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# EXECUTIVE AND NON-EXECUTIVE DIRECTORS

## REMUNERATION POLICY OF lastminute.com N.V.

This remuneration policy (the "**Remuneration Policy**") was prepared by the Selection, Appointment and Remuneration Committee (the "**SARC**") of the board of directors (the "**Board**") of lastminute.com N.V. (the "**Company**") and was approved by the Board on 18 March 2020 and adopted by the general meeting of the Company on 21 May 2020.

### 1. INTRODUCTION

#### 1.1. Purpose of the Remuneration Policy

The goal of this Remuneration Policy is to recruit, retain and motivate high quality directors. The Company is committed to providing a total remuneration package that is consistent with sound industry practice and reflects the individual country practices, job market and geographic differences.

The Company has a strong orientation toward achieving overall company and personal goals and aims for long term value creation.

The Company believes that the amount and structure of the remuneration paid to the directors and to the executive management shall be such that any independent and external company is willing to pay to a qualified and expert manager to run the business. The remuneration package shall include a fixed and a variable component. The level and structure of remuneration package is determined in the light of, among other things, an executive director's professional experience in so far as it is relevant to the performance of his or her duties, executive experience, experience in corporate governance of large companies, experience in ecommerce and tourism industries, specific know-how with respect to the business and corporate policy of the Group, specific competences in areas of management, finance, reporting and ecommerce and tourism industries. The remuneration policy may also be determined in relation to the Company's consolidated results, share price performance, and other relevant developments.

#### 1.2. Scope

This Policy is to be applied to the remuneration of the following persons:

- The members of the Board of Directors of the Company (both the executive and non-executive members)
- The Executive Committee Members of the Company

#### 1.3. References

This Policy is in line with best practices stated by the Dutch Corporate Governance Code (revised 2016 version) and the Dutch Civil Code art. 2:135.

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#### 1.4. Policy for the adoption, approval and review of the remuneration policy

For the adoption of this policy, the following procedure applies:

The SARC prepares a clear and understandable proposal for the remuneration policy to the other LM's non-executive directors. The non-executive directors submit the proposal to the general shareholders meeting, after which it can be approved by the general shareholders meeting.

The following procedure applies for the review of this policy:

If this policy is reviewed, the most important changes will be disclosed in the new version of the policy. The new version of the policy must also contain a description and explanation of the way in which the positions on this policy and on the compensation disclosure (since the last vote on the remuneration policy on the general shareholders meeting) of the general shareholders meeting have been taken into account.

The following rules apply to the approval of this policy:

This policy will be submitted for approval to the general shareholders meeting at least every four years. For approval, at least three quarters of the cast votes are needed during the general shareholders meeting, unless specified differently in LM's statutes.

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## 2. Remuneration principles

### 2.1. Benchmarking

The remuneration for executive directors comprises fixed components as salary and/or (management) fees and variable incentives, which are based on market value, reflecting experience, seniority, responsibility and specific know-how. For executive directors working within and from the Netherlands, the Dutch remuneration market is the main guideline. For executive directors resident in foreign countries, the foreign remuneration system shall significantly affect the remuneration package.

Valid deviations from market value may be made based on an executive director's professional experience and on the executive director's potential contribution to the Company within the scope of his or her assigned duties. The total remuneration is reviewed annually by the SARC by referral to the remuneration level of other companies active in the industry of the Company, as well as other multinational companies considered similar to the company in terms of size, geographical spread and complexity of business.

### 2.2. Pay ratios within the Company and its affiliated enterprise

The remuneration package for executive directors also has a clear relationship with the salary and working conditions of the employees of the Company such as to make sure the Policy is sufficiently supported by the public at large. In respect of this, the following guidelines will be applied: the average annual compensation of the Executive Directors over the average annual compensation of a Group's employee.

### 2.3. The function of executive directors within the Company

The remuneration package for the executive directors shall also take into account any division of duties within the Board. The remuneration package and its structure shall also take into account any remuneration an individual executive director may receive (based on employment or non-employment status) from the Company or any of its direct and indirect subsidiaries (each a "**Group Company**").

Executive directors may be employed under employment agreements or engaged under service agreements with the Company that detail the terms and conditions of their employment or engagement, including remuneration and prospective severance benefits. An executive director may concurrently be an employee of the Company for a position other than an executive director; the employment agreement shall detail the scope of job, obligations of the employee and remuneration for performance of his or her job.

Executive directors may also be employees of a Group Company. The employment agreement concluded between an executive director and a Group Company shall provide for details of their employment, including remuneration.

In addition, members of the Board may receive remuneration for consultancy services provided to the Company. Such remuneration shall be at arm's length conditions and must be approved by the SARC.

### 2.4. Scenario analysis

The remuneration for executive directors may also be determined in relation to the Company's results, share price performance, and other relevant developments.

The following pre-executed scenario analysis may apply to the Company's provision in respect of:

- adjusted EBITDA annual result; and
- gross margin of the main business carried on by the corporate group to which the Company belongs.

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## 2.5. The development of the market price of the shares

When determining the remuneration of the executive directors, the development of the market price of the Company is not taken into account. Namely, there is no need for an explicit connection, due to the fact that the executive directors are major and indirect shareholders of the Company.

## 2.6. Subdivision and ratio between fixed and variable remuneration components

The remuneration of executive director's may consist of a fixed and a variable component.

The ratio and subdivision between the fixed and variable remuneration components are as following:

- The maximum variable remuneration (as a percentage of base salary) is 1,000%.
- The fixed component of the remuneration may include the following components:
  - *Amount in cash*
- The variable component of the remuneration may include one or more of the following elements:
  - *Performance bonus:* At the beginning of each year, each executive director shall be provided a list of measurable objectives to be achieved in the course of the year according to guidelines to be proposed and approved by the SARC. The measure of the level of achievement of such objectives shall be approved by the SARC. Such performance bonus shall be paid in cash after confirmation of the annual results by the Company's auditor.
  - *Additional Performance bonus:* A specific business plan may be determined for a specific region and/or for LMN (as a whole or any part thereof) before the respective financial year and may include revenues, gross profit and EBIDTA. In case of over-performance of the objectives included in such a business plan, an additional bonus - approved by SARC - may be distributed. Such additional performance bonus shall be paid in cash after confirmation of the annual results by the Group Company's auditor.
  - *Additional arrangements:* In addition to the main conditions of employment, a number of additional arrangements apply to members of the Board, such as expense and relocation allowances, medical insurance, accident insurance and company car arrangements. They also benefit from coverage under the Company's Directors and Officers (D&O) policies. Loans to members of the Board (if any) shall be granted on an arm's length basis.

## 2.7. Measurable performance criteria of the variable remuneration component

The variable component of the remuneration is linked to measurable performance criteria determined in advance, which are predominantly long-term in character. These performance criteria are as following:

- the professional experience;
- the performance of his or her duties;
- the executive experience;
- the experience in corporate governance of large companies;
- the experience in e-commerce and tourism industries;
- the specific know-how with respect to the business and corporate policy of the Group; and
- the specific competences in areas of management, finance, reporting and ecommerce and tourism industries.

## 2.8. Severance payments

Upon termination of employment, a Director shall receive an amount that is not higher than the value of the annual fixed compensation. A director will not be compensated upon termination of employment, if the termination is premature and initiated by the Director or if the Director has acted seriously culpable or negligent.

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## 2.9. Claw back and the adjustment of a bonus

The Company is authorized to recover a bonus in whole or in part insofar as the payment has been made on the basis of incorrect information about the achievement of the objectives underlying the bonus or about the circumstances on which the bonus was dependent. The claim can also be brought on behalf of the Company by the non-executive directors or a representative appointed by the general shareholders meeting.

The general shareholders meeting is authorized to adjust the amount of a bonus to an appropriate level if payment of the bonus would be unacceptable in accordance with the standards of reasonableness and fairness. A bonus is understood to mean the non-fixed part of the remuneration, the award of which has been made wholly or partly dependent on the achievement of certain goals or the occurrence of certain circumstances.

## 2.10. Remuneration of the non-executive members

The remuneration of non-executive directors will be based on the following principles:

- The remuneration of the non-executive directors reflects the time spent and the responsibilities of their position.
- No shares and/or rights to shares are granted to a non-executive director as a reward.
- Any shares held by non-executive directors in the Company are meant as a long-term investment.

## 3. Procedures for decisions about remuneration for Executive Directors

The remuneration of the Executive Directors is approved by the General Meeting upon the Board proposal submitted by SARC.

The proposal of the SARC will at least contain the following aspects: the remuneration structure of LM, the amount of the fixed and the variable components of the remuneration, the performance criteria used, the executed scenario analysis and the compensation ratio's within LM.

The SARC shall regularly review and recommend changes to Board members' remuneration, including the Chairman and the CEO. The SARC's role is to ensure that remunerations are at an appropriate level, effectively managed, to best match the business objectives of LMN reflecting competencies and market conditions in the various countries where LMN is operating. SARC also assists the Board in the approval of remuneration policies and practices.

The SARC shall annually evaluate each executive director's performance against the remuneration policy's goals. An inadequate performance of tasks is not rewarded.

When determining the remuneration of individual executive directors, the SARC may seek advice from leading compensation and benefit consultants, in order to provide a package of incentives and rewards that shall be competitive by reference to other companies active in the industry of the Company, as well as other multinational companies considered similar to the Company in terms of size, geographical spread and complexity of business.

Individual executive directors should give their own vision on their remuneration, with respect to long-term value creation of LM and the ratio of remunerations between employees of LM.

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## 4. Procedures for decisions about remuneration for individual non-executive directors

The non-executive directors submit a clear and understandable proposal to the general shareholders meeting for an appropriate remuneration for themselves. The remuneration for non-executive directors encourages the adequate performance of the position and does not depend on the results of the Company.

## 5. Deviation and waivers

If this policy is adopted by the general shareholders meeting, the Company remunerates directors in accordance with existing policy or practice and submits a revised policy for adoption to the next general meeting. LM can deviate from this policy, only under extraordinary circumstances which may be defined from time to time by the Board.

## 6. Remuneration disclosures

LM will provide the following disclosures about remuneration.

### The remuneration policy

This Remuneration Policy (along with the date and the outcome of the vote in the general shareholders meeting) shall be published on LM's website for as long the policy is in effect.

### The remuneration report

In the remuneration report, the non-executive board members should render account of the implementation of the remuneration policy in a transparent manner. The remuneration report will be prepared by the SARC. This report will in any event describe, in a transparent manner:

- how the remuneration policy has been implemented in the past financial year;
- how the implementation of the remuneration policy contributes to long-term value creation;
- that scenario analyses have been taken into consideration;
- the pay ratios within the Company and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous financial year;
- in the event that a management board member receives variable remuneration, how this remuneration contributes to long-term value creation, the measurable performance criteria determined in advance upon which the variable remuneration depends, and the relationship between the remuneration and performance
- in the event that a current or former management board member receives a severance payment, the reason for this payment.

The remuneration report is presented to the annual general meeting for an advisory vote. In the remuneration report, the Company explains how the previous vote of the general shareholders meeting was taken into account.

### Agreements with executive board members:

The main elements of the agreement of an executive board member with LM will be published on the LM's website in a transparent overview after the agreement has been concluded, and in any event no later than the date of the notice calling the general meeting where the appointment of the executive board member will be proposed.

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