

Hostelworld Group plc

(the "Company")

Post 2021 Annual General Meeting and General Meeting Shareholder Engagement - Update Statement as of 22 October 2021

At the Annual General Meeting and General Meeting of the Company held on 26 April 2021 all resolutions were passed with the requisite majority of votes, however, more than 20 per cent. of the votes cast in respect of (i) the authority to allot ordinary shares; (ii) the authority to make political donations, (iii) the amendments to the directors' remuneration policy; and (iv) the amendments to the Company's Long Term Incentive Plan were cast against these resolutions.

Annual General Meeting Resolution 11: Authority to Allot

Resolution 11 was presented to shareholders in accordance with current UK best practice guidance, including the Investment Association share capital management guidelines. The Board wrote to a significant majority of the shareholders who had voted against the proposals to better understand their concerns in respect of this resolution and the reasons behind this result.

Whilst the Board recognises the views of certain shareholders, this resolution was supported by the majority of our shareholders and is in line with prevailing UK market practice. The Board continues to consider that this level of authority is appropriate to maintain flexibility for the Company. The Board will keep best practice in this area under review.

Annual General Meeting Resolution 14: Political Donations

As stated in the notice of AGM, it is not the Company's intention to make donations to political parties, or to make other political donations within the normal meaning of that expression, and the Directors have no intention of changing that policy. The purpose of Resolution 14 is to avoid the inadvertent infringement of provisions within the Companies Act 2006, and it is a commonly sought resolution in the UK. As with Resolution 11, the Board wrote to a significant majority of the shareholders who had voted against the proposals to better understand their concerns in respect of this resolution and the reasons behind this result and it understands the vote against reflects certain personal views of the relevant shareholders.

As required by the UK Corporate Governance Code, a final summary of the impact of the feedback received has had on Board decisions will be included in the 2021 Annual Report and Accounts.

General Meeting Resolutions 1 and 2: Remuneration Policy and Long-Term Incentive Plan

At the General Meeting of the Company held on 26 April 2021 shareholders were asked to approve two resolutions. The first, seeking an amendment to the Directors' Remuneration Policy, was passed with 70.83% support. The second, seeking an amendment to the rules of the Company's Long Term Incentive Plan ("LTIP"), was passed with 70.98% support. As stated in the announcement published on the date of the General Meeting, the Remuneration Committee had, prior to presenting these resolutions to a shareholder vote, written to shareholders holding approximately 70% of the issued share capital (as well as the major proxy advisers and institutional investor representative bodies) to explain the rationale for the proposals and invite comments. The majority of those consulted engaged productively with the Company, understood the specific circumstances faced by Hostelworld and expressed their support for the proposals.

Following the General Meeting, the Company wrote to a significant majority of those shareholders who had voted against the proposals to understand their reasons for doing so. The Remuneration Committee also considered the reports and voting recommendations issued by proxy advisers prior to the General Meeting. The Company understands that the main reason for the votes against the amendment to the Directors' Remuneration Policy was a concern around the absence of a TSR element in the proposed changes to the remuneration scheme. In addition, some shareholders voted against the LTIP amendment because the removal of the "5% in 10 years" inner dilution limit was not consistent with their voting guidelines.

The Remuneration Committee has considered the points raised and remains of the view that the amended Directors' Remuneration Policy and the LTIP amendment were in the interests of shareholders in general given the importance of the proposals to ensuring the retention of the Executive Directors and other key members of the senior management team. The Committee was pleased to have the support of many of the Company's major shareholders for its decisions.

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