

GOVERNANCE MODEL

- Governance bodies
- Ownership structure and stock performance
- Share performance
- Risk management

Pag 19

Pag 22

Pag 22

Pag 24



GOVERNANCE MODEL

GOVERNANCE BODIES

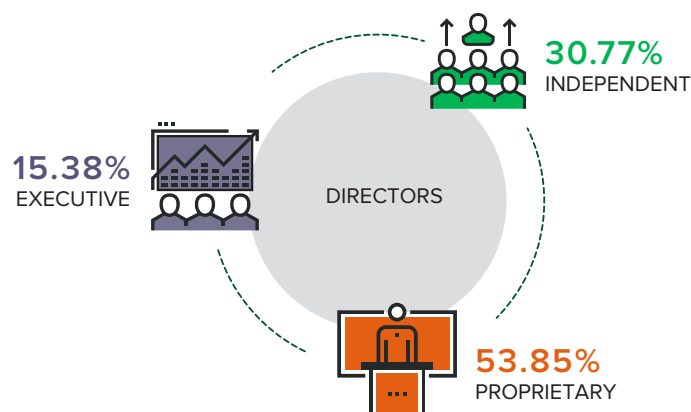
The governance bodies of Ebro Foods, S.A. are the General Meeting of Shareholders and the Board of Directors.

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, regulations 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.

The Board of Directors of Ebro Foods has thirteen members, two of whom are executive directors, seven are proprietary directors and four are independent directors.

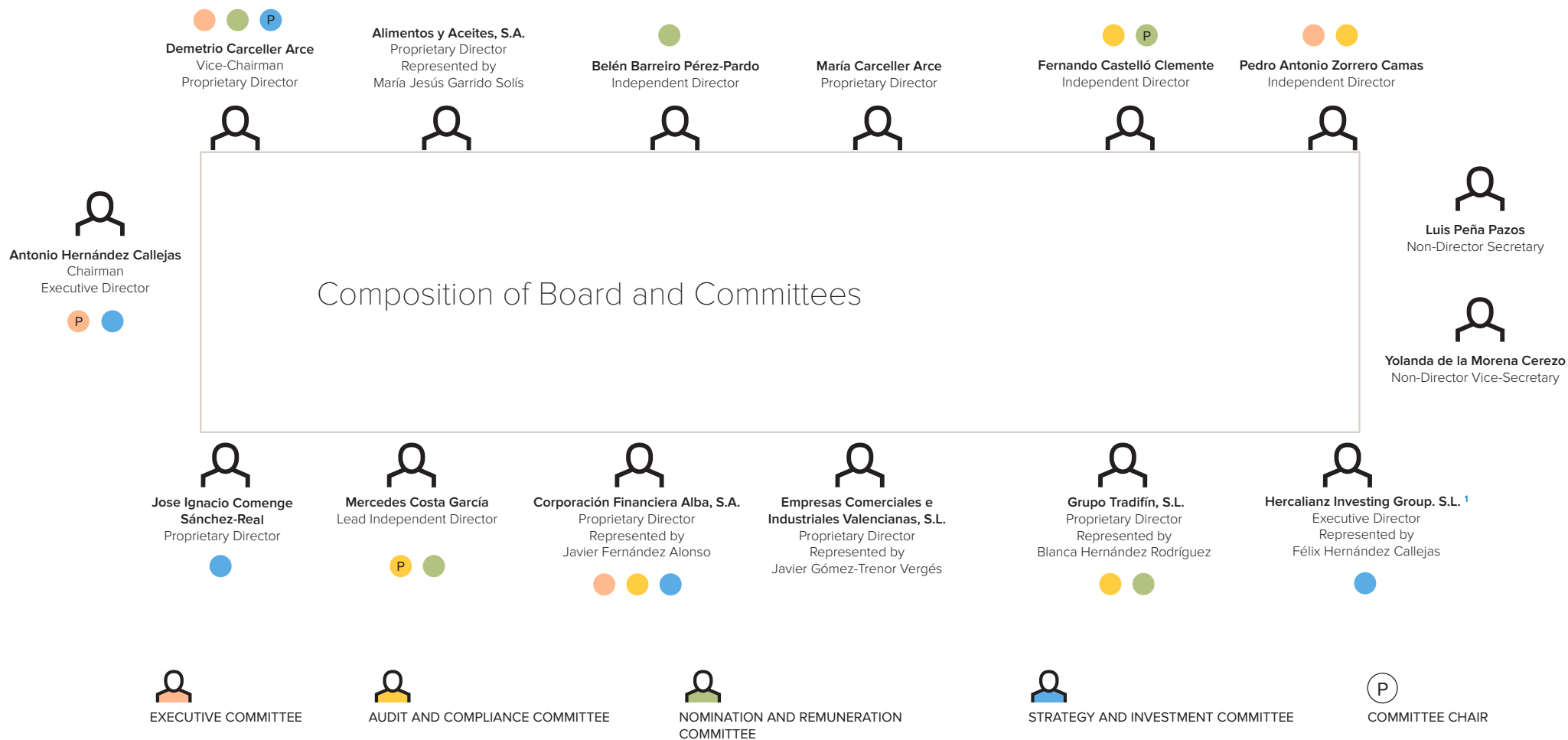


There are also four Committees, which guarantee fulfilment of the Board's duties and have the powers and competence vested in them by law, the Articles of Association and the Regulations of the Board.

These four Committees are:

- ▶ Executive Committee
- ▶ Audit and Compliance Committee
- ▶ Nomination and Remuneration Committee
- ▶ Strategy and Investment Committee

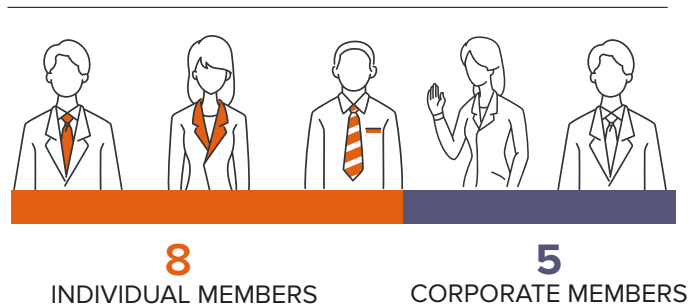
At 31 December 2019, the composition of the Board of Directors and its Committees is as follows:



(1) Hercalianz Investing Group, S.L. has never performed executive or management duties in Ebro Foods, S.A. or any subsidiary of the Group and, therefore, has not received any remuneration as such. It is classified as executive director in view of the fact that its representative on the Ebro Foods board is an executive of one of the Group's subsidiaries.

According to this composition, women account for 38.46% of the total board members. This is a larger portion than the target set in the Policy for Selecting Directors and Diversity in the Composition of the Board of Directors, according to which by 2020 the gender least represented on the board should account for at least 30% of the total board members. That target was reached in January 2017 and reinforced in June of the same year. As regards the number of independent directors (4), less than one-third (4.3) of the total board members (13) recommended for companies which, like Ebro Foods, S.A., are not high cap, it should be borne in mind that the percentage of the share capital represented on the Board of Directors at 31 March 2020 is 66.748%.

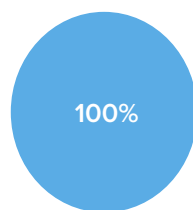
13 MEMBERS



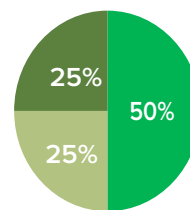
38.46%



61.54%



45-55
Aged



40-50 Aged 50-60 Aged 60-75 Aged

From 31 December 2019 to 31 March 2020, there were no changes in the composition of the board and committees.

SHAREHOLDING STRUCTURE AND SHARE PERFORMANCE

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

The details of the capital represented on the board as at 31 March 2020 are shown below:

SCALE OF PERCENTAGE INTERESTS IN THE CAPITAL	NUMBER OF SIGNIFICANT SHAREHOLDERS AND/OR DIRECTORS WITH AN INTEREST IN THE CAPITAL	PERCENTAGE OF TOTAL CAPITAL
≥ 10.00%	3	36.050
≥ 5.00% < 10.00%	4	28.910
≥ 3.00% < 5.00%	0	0.000
< 3.00%	5 (*)	1.788

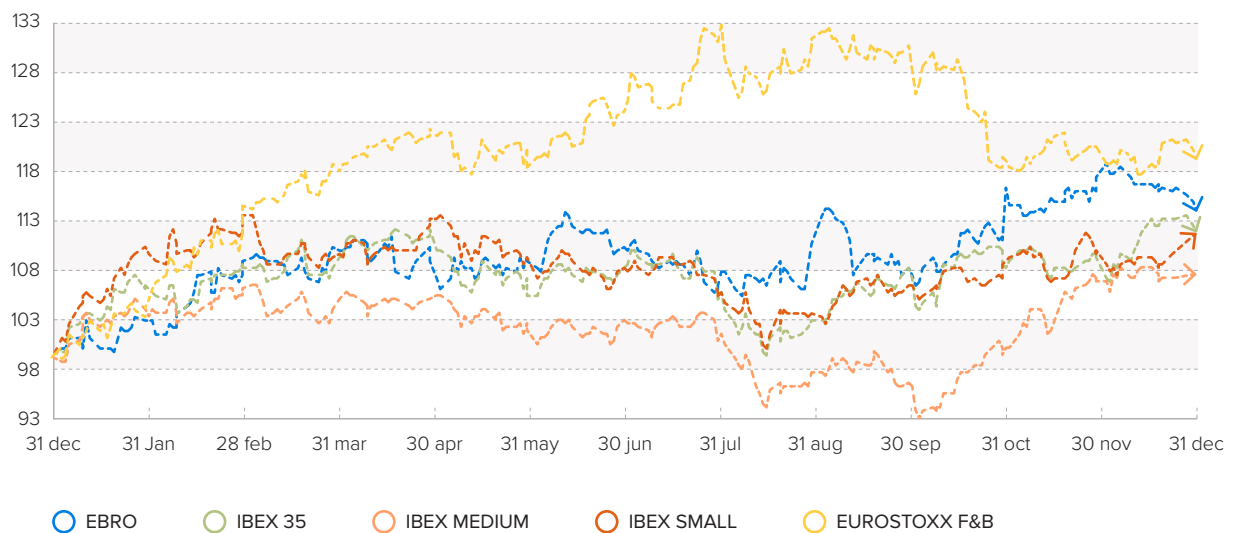
(*) None of these five directors is a significant shareholder because the stake each holds in the capital is less than 3%.

At 31 March 2020, the free float is estimated at 29.002%.

SHARE PERFORMANCE

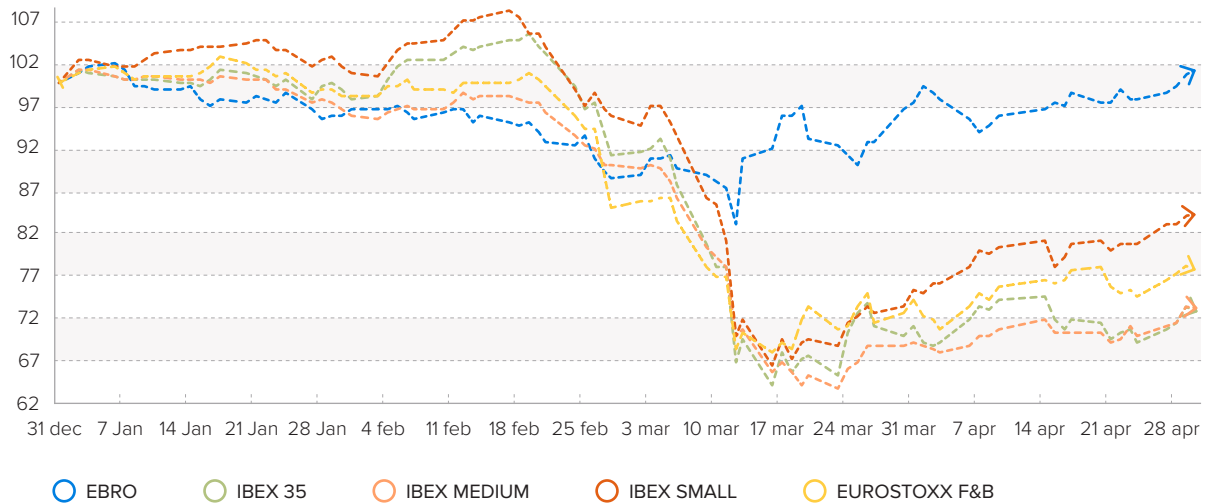
During 2019, the value of the Ebro Foods share rose by 14 %. Ibex 35 closed the same period up 11.8%, Ibex Med up 8.4%, Ibex Small up 11.9% and Eurostoxx Food and Beverage up 19.4%.

EBRO VS. INDEXES 2019



The average price of our share in 2019 was €18.32 and it closed the year on 31 December at €19.09. Share turnover was equivalent to 10% of the total number of shares in the company. The average daily volume of trading during 2019 was 59,932 shares.

EBRO VS INDEXES 1 JANUARY TO 30 APRIL 2020



Observing share performance in 2020, the value of the Ebro share has risen by 1.7%, while Ibex 35 is down 27.5%, Ibex Med 26.8%, Ibex Small 15.7% and Eurostoxx Food and Beverage 22.4%.

EBRO ANALYSTS

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

- | | | |
|-----------------------|----------------------|--------------------------|
| 1. Ahorro Corporación | 6. GVC Gaesco | 11. Mirabaud |
| 2. Banco Sabadell | 7. Exane BNP Paribas | 12. Alantra |
| 3. Bankinter | 8. Fidentiis | 13. Santander Investment |
| 4. BBVA | 9. Intermoney | 14. UBS |
| 5. BPI La Caixa | 10. Kepler Cheuvreux | 15. Renta 4 |

At year-end 2019, the average rating by analysts gave EBRO a target price of €19.43 per share, 1.8% higher than our market price at that date.

DIVIDENDS

An ordinary dividend of €88 million (€0.57 euros per share) was distributed during 2019 against the 2018 profits.

The ordinary dividend was paid in three instalments (€0.19 per share) in April, June and October 2019.

The dividend yield per share at year-end was 3%.

For 2020, the Ebro Foods board unanimously resolved on 18 December 2019 to table a motion at the forthcoming Annual General Meeting proposing a dividend of €0.57 per share against the 2019 earnings, to be distributed in three payments of €0.19 per share in April, June and October 2020 (€88 million). Therefore, the dividend would be maintained at the same level as in 2019.

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.

This general framework is implemented through an integrated, homogenous Risk Control and Management System, influenced by the conceptual framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Report on internal control, based on the preparation of a business risk map to identify, assess and rate the management capacity regarding different risks, ranking them 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, such as 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, based on the risk level considered 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. A review of the Group's risk map is currently being set up, highlighting and integrating especially important recent circumstances. It will particularly take account of the risks deriving from climate change, social and human rights aspects and changes related with new technologies or new social and consumer habits.

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, oversees and monitors financial reporting and the 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.