

## ANNEX 1

### ANNUAL REPORT ON REMUNERATION OF THE DIRECTORS OF LISTED COMPANIES

#### DETAILS OF ISSUER

<b>YEAR ENDED</b>	31/12/2014
<b>TAX REGISTRATION NUMBER</b>	A47412333
<b>NAME</b>	EBRO FOODS, S.A.
<b>REGISTERED OFFICE</b>	PASEO DE LA CASTELLANA 20, PLANTAS 3ª Y 4ª, MADRID

## **ANNUAL REPORT ON REMUNERATION OF THE DIRECTORS OF LISTED COMPANIES**

### **A. COMPANY'S REMUNERATION POLICY FOR THIS YEAR**

A.1 Explain the company's remuneration policy. Information should be included within this section on:

- General principles and foundations of the remuneration policy.
- Most significant changes in the remuneration policy in respect of that applied in the previous year and changes made during the year to the terms and conditions for exercising options already granted.
- Criteria followed and composition of comparable groups of companies whose remuneration policies were taken into account when defining the company's remuneration policy.
- Relative importance of the variable and non-variable remuneration items and criteria followed to determine the components of the directors' remuneration package (remuneration mix).

#### **Explain the remuneration policy**

The Articles of Association regulate directors' remuneration in Article 22, making a distinction between the remuneration of directors as such (share in profits and attendance fees for board and committee meetings) and the remuneration corresponding to executive directors for their executive duties. Article 22 is transcribed in the first explanatory note in section E of this report.

Based on the regulations laid down in the company's articles, the remuneration policy for directors is established in accordance with the following principles:

- (i) Directors shall be remunerated according to their duties, responsibilities and dedication. This remuneration shall be such as to retain talent and acknowledge the directors' track record.
- (ii) The remuneration shall be set according to the importance of the company and its economic situation from time to time.
- (iii) Directors' remuneration should be reasonable without compromising their independence of judgement, especially that of non-executive directors.
- (iv) The remuneration system of directors, particularly executive directors, shall be designed to boost the company's long-term sustainability and profitability and maximise its value for the benefit of all its shareholders, avoiding excessive exposure to risks and reward for unfavourable results. In this regard, an attractive remuneration system has been designed for executive directors (and other senior executives of the Group) with a view to attracting and retaining talent and professional worth on the one hand, and securing an adequate balance between Group results and risk exposure on the other.

In keeping with the regulations and principles indicated above, the remuneration policy for company directors is structured as follows:

- a) All directors, as such, receive a non-variable remuneration set in consideration of (i) the economic situation of the company (since the share in profits established in the articles is calculated on the basis of the consolidated profits of the Group) and (ii) the duties of each director on the board and in the different committees, and their attendance of board and committee meetings.
- b) Non-executive directors do not receive any variable remuneration based on the profits of the company or group.

c) Like other senior executives of the Group, executive directors are rewarded for their executive duties as specified in their respective contracts. The remuneration of executive directors (and other senior executives of the Group) includes the following components:

- annual non-variable remuneration;
- short-term variable remuneration, depending on the degree of fulfilment of the quantitative and qualitative targets set by the board for each year, based on a report by the Nomination and Remuneration Committee. This remuneration is proportional to the fulfilment of the targets set, establishing a floor (below which variable remuneration is zero) and a ceiling (above which variable remuneration is capped at 150% of the amount payable for meeting the targets); and
- deferred annual variable remuneration, applicable in some cases, as explained in section A.4 of this report.

No material changes were made to the remuneration policy in 2014 in respect of the previous year.

**A.2 Information regarding preparatory work and the decision-making process followed to determine the remuneration policy and any role played by the remuneration committee and other control bodies in the configuration of the remuneration policy. This information shall include any mandate given to the remuneration committee, the composition thereof and the identity of any external advisors whose services have been used to determine the remuneration policy. The nature of any directors who contributed towards defining the remuneration policy shall also be indicated.**

<b>Explain the process for determining the remuneration policy</b>
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Article 14.3 of the Regulations of the Board stipulates that the Nomination and Remuneration Committee shall “study, issue reports and submit proposals for the Board on the following matters:

.../...

d) Proposal of directors’ emoluments, according to the system of remuneration established in the Articles of Association and the executive directors’ relationship with the Company. The Committee shall also inform in advance on any resolution or proposal of the Board on the remuneration of directors and executives indexed to the value of the shares in the Company or its subsidiaries or consisting of the delivery of shares in the Company or its subsidiaries or the granting of options thereover.

.../...

h) Preparation and proposal of the Annual Report on Directors’ Remuneration in accordance with the laws and regulations in place from time to time.”

In addition, following the reform of the Corporate Enterprises Act, No. 31/2014 of 3 December (“Act 31/2014”), the Nomination and Remuneration Committee must “submit to the board a proposal for the remuneration policy for directors and chief executives and any other senior executives reporting directly to the board, executive committees or managing directors, and the individual remuneration and other terms of contract of executive directors, overseeing compliance”.

The Nomination and Remuneration Committee performs these duties at working meetings held throughout the year. The composition of this committee at the date of this report is as follows:

- Fernando Castelló Clemente (Non-Executive Independent Director) – Chairman
- Demetrio Carceller Arce (Non-Executive Proprietary Director) – Member
- Hispafoods Invest, S.L. represented by Blanca Hernández Rodríguez (Non-Executive Proprietary Director) – Member
- José Antonio Segurado García (Non-Executive Independent Director) – Member
- Luis Peña Pazos (Non-member Secretary)

Notwithstanding the powers of the Nomination and Remuneration Committee in this matter, following the reform introduced by Act 31/2014 the Board of Directors is exclusively competent to make “decisions on directors’ remuneration, in accordance with the articles of association and the remuneration policy, if any, approved by the general meeting”. Prior to the reform, the board of directors decided on the directors’ remuneration and the terms of contract of executive directors in view of a report issued by the Nomination and Remuneration Committee, in accordance with the good governance recommendations in place in 2014 (particularly Recommendation 8(b)(ii)).

The previous powers are included within the framework defined in Article 22 of the Articles of Association transcribed in Explanatory Note One, Section E of this report.

The company has not engaged the services of external advisers to define its remuneration policy for the year.

**A.3 State the amount and nature of the non-variable components, stating separately, if applicable, the remuneration of executive directors for performance of senior management duties, additional remuneration as chair or member of a board committee, attendance fees for meetings of the board and its committees or other non-variable remuneration as director, and include an estimate of the annual non-variable remuneration produced. Identify any other benefits not paid in cash and the basic parameters for which they accrue.**

<b>Explain the non-variable components of directors' remuneration</b>
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a) Non-variable remuneration of the directors as such

As regards the distribution of the directors' remuneration as such (share in the profits established in the articles) among the different Board members, according to the duties of each one on the Board and the different Committees, the scale currently in force, following the latest review agreed by the Board on 22 June 2006 upon recommendation by the Nomination and Remuneration Committee is as follows:

- Member of the Board of Directors: 1 point
- Chairman of the Board: 1 point
- Vice-Chairman of the Board: 0.5 points
- Member of the Executive Committee: 1 point
- Committees other than the Executive Committee:
  - Member of the Committee: 0.2 points
  - Chairman: 0.05 points per meeting
  - Members: 0.03 points per meeting

On 25 February 2015, upon recommendation by the Nomination and Remuneration Committee, the Board resolved to freeze the director's share in the 2014 profits (to be laid before the shareholders at the AGM 2015), with no variation in respect of the previous four years. Consequently, a sum of 2,565,454 € will be proposed to shareholders at the Annual General Meeting, representing 1.76% of the consolidated net profit attributed to the company in 2014.

With a favourable report by the Nomination and Remuneration Committee, the Board further decided to table a motion at the AGM to maintain in 2014 the attendance fees of 1,600 € for attending the Ebro Foods board meetings and 800 € for attending the different committee meetings, giving a total sum in 2014 of 297,600 €.

b) Non-variable remuneration of directors for performing executive duties

The Chairman of the Board, the only executive director, received non-variable remuneration for the performance of executive duties of 693,609 € in 2014, in accordance with his contract.

For 2015 the non-variable remuneration of the chairman of the board for his executive duties has been raised by 1%, as marked in the general review of the non-variable remuneration of the senior management resolved by the board on 25 February 2015, following assessment and a favourable report by the Nomination and Remuneration Committee.

The individual amounts actually accrued in 2014 by each member of the Board for each of the components indicated above are set out in section D of this report.

**A.4 Explain the amount, nature and main features of the variable components of the remuneration systems.**

In particular:

- Identify each of the remuneration schemes of which the directors are beneficiaries and the scope, date of approval, date of implementation, effective period and main features thereof. In the case of stock option plans and other financial instruments, the general

features of the plan shall include information on the conditions for the exercise of those options or financial instruments for each scheme.

- State any remuneration received under profit-sharing or bonus schemes and the reason for accrual thereof.
- Explain the fundamental parameters and rationale for any annual bonus plan.
- The types of director (executive directors, non-executive proprietary directors, non-executive independent directors or other non-executive directors) who are beneficiaries of remuneration systems or schemes that include variable remuneration.
- The rationale for such remuneration systems or schemes, the performance assessment criteria used and the components and methods of assessment to determine whether or not those performance criteria have been met. Estimate the total amount of variable remuneration accruing under the current remuneration scheme, according to the degree of fulfilment of the hypotheses or objectives used as the benchmark.
- If applicable, provide information on any payment deferral periods that have been established and/or the periods for retaining shares or other financial instruments.

#### **Explain the variable components of directors' remuneration**

The Chairman of the Board, the only executive director, receives variable remuneration on similar terms to the rest of the senior management.

The variable remuneration of the executive director includes:

(i) Ordinary annual variable remuneration: As mentioned in point A.1 above, the annual variable remuneration is proportionate to the level of achievement of the objectives established for each year by the board, in view of a recommendation and report by the Nomination and Remuneration Committee.

The ordinary annual variable remuneration accrues according to the rules set out in the second explanatory note in section E of this report.

On 25 February 2015, following a favourable report by the Nomination and Remuneration Committee, the board established the budgeted EBITDA for the consolidated group as the only objective to be assessed for the ordinary annual variable remuneration of the executive director in 2015.

For 2014, after examining the achievement of the objective established (EBITDA budgeted for the Consolidated Group 2014), it was established that the target had been met in a percentage of 102.59% and, following assessment and a favourable report by the Nomination and Remuneration Committee, the Board resolved on 25 February 2015 to set the variable remuneration for the executive director at 703,849 €.

(ii) Deferred annual variable remuneration: On 24 April 2013, on recommendation of the Nomination and Remuneration Committee, the board of directors of Ebro Foods, S.A. approved a Deferred Annual Bonus Scheme linked to fulfilment of the Strategic Plan 2013-2015 for the senior management of the Ebro Foods Group. The Chairman of the Board, as executive director, participates in that scheme according to the terms of his contract.

The performance criteria to which the deferred bonus is linked are the annual EBITDA and ROCE for the three years covered by the scheme.

The deferred annual bonus will not accrue or be payable until eleven months after it has been decided in view of the financial results of each year.

The beneficiaries of the scheme (including the Chairman of the Board as executive director) will only be entitled to receive the bonus earlier if (i) their employment relationship with the company ends during the period of the scheme owing to their death or a final declaration of total, absolute or major disability; or (ii) takeover of the Group or any similar corporate operation.

The Chairman of the Board is entitled to a deferred annual bonus for his executive duties proportional to the degree to which the set targets have been met, such that if the budgeted EBITDA and ROCE are fully met, he will be entitled to 100% of the bonus, capped at 125% of the budgeted targets and with a floor of 85% of the budgeted targets, below which no bonus will accrue.

This year (2015) the Chairman of the Board has received a sum of 524 thousand euros as deferred annual variable remuneration for 2013 under the current Deferred Annual Bonus Scheme linked to the Strategic Plan 2013-2015. That sum represents 25% of the remuneration for the 3-year period, for which a provision was recognised in the 2013 annual accounts.

A provision of 455 thousand euros has been recognised in the company's accounts for 2014 as a provisional estimate of the deferred annual variable remuneration payable to the Chairman of the Board (as executive director) corresponding to 2014, according to the prevailing Deferred Annual Bonus Scheme linked to the Strategic Plan 2013-2015. That sum represents 25% of the remuneration for the 3-year period and will be payable in 2016.

In 2014 the Chairman of the Board received the deferred annual variable remuneration corresponding to 2012 under the Deferred Annual Bonus Scheme linked to the Strategic Plan 2010-2012, in a sum of 1,296,926 euros, equivalent to 70% of the remuneration for the 3-year period 2010-2012. A provision had been recognised in the 2012 accounts for this bonus.

The above-mentioned schemes (under both the Strategic Plan 2013-2015 and the Strategic Plan 2010-2012) are not linked to the value of the company's share, nor does it entail receipt by its beneficiaries of any shares or rights thereover.

Garrigues Human Capital Services counselled the company in the preparation of the deferred annual bonus scheme linked to fulfilment of the Strategic Plan 2010-2012. The Deferred Annual Bonus Scheme corresponding to the Strategic Plan of the Ebro Foods Group 2013-2015 has been prepared on the basis of the previous scheme (2010-2012).

No further collaboration has been received from any other external consultant on the subjects contemplated in this report.

- A.5 Explain the main features of the long-term saving schemes, including retirement and any other survival benefit, wholly or partially financed by the company with internal or external funds, estimating the equivalent annual cost thereof, stating the type of plan, whether it is a defined-contribution or defined-benefit plan, the conditions for the vesting of economic rights in favour of the directors and the compatibility thereof with any kind of termination benefit payable upon interruption of the contractual relationship between the company and the director.**

Indicate also the contributions made on behalf of any directors to defined-contribution pension schemes; or the increase in directors' vested rights when the contributions are made to defined-benefit schemes.

<b>Explain the long-term saving schemes</b>
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No contributions have been made to any pension funds or schemes for former or present members of the Board of Directors and no obligations have been contracted in this respect.

Nor have any contributions been made or obligations contracted for directorships in other group companies.

- A.6 State any compensations arranged or paid for termination of directors' duties as such.**

<b>Explain compensations</b>
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No compensations have been arranged or paid for termination of directors' duties as such.

- A.7 State the terms and conditions to be respected in the contracts of executive directors performing senior management duties. Include information, inter alia, on the term, limits on severance pay and other compensations, continued service clauses, required notice**

and payment in lieu of notice, and any other clauses relating to golden hellos, as well as golden parachutes or any other compensation payable on termination of the contractual relationship between the company and the executive director. Include details of any clauses or agreements on restraint of trade, exclusive dedication, minimum employment commitment, loyalty and no competition during and after employment.

#### **Explain the terms of executive director contracts**

Pursuant to sections 249, 529q and 529n of the Corporate Enterprise Act (as amended in Act 31/2014) and Article 22 of the Articles of Association, the Board is competent to establish the terms of contracts to be signed by the company with its executive directors, upon recommendation by the Nomination and Remuneration Committee and within the Remuneration Policy approved by the General Meeting.

The principal terms of contract of the Chairman of the Board, the only executive director (apart from the remuneration, which is explained in other sections of this report) are as follows:

- Term: indefinite
- Notice: three months
- Termination benefits: none
- Continued service or post-contract no competition clauses: none

#### **A.8 Explain any supplemental remuneration paid to directors for services rendered in addition to those inherent in their directorship.**

#### **Explain supplemental remuneration**

No supplemental remuneration is earned by directors for services rendered in addition to those inherent in their directorship.

#### **A.9 Inform on any remuneration paid in the form of advances, loans and guarantees, indicating the interest rate, principal terms and conditions and any amounts that have been repaid, as well as any collateral obligations.**

#### **Explain advances, loans and guarantees given**

The company has not granted any loans or advances to members of the board, or contracted any obligations on their behalf through guarantees or bonds.

#### **A.10 Outline the main features of remuneration in kind.**

#### **Explain remuneration in kind**

The Chairman of the Board receives remuneration in kind to the extent of private use made of the company car allocated to him.

In addition, the company has a Flexible Remuneration Scheme, through which it is possible to design the composition of remuneration of the executives included in the scheme, including the Chairman of the Board, so that they may receive part of that remuneration in the form of products and services previously selected by the company, the amount of which is discounted from the executive's salary and he/she is instead allocated the income in kind corresponding to the product or service. These products and services include a group medical insurance, housing rental, nursery, vehicle hire/lease and training of the employee. These items do not entail additional remuneration to that received in cash, since the amounts paid by the company to the corresponding service providers are deducted from the executive's salary.

#### **A.11 Indicate the remuneration accrued by the director by virtue of payments made by the listed company to a third party in which the director works, when such payments are**

intended to remunerate the director's services to the company.

**Explain remuneration accrued by the director by virtue of payments made by the listed company to a third party in which the director works**

No payments of this nature have been made.

A.12 Indicate any item of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it is considered a related party transaction or when it may distort the true and fair view of the total remuneration accrued by the director.

**Explain the other remuneration items**

There are no remunerations other than those listed above.

A.13 Explain the actions taken by the company regarding the remuneration system in order to reduce exposure to excessive risk and align it with the long-term goals, values, and interests of the company, including any reference to measures provided to ensure that the remuneration policy takes into account the long-term results of the company, measures establishing an appropriate balance between the non-variable and variable components of remuneration, measures adopted with respect to those categories of personnel whose professional activities have a significant impact on the company's risk profile, recovery formulas or clauses for clawback of bonuses based on performance based on data which subsequently proves to be manifestly misstated, and measures taken to avoid conflicts of interest, where necessary.

**Explain measures taken to reduce risks**

The current Deferred Annual Variable Remuneration Scheme described in section A.4 links the payment of bonuses to the meeting of targets set each year and the beneficiary's continued employment in the Group at the date of payment established for those incentives, except in cases of (i) death or disability of the beneficiary or (ii) takeover in the Group or a similar corporate operation or any other extraordinary circumstance which may, in the board's opinion, materially affect the scheme.

The general conditions of the scheme include an adjustment clause whereby the Board of Directors of Ebro Foods, S.A. will adopt such resolutions as may be necessary to ensure that in any event or corporate operation or other extraordinary circumstances that might affect the calculation of deferred remuneration payable, the gross remuneration will be equivalent to the remuneration that would have been payable had that circumstance not existed.

The scheme also includes a clawback clause whereby the Board of Directors of Ebro Foods, S.A. may require directors to repay all or part of any deferred bonus paid under the scheme when it considers such amounts to have been unduly paid, either because the amounts paid under the scheme do not correspond to the degree of fulfilment of the required targets, or because they were calculated on the basis of data subsequently proved to be misstated.

## **B REMUNERATION POLICY FOR FUTURE YEARS**

B.1 Provide a general forecast of the remuneration policy for future financial years, describing the policy with respect to non-variable components and attendance fees and remuneration of a variable nature, relationship between remuneration and results, welfare schemes, terms of contract of executive directors and the most significant changes foreseeable in remuneration policy in respect of previous years.



## General forecast of remuneration policy

### a) Remuneration of directors as such:

As at the date of this report, no changes are envisaged in the remuneration policy for directors as such in the medium or long term. Any possible change would in any case be made within the limits of the remuneration policy approved by the general meeting.

### b) Remuneration of executive directors for their executive duties:

#### b.1) Non-variable remuneration:

On 11 February 2015 the Nomination and Remuneration Committee decided to recommend the board to raise the non-variable remuneration of the Chairman of the Board as executive director, above that corresponding to the other Group executives. This was to be discussed separately as one of the points of the future Strategic Plan 2016-2018, such that the rise, if any, would be effective as from 2016. This proposal was based on the fact that his non-variable remuneration had not been revised (other than the general review of the non-remuneration of all senior management in the Group) since the date of his contract (2006).

On 25 February 2015 the Board approved the proposal submitted by the Nomination and Remuneration Committee so the Strategic Plan 2016-2018 contemplates an increase in the non-variable remuneration of the Chairman of the Board for his executive duties.

#### b.2) Ordinary annual variable remuneration:

No changes are foreseeable in the medium/long term in the ordinary annual variable remuneration of the executive director.

The rules governing this remuneration are set out in the second explanatory note of section E.

#### b.3) Deferred annual variable remuneration:

As mentioned in A.4 above, on 24 April 2013, on recommendation of the Nomination and Remuneration Committee, the board of directors of Ebro Foods, S.A. approved a Deferred Annual Bonus Scheme linked to fulfilment of the Strategic Plan 2013-2015 for the senior management of the Ebro Foods Group, including the Chairman of the Board as executive director.

The board will consider establishing a new Deferred Annual Bonus Scheme linked to fulfilment of the future Strategic Plan 2016-2018 for subsequent years.

Although the board will take account of the prevailing rules and recommendations on good governance, the new Deferred Annual Bonus Scheme is not expected to differ greatly from the one currently in force.

## B.2 Explain the decision-making process for defining the remuneration policy for future years and the role played, if any, by the remuneration committee.

### Explain the decision-making process for defining the remuneration policy

Unless future changes in law so require, the decision-making process to define the remuneration policy for future years and the role played by the Nomination and Remuneration Committee are not expected to deviate from those described in section A.2 above.

## B.3 Explain the incentives created by the company in the remuneration system to reduce excessive risk exposure and align them with the long-term goals, values and interests of the company.

### Explain the incentives created to reduce risks

Although the company has established a complete Risk Control System, as described in sections E.1, E.2, E.3, E.4 and E.6 of the Annual Corporate Governance Report 2014, it has not been considered necessary to

establish any additional mechanism in the remuneration system to reduce excessive risk exposure, other than the adjustment and clawback clauses explained in section A.13 above.

As regards aligning the incentives with the long-term goals, values and interests of the company, Ebro Foods, S.A. has established a Deferred Annual Bonus Scheme linked to the company's Strategic Plan on the terms described elsewhere in this report.

## **C OVERALL SUMMARY OF APPLICATION OF THE REMUNERATION POLICY DURING THE REPORTING PERIOD**

C.1 Give a brief description of the main features of the structure and pay items of the remuneration policy applied during the reporting period, indicating the individual remuneration accrued by each of the directors listed in section D of this report, and a summary of the decisions adopted by the board for application of those items.

<b>Describe the structure and pay items of the remuneration policy applied during the year</b>
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a) Remuneration of directors as such:

The annual fixed allocation to the directors in 2014 pursuant to the articles was:

- members of the board, a total sum of 1,669,137 €
- members of the board committees, a total sum of 896,316 €

Attendance fees for meetings of the Board of Directors of Ebro Foods, S.A. and committees amounted to 297,600 €.

This notwithstanding, both the total amount of the share in the profits and the sums payable as attendance fees are subject to approval at the AGM 2015.

The sums received by the Board members in 2014 as share in profits and attendance fees were the same as in 2013.

b) Remuneration of the Chairman of the Board for his executive duties:

The sums received by the Chairman of the Board in 2014 as the only executive director were, in accordance with his contract, as follows:

- Non-variable remuneration: 693,609 €
- Short-term variable remuneration: 703,849 €
- Long-term variable remuneration: 1,296,926 € corresponding to 2012 and paid in 2014.
- Termination benefits: none have been paid in the period and none are anticipated in the foreseeable future.

See section E, explanatory note four for the attendance fees received in 2014 by the Chairman of the Board as member of the Board of a subsidiary in the Ebro Foods Group (quantified in section D.1) and two associates.

The Board of Directors approved the above items and amounts assigned to them upon recommendation by the Nomination and Remuneration Committee.

## D INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Accrual period 2014
ANTONIO HERNÁNDEZ CALLEJAS	Executive	From 01/01/2014 to 31/12/2014
ALIMENTOS Y ACEITES, S.A.	Proprietary	From 01/01/2014 to 31/12/2014
FERNANDO CASTELLÓ CLEMENTE	Independent	From 01/01/2014 to 31/12/2014
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Independent	From 01/01/2014 to 31/12/2014
DEMETRIO CARCELLER ARCE	Proprietary	From 01/01/2014 to 31/12/2014
SOL DAURELLA COMADRÁN	Independent	From 01/01/2014 to 31/12/2014
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Proprietary	From 18/12/2014 to 31/12/2014
HISPAFOODS INVEST, S.L.	Proprietary	From 30/01/2014 to 31/12/2014
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	Proprietary	From 01/01/2014 to 31/12/2014
JOSÉ NIETO DE LA CIERVA	Proprietary	From 01/01/2014 to 31/12/2014
RUDOLF-AUGUST OETKER	Proprietary	From 01/01/2014 to 31/12/2014
EUGENIO RUIZ-GÁLVEZ PRIEGO	Non-Executive	From 01/01/2014 to 31/12/2014
JOSÉ ANTONIO SEGURADO GARCÍA	Independent	From 01/01/2014 to 31/12/2014

D.1 Complete the following tables regarding the individualised remuneration of each of the directors (including the remuneration for the financial year for executive duties) accrued during the financial year.

**a) Remuneration accrued in the reporting company:**

**i) Remuneration in cash (thousand euros)**

Name	Salaries	Non-variable remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration as members of Board committees	Termination benefits	Other items	Total 2014	Total 2013
ANTONIO HERNÁNDEZ CALLEJAS	694	231	22	703	1,297	139	0	0	3,086	2,079
DEMETRIO CARCELLER ARCE	0	173	27	0	0	172	0	0	372	390
ALIMENTOS Y ACEITES, S.A.	0	116	18	0	0	0	0	0	134	136
FERNANDO CASTELLÓ CLEMENTE	0	116	28	0	0	73	0	0	217	220
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	0	116	23	0	0	33	0	0	172	176
SOL DAURELLA COMADRÁN	0	106	26	0	0	68	0	0	200	220
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	0	116	18	0	0	0	0	0	134	11
HISPAFOODS INVEST, S.L.	0	116	28	0	0	66	0	0	210	214
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	0	116	18	0	0	23	0	0	157	165
JOSÉ NIETO DE LA CIERVA	0	116	22	0	0	139	0	0	277	291
RUDOLF-AUGUST OETKER	0	116	17	0	0	0	0	0	133	138
EUGENIO RUIZ-GÁLVEZ PRIEGO	0	116	23	0	0	33	0	0	172	176
JOSÉ ANTONIO SEGURADO GARCÍA	0	116	27	0	0	149	0	0	292	302

**ii) Share-based remuneration schemes**

**iii) Long-term saving schemes**

**b) Remuneration accrued by company directors for directorships in other group companies:**

**i) Remuneration in cash (thousand euros)**

Name	Salaries	Non-variable remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration as members of Board committees	Termination benefits	Other items	Total 2013	Total 2012
ANTONIO HERNÁNDEZ CALLEJAS	0	0	5	0	0	0	0	0	5	27
DEMETRIO CARCELLER ARCE	0	0	0	0	0	0	0	0	0	0
ALIMENTOS Y ACEITES, S.A.	0	0	0	0	0	0	0	0	0	0
FERNANDO CASTELLÓ CLEMENTE	0	0	0	0	0	0	0	0	0	0
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	0	0	0	0	0	0	0	0	0	0
SOL DAURELLA COMADRÁN	0	0	0	0	0	0	0	0	0	0
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	0	0	0	0	0	0	0	0	0	0
HISPAFOODS INVEST, S.L.	0	0	0	0	0	0	0	0	0	0
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	0	0	0	0	0	0	0	0	0	0
JOSÉ NIETO DE LA CIERVA	0	0	0	0	0	0	0	0	0	0
RUDOLF-AUGUST OETKER	0	0	0	0	0	0	0	0	0	0
EUGENIO RUIZ-GÁLVEZ PRIEGO	0	0	0	0	0	0	0	0	0	0
JOSÉ ANTONIO SEGURADO GARCÍA	0	0	0	0	0	0	0	0	0	0

**ii) Share-based remuneration schemes**

**iii) Long-term saving schemes**

**c) Summary of remunerations (thousand euros):**

This should include a summary of the amounts of all the remuneration items contemplated in this report accrued by directors, in thousand euros.

In the case of long-term saving schemes, indicate the contributions or allocations made:

Name	Remuneration accrued in the company				Remuneration accrued in group companies				Total		
	Total cash remuneration	Amount of shares awarded	Gross gain on the options exercised	Total 2014 company	Total cash remuneration	Amount of shares delivered	Gross gain on the options exercised	Total 2014 group	Total 2014	Total 2013	Contribution to saving schemes during the year
ANTONIO HERNÁNDEZ CALLEJAS	3,086	0	0	3,086	5	0	0	5	3,091	2,106	0
DEMETRIO CARCELLER ARCE	372	0	0	372	0	0	0	0	372	390	0
ALIMENTOS Y ACEITES, S.A.	134	0	0	134	0	0	0	0	134	136	0
FERNANDO CASTELLÓ CLEMENTE	217	0	0	217	0	0	0	0	217	220	0
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	172	0	0	172	0	0	0	0	172	176	0
SOL DAURELLA COMADRÁN	200	0	0	200	0	0	0	0	200	220	0
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	134	0	0	134	0	0	0	0	134	11	0
HISPAFOODS INVEST, S.L.	210	0	0	210	0	0	0	0	210	214	0
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	157	0	0	157	0	0	0	0	157	165	0
JOSÉ NIETO DE LA CIERVA	277	0	0	277	0	0	0	0	277	291	0
RUDOLF-AUGUST OETKER	133	0	0	133	0	0	0	0	133	138	0
EUGENIO RUIZ-GÁLVEZ PRIEGO	172	0	0	172	0	0	0	0	172	176	0
JOSÉ ANTONIO SEGURADO GARCÍA	292	0	0	292	0	0	0	0	292	302	0
<b>TOTAL</b>	<b>5,556</b>	<b>0</b>	<b>0</b>	<b>5,556</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>5,561</b>	<b>4,545</b>	<b>0</b>

D.2 Describe the relationship between the remuneration received by the directors and the company's earnings or other performance indicators, explaining how any variations in the company's performance may have had a bearing on the variation in directors' remuneration.

As explained elsewhere in this report, the directors' remunerations are linked to the company's results, both the share in profits stipulated in the articles for all the directors and the variable remuneration of the Chairman for his executive duties.

D.3 Report the outcome of the advisory vote at the annual meeting on the annual remuneration report for the previous year, indicating the number of votes against, if any:

	Number	% of total votes
Votes cast	92,848,324	85.03%

	Number	% of total votes
Votes against	1,701,430	1.56%
Votes for	91,146,693	83.47%
Abstentions	201	0.00%

**E OTHER INFORMATION OF INTEREST**

If there are any material aspects relating to directors' remuneration that could not be disclosed in other sections of this report but that are necessary to provide a more comprehensive and fully reasoned picture of the remuneration structure and practices for the company's directors, describe them briefly.

EXPLANATORY NOTE ONE ON SECTION A.1

Article 22 of the Articles of Association mentioned in section A.1 of this report is transcribed below:

“Article 22: Remuneration

When approving the company's accounts for the previous year, the general meeting shall set aside for the directors a share of two and a half per cent (2.5%) of the consolidated profits attributable to the company, although this sum may only be taken from the company's net profit for the year and after meeting the legal reserve requirements, setting aside for the shareholders the minimum dividend established in prevailing legislation and meeting all and any other priority assignments required by law. The directors may waive this remuneration, in full or in part, when drawing up the accounts. The board shall distribute the aforesaid sum among its members, annually and at its discretion, according to the duties assumed by each director on the board.

The directors shall also be entitled to a fee for attending meetings of the corporate bodies of the company, the amount of which shall be established every year by the general meeting.

Directors with executive duties in the company shall, regardless of the nature of their legal relationship with the latter, be entitled to remuneration for the performance of such duties, the amount of which shall be decided for each year at the Annual General Meeting. This remuneration may contemplate welfare payments to cover any public/private pension schemes and insurance systems considered necessary or retirement from office.

In addition and independently of the emoluments contemplated in the preceding paragraphs, directors may receive remuneration in the form of shares, stock options or any other system of remuneration indexed to the price of the shares of the company or any other companies in its group. The general meeting shall decide if and when any of these remuneration systems are to be used, pursuant to the form, terms and conditions stipulated in law.

If executive directors waive their share in the profits, as contemplated in the first paragraph of this article, the sums that would correspond to them as a share in the profits of the company will not be distributed among the remaining directors."

#### EXPLANATORY NOTE TWO ON SECTION A.4

- The ordinary annual variable remuneration of the executive director described in section A.4 accrues according to the following rules:

(i) If the targets are fully met (100%), an annual variable remuneration equivalent to 100% of the non-variable remuneration is paid.

(ii) If the targets are exceeded, the variable remuneration may be increased to no more than 150% of the non-variable remuneration. So if targets are met in a proportion of over 100%, the ordinary annual variable remuneration will be increased in the same proportion up to a ceiling of 150% of the non-variable remuneration. Therefore, if the targets are surpassed by more than 150%, the ordinary annual variable remuneration will be 150% of the non-variable remuneration, at which it is capped.

(iii) If the targets are not met, the ordinary annual variable remuneration will be reduced in proportion to the percentage fulfilment (under 100%) achieved, with a minimum of 85%, such that if targets are met in a proportion of less than 85%, no ordinary annual variable remuneration will accrue.

(iv) As an exception considering special dedication by the executive director and a temporary situation in the company or group, the board may, upon recommendation by the Nomination and Remuneration Committee, decide to raise the variable remuneration of the executive director to the maximum limit established for his non-variable remuneration.

- It is further mentioned that the deferred annual bonus scheme described in section A.4 above is in keeping with the recommendations on remuneration established in the Unified Code of Corporate Governance for Listed Companies of June 2013.

#### EXPLANATORY NOTE THREE ON SECTIONS C.1 AND D.1

- The sum of attendance fees 2014 corresponding to Antonio Hernández Callejas indicated in Section D.1, b) and c) include those received as director of Pastificio Lucio Garofalo, S.p.A. (company in the Ebro Foods Group) in a sum of 5,000 euros.

- In 2014 the Chairman of the Board also received the following amounts from two associates of the Ebro Foods Group, for the items mentioned:

(i) as director of Deóleo, S.A. up to 31 January 2014 he received 3,416 € in attendance fees. Ebro Foods, S.A. had a major interest in that company up to 28 March 2014.

(ii) as director of Riso Scotti, S.p.A. he received 5,200 € in attendance fees. Ebro Foods, S.A. holds a 25% interest in that company.

#### EXPLANATORY NOTE FOUR ON SECTION D.3

The breakdown of the total votes cast (92,848,324) in the voting on the advisory vote at the AGM 2014 on the Report on Directors' Remuneration mentioned in section D.3 was as follows:

- Votes for: 91,146,693

- Votes against: 1,701,430

- Blank votes: 201

In addition to these votes, there were 16,342,095 abstentions, equivalent to 14.97% of the capital present and represented at the AGM, which can formally not be considered votes cast.

#### EXPLANATORY NOTE FIVE

This remuneration report contains the remuneration policy for company directors contemplated in section 529r of the Corporate Enterprises Act.



Pursuant to the transitional provision of Act 31/2014 amending the Corporate Enterprises Act to enhance corporate governance, if the annual general meeting held in 2015 approves this report in an advisory vote, the remuneration policy contained herein will also be considered approved for the purposes of section 529r, remaining in force for the coming three years.

This annual remuneration report was approved by the board of directors of the company at its meeting of 24/03/2015.

State whether any directors voted against or abstained in connection with the approval of this Report.

Yes

No