

For 2019, the Ebro Foods board unanimously resolved on 19 December 2018 to table a motion at the forthcoming Annual General Meeting proposing a dividend of €0.57 per share against the 2018 earnings, to be distributed in three payments of €0.19 per share in April, June and October 2019 (€88 million). Therefore, the same dividend as in 2018 would be maintained.

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, to which the Company and other companies in its group are exposed and the internal control of financial reporting.

Within this general framework, the integrated, homogenous Risk Control and Management 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. The risk map also indicates measures for mitigating or neutralising the risks identified. 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. These controls can in turn be grouped into manual and automatic, carried out by computer applications.

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.





The Risk Control and Management System is dynamic, so the risks to be considered vary in line with the circumstances in which the Group operates.

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, including tax risks, control and management system and control over financial information.
- ▶ The Audit and Compliance Committee, through the Risks Committee, performs the duties of oversight and monitoring of financial reporting and risk control systems, reporting regularly to the board on any significant aspects arising in these areas. It is also 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, including tax risks, control and management system and control of the Group's financial reporting. 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 major subsidiaries for monitoring the risk, including tax risks, control and management systems, as well as the financial reporting 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 reporting and risk management systems have been done correctly, as stipulated by the Risks Committee.

NB: A full description of the risk management model and the measures taken to mitigate them can be consulted in the *Directors' Report of the Consolidated Annual Accounts*.