public dissemination.

The announcement must be accompanied by the report of the Audit and Control Committee referred to in article 529 duovicies.3 LSC and must include, as a minimum, the following information:

- a) information on the nature of the transaction and the relationship with the related party,
- b) the identity of the related party,
- c) the date and value or amount of the consideration for the operation and
- d) any other information necessary to assess whether it is fair and reasonable from the point of view of the Company and the shareholders who are not related parties.

Article 15. Calculation rules.

15.1 The Related-Party Transactions that have been entered into with the same counterparty in the last twelve months will be added to determine the total value for the purposes of the provisions of the applicable regulations contained in this Procedure.

15.2 The references made in this chapter to the total assets or annual turnover will be understood to be made to the values reflected in the last consolidated annual accounts or, failing that, to the last individual annual accounts of the listed company approved by the general meeting.

CHAPTER III. TRANSACTIONS WITH PERSONS SUBJECT TO RULES ON CONFLICTS OF INTEREST

Article 16. Authorization from the General Secretariat

16.1. Every transaction referred to in this chapter shall be subject to the authorisation from the General Secretariat.

The General Secretariat shall ensure that the transactions with the Persons Subject to Rules on Conflicts of Interest or with Persons Related to them are performed under market conditions.

The transactions within the ordinary course of the company business and which are normal and recurrent shall only require the generic authorisation from the line of operations and of its performance conditions.

16.2 The authorization from the General Secretariat shall not however be necessary for those transactions which comply with all three of the following conditions: That they are performed under contracts with standard conditions applied en masse to many clients; They are

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performed at general prices established by the party supplying the goods or service in question; That their amount does not exceed one per cent of the company's annual revenue according to the individual annual accounts audited in the last financial year closed on the date of the operation in question.

Article 17. Obligation to report the transactions to the General Secretariat

Without prejudice to that indicated in article 15 above, and unless expressly excused by the General Secretariat, the Persons Subject to Rules on Conflicts of Interest must inform in writing about the transactions performed by them or by their respective Related Persons, by notification sent to the General Secretariat. Said communication must be sent every six months within the first week of January and of July of each year.

The communication must include the following content: the nature of the operation; date on which the operation began; payment terms and conditions; identity of the person performing the transaction and if applicable their relationship with the director; amount of the transaction; and other aspects, like prices policies, guarantees given and received, as well as any other aspect of the operations which allows for a proper interpretation of the transaction, including information about operations which have not been performed under market conditions.

For these purposes, the General Secretariat shall every six months send the Persons Subject to Rules on Conflicts of Interest a communication requesting appropriate information from them which they have to send to the Company.

Article 18. Information on transactions

The General Secretariat shall prepare a register of the transactions performed with the Persons Subject to Rules on Conflicts of Interest. The information contained in said register will be provided to the Compliance Committee, once constituted, when thus requested.

The transactions included on said register shall be published in the cases and with the scope set out in the regulations applicable at each time.