

## **SELECTION POLICY FOR CANDIDATES TO DIRECTOR POSTS**

Compliance with the best corporate governance standards is part of the daily conduct of NH Hotel Group. In this matter, the Board of Directors recognizes that transparency in all its actions, including the director selection process, is essential for its corporate governance strategy. This specific and verifiable policy for selecting candidates for a place on the Board of Directors assures that the proposals for the appointment of directors of the Company are based on a prior analysis of the needs of the Board of Directors.

### **1. Scope**

This selection policy for candidates to director posts will be applicable to the selection of candidates to the Company's Board of Directors who are individuals.

In the case of candidates that are legal persons, the provisions of this selection policy will apply to the individuals who are going to represent them.

### **2. Objectives of the selection of candidates**

To evaluate the candidates participating in the selection process, the procedure takes into account the skills, experience, professionalism, suitability, gender, independence of criteria, knowledge, qualities, capabilities and availability of the members of the Board of Directors from time to time, with the Appointments, Remuneration and Corporate Governance Committee playing a relevant role in this process.

### **3. Selection process. Collaboration of external advisors**

To select candidates for the Board of Directors, the Appointments, Remuneration and Corporate Governance Committee may engage the services of one or more external advisors that specialize in candidate search and selection in order to strengthen the efficiency, efficacy and impartiality of the procedures for identifying them.

In any case, the candidate selection process will avoid any kind of implicit bias that could entail any form of discrimination and, in particular, hinder the selection of female directors.

#### **4. Conditions that must be met by the candidates**

The candidates for the post of Director of the Company must fulfil requisites of professional and personal qualification and honourability.

In particular, they must be prestigious and suitable people, of acknowledged professional standing, competence and experience, with sufficient qualifications, training and availability for the post. Candidates must show commitment to their duties, with a personal and professional history of respect for law and good commercial practice and must necessarily comply with the conditions established by law from time to time in order to be a member of the Board of Directors. They must also be professionals of integrity, whose professional conduct and background are in line with the ethical principles and duties reflected in the Company's internal regulations and with the vision and values of the NH Group.

#### **5. Impediments to being a candidate**

Anyone incurring in any of the situations of incapacity, disqualification, prohibition or incompatibility established in ruling legal provisions may not be proposed for appointment as Directors. For these purposes, any persons who directly or indirectly holds interests of any kind or has employment, professional, mercantile or any other kind of relations with competitor companies shall be considered incompatible for holding the post of Director, unless the Board of Directors resolves to exempt such a person from this restriction, with at least 70% of the Board's members voting in favour of this resolution. The above is deemed to be notwithstanding any other exemption to be granted by the General Shareholders' Meeting, in accordance with the provisions of ruling legislation.

#### **6. Promotion of diversity, special reference to gender diversity**

NH Hotel Group is convinced that diversity, in all its aspects, at all levels of its team of professionals, is an essential factor to ensure the Company's competitiveness and a key element of its corporate governance strategy. The candidate selection process will avoid discrimination and, in the corporate interest, meritocracy will prevail as the main selection criterion, in a process aimed at seeking the most qualified candidates. However, every time a vacancy arises on the Board of Directors and the corresponding selection process commences, at least one woman candidate must participate, without prejudice to the principles of merit and capacity, until the established goal of 30% female representation on the Board by 2020 is achieved.