



02

GOVERNANCE MODEL



GOVERNANCE BODIES

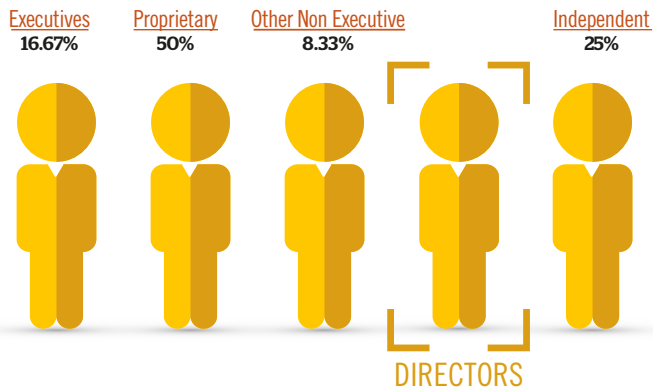
The governance bodies of Ebro Foods, S.A. are the General Meeting of Shareholders and the Board of Directors.

The General Meeting is the company's sovereign body. It is competent to discuss and adopt resolutions on all business reserved in law or the Articles of Association for decision by this body and, in general, on all business which, within its legal scope of competence, is submitted to it by the Board of Directors or the shareholders as stipulated in law.

Save in any matters reserved by law or the Articles of Association to the General Meeting, the Board of Directors is the highest body of governance and administration of the company, with full powers to direct, administer and represent the company in the activities comprising its objects. The Board of Directors commissions the day-to-day management of the company to its executive members and the senior officers, focusing its own activities on oversight and certain general duties including, among others, those corresponding to it by law, those established in the Regulations of the Board and any that may be delegated to it by the General Meeting of Shareholders in the form stipulated in law.

The Board of Directors will have no fewer than seven nor more than fifteen members, the General Meeting being competent to decide their exact number and to appoint and remove directors.

At 31 March 2016, the Board of Directors of Ebro Foods has 12 members, two of whom are executive directors, six are proprietary directors, three are independent directors and one is in the category of other non-executive directors.



CHAIRMAN

Antonio Hernández Callejas Executive

VICE-CHAIRMAN

Demetrio Carceller Arce Proprietary

MEMBERS

- Alimentos y Aceites, S.A. <i>Represented by Concepción Ordiz Fuertes</i>	Proprietary
- Fernando Castelló Clemente	Independent
- Jose Ignacio Comenge Sánchez - Real	Independent
- Hispafoods Invest, S.L. <i>Represented by Blanca Hernández Rodríguez</i>	Proprietary
- Instituto Hispánico del Arroz, S.A. <i>Represented by Félix Hernández Callejas</i>	Executive ¹
- José Nieto de la Cierva	Proprietary
- August Oetker	Proprietary
- Eugenio Ruiz-Gálvez Priego	Other Non-Executive ²
- Empresas Comerciales e Industriales Valencianas, S.L. <i>Represented by Juan Luis Gómez-Trenor Fos</i>	Proprietary

LEAD INDEPENDENT DIRECTOR

José Antonio Segurado García Independent

NON-DIRECTOR SECRETARY

Luis Peña Pazos

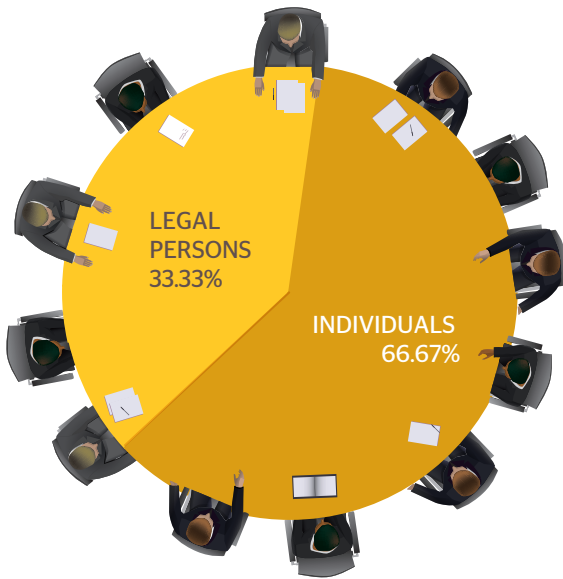
NON-DIRECTOR VICE-SECRETARY

Yolanda de la Morena Cerezo

¹ The executive director Instituto Hispánico del Arroz, S.A. has been so classified in view of the fact that its representative on the Ebro Foods board (pursuant to Art. 212 bis Corporate Enterprises Act) is an executive of one of the Group's subsidiaries, although this institutional director does not perform executive or management duties in Ebro Foods, S.A. or any subsidiary of the Group and, therefore, does not receive any remuneration as such.

² The director classified as "other non-executive" holds office on the Board of Directors and the Audit and Compliance Committee, as though he were a true independent director, although it is so classified because he has been a director for a continuous period of over 12 years.

MEMBERS: 12



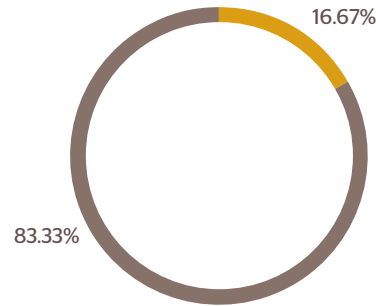
MEN AND WOMEN



100% aged 50 - 70 years
30% aged 70 - 100 years



100% aged 30 - 50 years



There are also four Committees, which guarantee fulfilment of the Board's duties and have the powers and competence established in the law, the Articles of Association and the Regulations of the Board.

COMMITTEES

EXECUTIVE COMMITTEE

Antonio Hernández Callejas
CHAIRMAN

Demetrio Carceller Arce

José Nieto de la Cierva

José Antonio Segurado García

AUDIT & COMPLIANCE COMMITTEE

José Ignacio Comenge- Sánchez Real
CHAIRMAN

Fernando Castelló Clemente

Hispa Foods Invest, S.L. (Blanca Hernández Rodríguez)

Eugenio Ruiz Gálvez-Priego

NOMINATION & REMUNERATION COMMITTEE

Fernando Castelló Clemente
CHAIRMAN

Demetrio Carceller Arce

Hispa Foods Invest, S.L.(Blanca Hernández Rodríguez)

José Antonio Segurado García

STRATEGY & INVESTMENT COMMITTEE

Demetrio Carceller Arce
CHAIRMAN

Antonio Hernández Callejas

José Nieto de la Cierva

Instituto Hispánico del Arroz, S.A. (Felix Hernández Callejas)

SHAREHOLDING STRUCTURE

Ebro Foods currently has a capital of €92,319,235.20, fully subscribed and paid up. The shares are issued in book-entry form and recorded by the Management Company of Securities Liquidation and Clearing Registration Systems (IBERCLEAR), listed on the four Spanish stock exchanges.

The details of the capital represented on the board as at 31 December 2015 are shown below:

SCALE OF PERCENTAGE INTERESTS IN THE CAPITAL	NUMBER OF CONTROLLING SHAREHOLDERS AND/OR DIRECTORS WITH AN INTEREST IN THE CAPITAL	TOTAL NUMBER OF SHARES OR VOTING RIGHTS	TOTAL PERCENTAGE OF CAPITAL
≥10.00%	4	71,264,433	46.32%
≥5.00% - <10.00%	1	10,924,443	7.10%
≥3.00% - <5.00%	0	0	0.00%
<3.00%	6 ¹	5,264,533	3.66 %

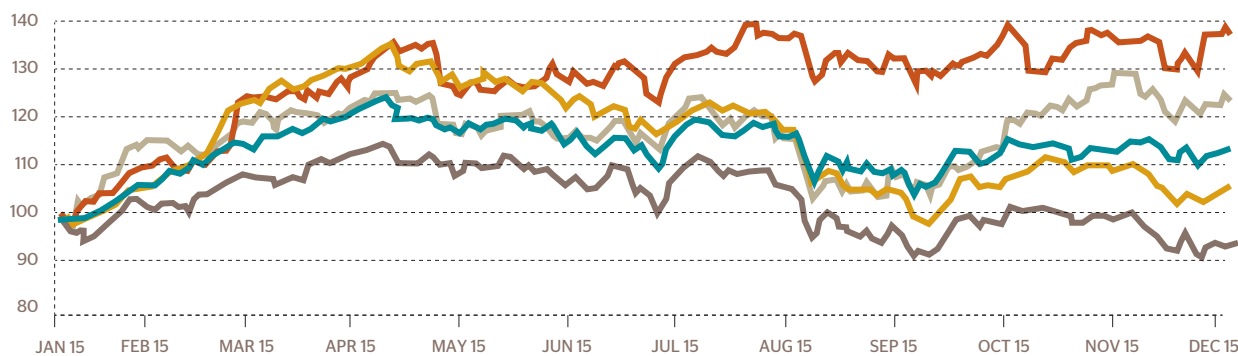
¹None of these 6 directors is a controlling shareholder because the share they each hold in the capital is less than 3%.

At 31 December 2015, 57.08% of the share capital was represented on the board, while the free float was estimated at 42.92%.

SHARE PERFORMANCE

During 2015, the value of the Ebro Foods share rose by 37%. Over the same period, the Ibex 35 dropped 8%, the Ibex Med rose 12.7%, the Ibex Small was up 5% and the Eurostoxx Food and Beverage, benchmark for European food sector shares, rose 22.7%.

EBRO Vs INDEX IN 2015




EBRO


IBEX 35


IBEX
MEDIUM

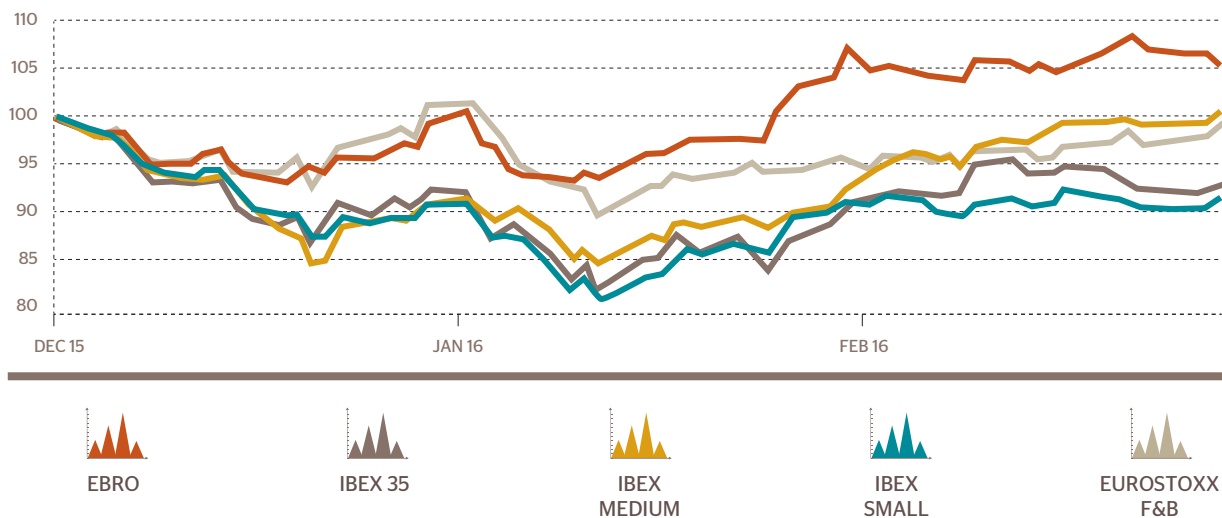

IBEX
SMALL


EUROSTOXX
F&B

The average share price in 2015 was €16.8, closing the year at €18.1. Share turnover was equivalent to 0.4 times the total number of shares in the company. The average daily volume of trading during 2015 was 240,175 shares, compared to an average volume of 371,155 in 2014.

The share performance has remained very positive during the first quarter of 2016. The value of the share rose 6.8%, while Ibex 35 dropped 12%, Ibex Med 11.5%, Ibex Small 2.8% and Eurostoxx Food and Beverage by 2.9%.

EBRO Vs INDEX Q1 2016



At the end of the first quarter of 2016 the company had a market capitalisation of €2,931 million, closing that day at €19.05 per share.

EBRO COVERAGE

Analysts continue to rate our share highly and EBRO is currently tracked by the following firms:

- | | |
|------------------------------|--------------------------------------|
| 1. Ahorro Corporación | 10. JB Capital Markets, S. V. |
| 2. Banco Sabadell | 11. Kepler Cheuvreux Capital Markets |
| 3. Haitong Research - Iberia | 12. La Caixa |
| 4. BBVA | 13. Link Securities |
| 5. BPI | 14. Mirabaud |
| 6. Banka Finance | 15. N+1 |
| 7. Exane BNP Paribas | 16. Santander Investment |
| 8. Fidentis | 17. UBS |
| 9. Intermoney | |

At year-end 2015, the average rating by analysts gave EBRO a target price of €19.8 per share, 9% higher than our market price at that date.

DIVIDENDS

An ordinary dividend of €78.5 million (0.51 €/share) was distributed in 2015 against the 2014 profits and an extraordinary dividend of €23 million (€0.15 €/share).

The ordinary dividend was paid in three instalments (€0.17 per share) in April, July and October 2015. The extraordinary dividend was paid in a single payment of €0.15 per share, in December.

The dividend yield per share at year-end was 3.6%.

For 2016, the Ebro Foods board unanimously resolved on 22 December 2015 to propose at the forthcoming Annual General Meeting a dividend of €0.54 per share against the 2015 earnings, to be distributed in three payments of €0.18 per share in April, June and October 2016. This would be a 6% increase in the dividend in respect of 2015.

NB: All the information on the ownership structure and governance of the company can be consulted in the Annual Corporate Governance Report.



RISK MANAGEMENT

Within the corporate policies approved by the Board of Directors, the Risk Control and Management Policy lays down the basic principles and general framework for control and management of the business risks, including tax risks, and internal control of financial reporting to which the Company and other companies in its group are exposed.

This general framework is set out in an integrated, homogenous Risk Control and Management System, guided by the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) integrated framework and guidance on internal control. This System is based on the preparation of a business risk map to identify, assess and rate the management capacity of different risks and thus obtain a ranking from greater to lesser impact for the Group and their probability of occurrence. Risks are classified into four main groups: compliance, operational, strategic and financial.

In the classification process, a dynamic assessment is made of both inherent risk and the residual risk after applying the internal controls and protocols established to mitigate them. Those controls include preventive measures, adequate segregation of duties, clear levels of authorisation and the definition of policies and procedures.

The model is both qualitative and quantitative and can measure risks in the Group earnings, considering whether the risk level is acceptable or tolerable on a corporate level.

In 2015, in the wake of the amendments to the Corporate Enterprises Act in 2014 and the new recommendations made in the Code of Good Governance of Listed Companies in February 2015, the Group has reinforced its Risk Control System, including tax risks, and internal control of financial information. The most important new feature is the creation of the Risks Committee as an internal committee reporting to the Audit and Compliance Committee, designed to be the centrepiece of the control system.

Following that review, the Risk Control and Management System, including tax risks and control over financial information, rests on the following structure:

- ❖ The Board of Directors, as the body responsible for the system, determines the risk control and Management System, including tax risks and control over financial information.
- ❖ The Audit and Compliance Committee, through the Risks Committee, performs the duties of oversight and monitoring of financial information and risk control systems, reporting regularly to the board on any significant aspects arising in these areas. It is responsible for supervising and promoting internal control of the Group and risk management systems, and submitting proposals to the Board on the risk control and management policy and possible measures for improvement.
- ❖ The Risks Committee, following the policy established by the Board and supervised by and reporting to the Audit Committee, is specifically responsible for coordination and monitoring of the risk control and management system, including tax risks and control of the Group's financial information. The Risks Committee also analyses and assesses any risks associated with new investments.



- ❖ The Management Committees of the different units, with the participation of the Chairman of the Board and the Chief Operating Officer (COO), assess the risks and decide on the measures to be taken.
 - ❖ Risk officers in the different units. The Risks Committee appoints officers responsible in the relevant subsidiaries for monitoring the risk control and management systems, including tax risks and financial information, and reporting to the Committee.
 - ❖ Internal Audit Department. Within the internal audits made on the different subsidiaries, the company's Internal Audit Department checks that the testing and control of financial information and risk management systems are being done correctly, as stipulated by the Risks Committee.
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NB: A full description of the risks and the measures taken to mitigate them can be consulted in Note 28 to the Consolidated Annual Accounts and point 4 of the consolidated Directors' Report.