



PLAYA HOTELS & RESORTS N.V.

Compensation Policy

A. Introduction

Playa Hotels & Resorts N.V. (the “**Company**”) is required by Dutch corporate law and its articles of association (the “**Articles**”) to have a policy (this “**Compensation Policy**”) governing the compensation of the board of directors of the Company (the “**Board**”, comprised of one or more executive Directors, the “**Executive Director(s)**” and one or more non-executive Directors, the “**Non-Executive Director(s)**”, the Executive Director(s) and the Non-Executive Director(s) jointly, the “**Directors**”). The Compensation Policy is required to be adopted by the Company’s general meeting of shareholders (the “**General Meeting**”). The Articles designate the Board as the competent body to determine the compensation of the Directors with due observance of this Compensation Policy and the Articles.

The Board has established a compensation committee (the “**Compensation Committee**”) from among its members to assist the Board *inter alia* in matters relating to the compensation of Directors. The functioning of the Compensation Committee shall be laid down in the charter of the Compensation Committee to be adopted by the Board, and to be amended by the Board from time to time.

B. General

This Compensation Policy sets forth a compensation structure designed to attract, retain and motivate Directors with the leadership qualities, skills and experience needed to support the management and growth of the Company’s business. This Compensation Policy aims to drive strong business performance, promote accountability, incentivize Directors to achieve short- and long-term performance goals with the objective of substantially increasing the Company’s equity value, and assure that Directors’ interests are closely aligned with those of the Company’s shareholders and other stakeholders.

This Compensation Policy is intended to ensure the overall market competitiveness of the Directors’ compensation packages, while providing the Board with enough flexibility to tailor its compensation practices on a case by case basis. In determining the compensation of Directors, the Board (and the Compensation Committee), in its discretion, shall consider what, if any, actions shall be taken with a view to preventing conflicts of interest. In its discretion, the Board (or the Compensation Committee) may obtain independent advice from compensation consultants or counsel on the appropriate levels of compensation. The Compensation Committee shall annually review and, if deemed appropriate, recommend to the

Board changes to the individual Directors' compensation packages from time to time in a manner consistent with this Compensation Policy.

C. Director Compensation

1. General

The compensation for the Directors shall be determined by the Board, within the framework of this Compensation Policy. The compensation for the Executive Director(s) shall be determined without involvement of the Executive Director(s) in the deliberations and decision-making.

In determining the appropriate levels of compensation for each of the Directors, the Board (and the Compensation Committee) may take into account marketplace information such as industry standards and peer group data, pre-existing arrangements, whether a Non-Executive Director is independent and the specific respective positions a Director serves on the Board, its committees and/or the Company's executive management. The Board (and the Compensation Committee) may further take into account such other compensation as may be payable to the persons covered by this policy in any capacity, whether at the level of the Company or at the level of other entities controlled by the Company or under common control with the Company, and whether payable by the Company or by entities controlled by the Company or under common control with the Company. In determining compensation for the Directors, the Board (and the Compensation Committee) shall take into account, to the extent deemed appropriate for the Company by the Board (and the Compensation Committee), the best practices and recommendations under the Dutch Corporate Governance Code.

2. Executive Director Compensation

The compensation package of each of the Executive Director(s) shall consist of a mix between fixed and variable compensation and include some or all of the following components:

- Annual base salary
- Cash incentives
- Equity-based compensation and deferred or long-term incentive awards
- Pensions and benefits
- Severance pay

The mix of short and long-term variable components is intended to support both long-term value creation and short-term Company objectives. The Board may in its discretion include other components in an Executive Director's compensation package with due observance of this Compensation Policy.

Annual Base Salary

The annual base salary (the fixed part of the annual cash compensation) shall be subject to annual review by the Compensation Committee in light of each Executive Director's performance as well as the Company's performance, and/or such other factors as the Compensation Committee deems appropriate. After review, the Compensation Committee may, if deemed appropriate, propose a base salary increase or decrease, if any, for approval by the Board, subject to the terms of any contractual compensation

arrangements with the relevant Executive Director.

Cash Incentives

The Executive Director(s) are eligible for an annual cash incentive award (the variable part of the annual cash compensation) based on financial and/or non-financial metrics as may be established by the Compensation Committee or by the Board upon recommendation of the Compensation Committee.

An Executive Director may further be eligible for other short-term and/or long-term cash incentive awards that are intended to provide award opportunities in consideration for substantial contributions to the success of the Company and/or to promote and incentivize continued service of such Executive Director with the Company. Such cash incentive awards may be based on the satisfaction of continued-service conditions and/or achieving short-term or long-term financial or other performance objectives designated by the Board (upon recommendation of the Compensation Committee or at its own initiative).

With respect to all variable cash incentive awards, subject to existing contractual arrangements, the Board shall (i) set the applicable targets, objectives and/or conditions, and their respective weighting, (ii) set the maximum amount for the cash incentive, (iii) review and, if deemed appropriate, amend the applicable targets, objectives and conditions, and (iv) determine the extent to which the applicable targets, objectives and/or conditions are attained, and the final amount of the cash incentive award to vest and be paid to the relevant Executive Director. The Compensation Committee may make recommendations in this respect.

The Board may also award cash bonuses to an Executive Director for specific transactions that the Board, in its discretion, deems exceptional in terms of strategic importance and effect on the Company's results.

Incentive Awards - Omnibus Incentive Plan

The Company has adopted the Playa Hotels & Resorts N.V. 2017 Omnibus Incentive Plan (the "**Omnibus Incentive Plan**") to allow the Company to make awards to eligible directors, officers, employees and consultants of the Company and its subsidiaries and affiliates. The Omnibus Incentive Plan provides the Board (or a committee composed of Directors as designated by the Board, which is currently the Compensation Committee) with the authority to award to eligible individuals stock options, stock appreciation rights, restricted stock, restricted stock units, dividend equivalent rights, performance shares or other performance-based awards or other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, the Company's ordinary shares (subject to receiving proper authorization from the General Meeting to do so). Subject to adjustment for changes in capitalization and corporate transactions, up to 4,000,000 of the Company's ordinary shares may be issued pursuant to awards granted under the Omnibus Incentive Plan (subject to further increase of such number from time to time).

The Executive Director(s) are eligible to receive awards under the Omnibus Incentive Plan as determined by the Board (or a committee composed of Directors as designated by the Board).

The Omnibus Incentive Plan is intended to (a) provide eligible persons with an incentive to contribute to the success of the Company and to operate and manage the Company's business in a manner that will provide for the Company's long-term growth and profitability to benefit its shareholders and other important stakeholders, including its employees and customers, and (b) provide a means of obtaining, rewarding and retaining key personnel. Any of the awards that may be granted under the Omnibus Incentive Plan may, but need not, be made as performance incentives to reward the holders of such awards for the achievement of performance goals in accordance with the terms of the Omnibus Incentive Plan.

The performance goals upon which the payment or vesting of a performance-based award to an eligible person that is intended to qualify as "performance-based compensation" under Section 162(m) of the Internal Revenue Code of 1986, as amended, may be conditioned, shall be limited to the following performance measures, with or without adjustment (including pro forma adjustments):

- (a) funds from operations, including adjusted funds from operations;
- (b) net earnings or net income;
- (c) operating earnings;
- (d) pretax earnings;
- (e) earnings per share;
- (f) share price, including growth measures and total shareholder return;
- (g) earnings before interest and taxes;
- (h) earnings before interest, taxes, depreciation and/or amortization;
- (i) earnings before interest, taxes, depreciation and/or amortization as adjusted to exclude any one or more of the following:
 - share-based compensation expense;
 - income from discontinued operations;
 - gain on cancellation of debt;
 - debt extinguishment and related costs;
 - restructuring, separation and/or integration charges and costs;
 - reorganization and/or recapitalization charges and costs;
 - impairment charges;
 - gain or loss related to investments;
 - sales and use tax settlement; and
 - gain on non-monetary transaction.

- (j) sales or revenue growth, whether in general, by type of product or service, by type of customer or by type of property;
- (k) gross or operating margins;
- (l) return measures, including return on assets, capital, investment, equity, sales or revenue;
- (m) cash flow, including:
 - operating cash flow;
 - free cash flow, defined as earnings before interest, taxes, depreciation and/or amortization (as adjusted to exclude any one or more of the items that may be excluded pursuant to the Performance Measure specified in clause (h) above) less capital expenditures;
 - levered free cash flow, defined as free cash flow less interest expense;
 - cash flow return on equity; and
 - cash flow return on investment;
- (n) productivity ratios;
- (o) expense targets;
- (p) market share;
- (q) financial ratios as provided in credit agreements of the Company and its subsidiaries;
- (r) working capital targets;
- (s) completion of acquisitions of businesses or companies;
- (t) completion of divestitures and asset sales;
- (u) customer satisfaction;
- (v) employee satisfaction; or
- (w) any combination of the foregoing business criteria.

Performance under any of the foregoing performance measures (a) may be used to measure the performance of (i) the Company and its subsidiaries and other affiliates as a whole, (ii) the Company, any subsidiary, and/or any other affiliate or any combination thereof, or (iii) any one or more business units of the Company, any subsidiary, and/or any other affiliate, as the Compensation Committee, in its sole discretion, deems appropriate and (b) may be compared to the performance of one or more other companies or one or more published or special indices designated or approved by the Compensation Committee for such comparison, as the Compensation Committee, in its sole discretion, deems appropriate. In addition, the Compensation Committee, in its sole discretion, may select performance under the performance measure specified in clause (f) above for comparison to performance under one or more stock market in-

lices designated or approved by the Compensation Committee. The Compensation Committee also shall have the authority to provide for accelerated vesting of any performance-based award based on the achievement of performance goals pursuant to the above performance measures.

Pension

An Executive Director may be eligible for post-retirement income and/or other benefits, as determined by the Non-Executive Directors from time to time whether or not on a recommendation by the Compensation Committee.

Benefits

An Executive Director may be entitled to allowances and/or benefits in kind. These allowances and benefits may be comprised of elements consistent with market practice (such as, but not limited to, a company car, contribution to health care costs, fixed annual cost allowances for representation or otherwise) or relate to specific international circumstances (such as, but not limited to, grossed-up costs relating to relocation, accidental and health insurance, housing, school and travel).

Severance Pay

An Executive Director may be eligible for severance pay upon termination of office or employment by the Company, as determined by the Non-Executive Directors from time to time whether or not on a recommendation by the Compensation Committee.

3. Non-Executive Director Compensation

Each Non-Executive Director may receive (i) cash compensation in the form of an annual retainer fee, committee membership fee, chairperson fee and/or meeting attendance fees, and (ii) cash or equity compensation in the form of cash or equity settled awards under the Omnibus Incentive Plan, in each case as determined by the Board. The compensation of each Non-Executive Director will be fixed and will not include performance-based awards granted under the Omnibus Incentive Plan.

D. OTHER

It is the current policy of the Company that it shall not grant any advances, personal loans and guarantees to the Directors, provided that travel advances, cash advances and the use of a Company-sponsored credit card in the ordinary course of business and on terms applicable to the personnel as a whole shall not be prohibited by this paragraph.

Approved by the General Meeting: March 9, 2017

Effective: March 11, 2017