

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

Remuneration & Nomination Committee Terms of Reference

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eDreams ODIGEO, S.A.
(The "Company")
Remuneration & Nomination Committee
(The "Committee")

Terms of Reference

CHAPTER I. OBJECT

ARTICLE 1. NATURE AND PURPOSE

The Board of Directors of eDreams ODIGEO, S.A. (hereinafter referred to the "Company") establishes the Remuneration and Nomination committee (hereinafter the "Committee"), as an advisory body to the Board of Directors whose main function is to provide assistance to the Board in fulfilling the Board's responsibilities to the Company and its shareholders relating to the selection, appointment, renewal and dismissal of the directors and senior management and the remuneration of directors and senior management.

To that end, the purpose of the Remuneration and Nomination committee shall be

- a. to provide the Company with a formal and transparent procedure for developing its policy on executive remuneration and for reviewing the remuneration packages of Directors and executives, to view the remuneration policy of the company as the Board of Directors deems fit, to make proposals, together with the CEO as to the individual remuneration of Directors and to advise on any benefit or incentive schemes; and
- b. to ensure that there is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board, to lead the process for Board appointments and make recommendations and proposals to the Board. The Committee is to assist the Board in ensuring its composition is regularly reviewed and refreshed so that it is effective and able to operate in the best interests of shareholders; and in doing so, the Committee shall work and liaise with other Board committees, as appropriate; and
- c. regularly review the structure, size and composition (including the skills, experience, independence, knowledge, and diversity, including gender) of the Board and make recommendations to the Board with regard to any changes that are deemed necessary; and
- d. keep under review the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace; and
- e. keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.

CHAPTER II. COMPOSITION

ARTICLE 2. COMPOSITION

The Committee shall consist of a minimum of three (3) and a maximum of five (5) members appointed by the Board of Directors of the Company (the "Board"), all of whom must be Non-Executive Directors, and at least two (2) must be independent.

The Board of Directors will appoint a Chairman from among the independent directors serving on the committee. The Board may also appoint a vice-chairman if deemed advisable. The provisions governing appointment of the chairman will apply to any vice-chairman appointments.

The Chairman will be responsible for the effective operation of the Committee, and shall ensure that all members receive adequate information in advance of each meetings; promote debate and the active involvement of Directors during Meetings; and safeguard their rights to freely take a position and express their opinion.

The Board will also appoint a secretary to the Remuneration and Nomination Committee, who need not be a member of the committee. In this case, the non- member secretary need not be a member of the Board of Directors. The post of secretary to the Remuneration and Nomination Committee may fall to either the secretary of the Board or to a different individual.

The Secretary shall be in charge of keeping the minutes of the Meetings. The Committee shall determine the powers, duties and authorities of such Secretary. The Secretary shall ensure the implementation of the rules and procedures governing the operation of the Committee, under the authority of the Chairman. The Secretary shall prepare minutes summarizing the deliberations during the meeting of the Committee and noting any decisions taken by the Committee, in conjunction with the Chairman.

The Chairman of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chairman.

CHAPTER III. MEETINGS

ARTICLE 3. MEETINGS

The Committee shall meet at least two (2) times per annum. The committee will meet at the request of any of its members and whenever convened by its chairman. The committee chairman must call a meeting whenever the Board or the Board chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever appropriate for the efficient running of the committee.

The quorum for meetings of the Committee shall be met when the majority of its members are present or represented. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Group Human Resources Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

ARTICLE 4. NOTICE OF MEETINGS

Meetings of the Committee shall be called by the secretary of the Committee at the request of the Chair of the Committee. Meetings will normally be held immediately before or after regular meetings of the Board, but meetings may also be held by conference calls.

ARTICLE 5. VOTING

Each member of the Committee shall have one vote which may be cast on matters considered at the meeting.

If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote in such resolution.

Resolutions will be adopted by an absolute majority vote of those present or represented. Save where he has a personal interest, the Chairman will have a casting vote in the event of a tie.

ARTICLE 6. MINUTES

The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved copies of the minutes will be available for inspection by all members of the Board.

ARTICLE 7. ANNUAL GENERAL MEETING

The Chair of the Committee should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

ARTICLE 8. SUCCESSION PLANNING

The Committee shall give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills, experience, independence, knowledge and diversity needed on the Board in the future; and satisfy itself that plans are in place for orderly succession for appointments to the Board and senior management.

CHAPTER IV. REMUNERATION & NOMINATION COMMITTEE RESPONSIBILITIES

ARTICLE 9: REMUNERATION

The Committee shall:

- propose to the Board the policy for the remuneration of the Company's chairman, the Chief Executive, the Executive Directors and any other directors (the "director remuneration policy") and such other members of the executive management under the direct supervision of the board, executive committees or delegated directors, in addition to the individual remuneration and other contractual conditions of executive directors, ensuring compliance with the same. No director or manager shall be involved in any decisions as to his or her own remuneration;

- in determining such policy, take into account all factors which it deems necessary, including relevant legal and regulatory requirements, the provisions and recommendations of the Spanish corporate governance and also compliance with the Spanish Stock Exchange Requirements. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the long-term success of the Company;
- within the terms of the agreed director remuneration policy and in consultation with the chairman and/or the Chief Executive, as appropriate, review the total individual remuneration package of the chairman, each Executive Director, and other designated senior members of management, including bonuses, share-based incentive awards and other elements of their remuneration;
- when reviewing the director remuneration policy, review and have regard to the remuneration trends across the Company, the group and relevant peer companies;
- review the on-going appropriateness of the director remuneration policy, having regard to its compatibility with remuneration more generally across the group;
- obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations, the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary;
- be responsible for establishing the selection criteria, relating to selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- propose the design of, and determine targets for, any performance-related pay schemes operated by the Company and propose to the Board the total annual payments made under such schemes;
- review the design of all share incentive plans for approval, where required, by the Board and/or shareholders. For any such plans, propose yearly whether awards will be made and, if so, the overall amount of those awards (and their design) which are made to the Executive Directors and other designated senior members of management;
- the Committee shall review the company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
- propose the policy for, and scope of, pension arrangements for each Executive Director and other designated senior executives;
- ensure that contractual terms on termination, and any payments made, are within the director remuneration policy, that failure is not rewarded and that the duty to mitigate loss is fully recognized in all the circumstances;
- oversee any major changes in employee benefits structures throughout the Company or the group;
- propose and review the policy for authorizing claims for expenses from the Directors; and
- undertake discussions or consultations with institutional investors with respect to the director remuneration policy or other aspects of executive remuneration.

ARTICLE 10: NOMINATIONS

The Committee shall:

- regularly review the structure, size and composition (including the skills, experience, independence, knowledge, and diversity, including gender) of the Board and make recommendations to the Board with regard to any changes that are deemed necessary;
- establish an objective regarding the representation of the least represented gender in the board of directors and develop guidelines on how to reach said objective;
- keep under review the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace; and
- keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.

ARTICLE 11: APPOINTMENTS TO THE BOARD

The Committee shall:

- be responsible for identifying candidates from a wide range of backgrounds to fill Board vacancies as and when they arise;
- submit to the Board proposals for the appointment of independent directors for their nomination by co-option or for their submission to the shareholders' general meeting' decision, in addition to proposals for the re-election or dismissal of said directors, by the shareholders' general meeting.
- inform of any proposals for appointment of all other directors for their nomination by co-option or for their submission to the shareholders' general meeting's decision, in addition to proposals for the re-election or dismissal of said directors, by the shareholders' general meeting.
- before the Board makes any appointment, evaluate the balance of skills, experience, independence, knowledge, and diversity, including gender) on the Board, and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall:
 - i. use such methods as it deems appropriate, including the use of open advertising or the services of external advisers to facilitate the search;
 - ii. consider candidates from a wide range of backgrounds; and
 - iii. consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
- research and organise the succession of the chairman to the Board and the first executive of the company and, when relevant, formulate proposals to the board of directors so that said succession be processed in an ordered and well-executed manner;
- for the appointment of a chairman, prepare a job specification, including the time commitment expected, and require a proposed chairman to disclose other significant commitments to the Board before appointment and disclose any changes to the chairman's commitments to the Board as they arise;

- ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings and the induction process;
- keep under review the number of external Directorships held by each director;
- inform of any proposals for appointment or dismissal of senior management and the basic conditions of their contracts.

ARTICLE 12: INDUCTION AND TRAINING

The Committee shall ensure that all new Directors undertake an appropriate induction programme to ensure that they are fully informed about strategic and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a director, and consider any training requirements for the Board as a whole.

ARTICLE 13: CONFLICTS OF INTEREST

The Committee shall:

- before appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest;
- consider situational conflicts of interest of Directors and potential Directors; and
- keep under review potential conflicts of interests of Directors disclosed to the Company and develop appropriate processes for managing such conflicts if the Committee considers this to be necessary.

ARTICLE 14: BOARD EVALUATION

The Committee shall:

- assist the Board with the implementation of an annual evaluation process to assess the overall and individual performance and effectiveness of the Board and its committees, including consideration of balance of skills, experience, independence and knowledge of the Company, its diversity, including gender, how the Board works together as a unit, and other factors relevant to the Board's effectiveness;
- review the results of the Board performance evaluation process that relate to the composition of the Board;
- ensure that evaluation of the Board is externally facilitated at least every three years;
- review the results of the performance evaluation of the Committee; and
- review annually the time required from Non-Executive Directors, including the Chairman and independent directors. Performance evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfill their duties.

ARTICLE 15: REPORTING RESPONSIBILITIES

The Chair of the Committee shall report to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities.

The Committee shall make such recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is needed.

The Committee shall produce a report of the Company's directors remuneration, in accordance with Spanish law, and ensure each year that it is put to shareholders for approval, in an advisory capacity, at the annual general meeting.

ARTICLE 16: OTHER MATTERS

The Committee shall:

- have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;
- be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- give due consideration to laws and regulations and any other applicable rules, as appropriate; and
- arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

CHAPTER V. AUTHORITY

The Committee is authorised by the Board of Directors to examine any activity within its terms of reference and is authorised to obtain, at the company's expense, legal or professional advice on any matter within its terms of reference. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. The Committee is authorised to seek any information it requires from any employee or director, and all such employees or Directors will be directed to co-operate with any request made by the Committee.