

# ANNUAL REPORT ON REMUNERATION

• Annual Report on Remuneration





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

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### DETAILS OF ISSUER

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Year ended:

[ 31/12/2019 ]

Tax Registration No.:

[ A47412333 ]

Name:

[ **EBRO FOODS, S.A.** ]

Registered office:

[ PASEO DE LA CASTELLANA, 20. 3RD & 4TH FLOORS, MADRID ]

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

- A.1.** Explain the directors' remuneration policy in place for this year. To the extent that it is relevant, certain information may be included by reference to the remuneration policy approved by the general meeting of shareholders, provided the incorporation is clear, specific and precise.

Describe the specific criteria for this year in respect of both the remuneration of directors as such and their performance of any executive duties, applied by the board in accordance with the provisions of the contracts signed with the executive directors and the remuneration policy approved by the general meeting.

In any case, inform at least on the following aspects:

- Description of the procedures and corporate bodies involved in determining and approving the remuneration policy and conditions thereof.
- Indicate and, where necessary, explain whether comparable companies have been taken into account to establish the company's remuneration policy.
- Information on whether assistance was received from an external adviser and, if so, their identity.

The Directors' Remuneration Policy of the Company for 2019 was approved at the Annual General Meeting of Shareholders held on 5 June 2018 for the years 2019-2021.

At the Annual General Meeting held on 4 June 2019, a modification of the Remuneration Policy 2019-2021 was approved to adapt it to: (i) the alteration of the company's article concerning directors' remuneration (Article 22 of the Articles of Association), which only affects the remuneration of directors as such, i.e. for their supervisory and other non-executive duties, which was approved at the same Annual General Meeting; and (ii) the regulation of the Deferred Annual Bonus Scheme linked to the Strategic Plan 2019-2021, in which the Executive Chairman participates.

The current Directors' Remuneration Policy is based on the following principles:

- (i) Directors shall be remunerated according to their duties, responsibilities and dedication. This remuneration shall be sufficient to retain talent and acknowledge the directors' track record.
- (ii) The remuneration shall be set according to the importance of the Company, its economic situation from time to time and comparable market standards.
- (iii) Directors' remuneration should be reasonable without compromising their independence of judgement, especially that of non-executive directors.
- (iv) The remuneration system for directors, particularly executive directors for their management duties, 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 structure has been designed for executive directors for their executive duties (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 Company and Group earnings and risk exposure on the other.

Based on those principles, directors' remuneration is structured as follows:

- a) The Board as a whole receives the fixed remuneration established each year by the General Meeting. The relevant proposal submitted by the Board of Directors to the Annual General Meeting will take account of the importance of the company and its economic situation. Following the alteration of Article 22 of the Articles of Association regarding directors' remuneration, as resolved by shareholders at the Annual General Meeting on 4 June 2019 (and the consequent modification of the Directors' Remuneration Policy 2019-2021 decided at the same Annual General Meeting), the annual fixed sum to be received by the Board as a whole as fixed remuneration is to be decided by the General Meeting. The Board of Directors then distributes that sum among its members. The directors, for their duties as such, also receive fees for attending the meetings of the Board and any Board Committees they are on.
- b) Non-executive directors do not receive any variable remuneration based on the profits of the Company or Group.
- c) The executive directors, just as the other senior executives of the Group, receive an annual remuneration for their executive duties according to the terms of their respective contracts. The remuneration structure of executive directors (and other senior executives in the Group) includes the following components:
  - annual fixed remuneration;
  - short-term variable remuneration;
  - deferred annual variable remuneration, as explained herein below.

At the Annual General Meeting to be held in June 2020, a motion will be tabled for a further modification to the Directors' Remuneration Policy 2019-2021, to adjust the contents to the resolutions adopted by the Board on 27 February 2020 in respect of the fixed monetary remuneration of the Executive Chairman. The sole purpose of this modification is to update the information to be included in the Policy (pursuant to section 529 octodecies of the Corporate Enterprises Act) regarding

the amount of fixed remuneration of the Executive Chairman and its variation over the period covered by the policy. The modification does not affect the remuneration structure set out above.

The remaining contents of this section A.1, point 1, continues in section D of this report.

- Relative importance of the variable remuneration items in respect of the fixed remuneration (remuneration mix) and what criteria and goals have been taken into account to determine them and to guarantee an appropriate balance between the fixed and variable components of the remuneration. In particular, describe the actions taken by the company regarding the remuneration scheme to reduce excessive risk exposure and align the scheme with the long-term goals, values and interests of the company, including where appropriate a reference to measures contemplated to ensure that the remuneration policy takes into account the company's long-term results, measures adopted with respect to certain categories of employees whose professional activities have a significant impact on the company's risk profile and measures to avoid conflicts of interest, where necessary.

Indicate also whether the company has established an accrual or vesting period for certain variable remuneration items payable in cash, shares or other financial instruments, a deferred payment period or the delivery of financial instruments already accrued and vested, or whether a clause has been agreed to reduce the deferred remuneration or for clawback of bonuses based on data which subsequently prove to be manifestly inaccurate or misstated.

The Chairman of the Board, as executive director performing executive duties, is the only director to receive variable remuneration on similar terms to the other senior executives of the company, in pursuance of the Directors' Remuneration Policy.

The variable remuneration of the Chairman of the Board for his executive duties includes:

- Annual variable remuneration, established in the executive director's contract, which is proportionate to the level of achievement of the targets established for each year by the Board, in view of a proposal by the Nomination and Remuneration Committee.

This remuneration is proportionate to 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). This variable remuneration accrues and is paid on an annual basis, after assessing the financial results of the year.

- Deferred annual variable remuneration, linked to fulfilment of the Strategic Plan in place from time to time for the senior management of the Ebro Foods Group. The payment of bonuses is conditional upon meeting the targets set each year by the Remuneration Scheme and the beneficiary's continued employment in the Group at the date of payment established for those bonuses, 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.

Bonuses are paid 11 months after being determined (after checking the degree of fulfilment of the targets), so by the time they are paid, more than one year has passed since the end of the year to which the bonus corresponds.

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 calculation of the deferred remuneration payable, the gross remuneration will be equivalent to the remuneration that would have been payable had that circumstance not existed.

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.

With this Deferred Annual Variable Remuneration Scheme, the remuneration of the Executive Chairman, the only director with executive duties, is aligned with the medium and long-term results of the Company and its Group.

- Amount and nature of the fixed components expected to be accrued during the year by directors as such.

The fixed remuneration of the directors as such for 2019 will be set at the Annual General Meeting to be held in 2020.

No changes are expected in respect of the fixed remuneration that the directors have received in recent years. At its meeting on 27 February 2020, in view of the proposal and favourable report by the Nomination and Remuneration Committee, the Board resolved to table a motion at the Annual General Meeting 2020 to maintain the fixed remuneration of the directors as such equal to that of the previous year, i.e. 2,728 thousand euros.

The Board further resolved, also in view of a proposal and report by the Nomination and Remuneration Committee, to table a motion at the Annual General Meeting to maintain attendance fees at 1,600 euros for Board meetings and 800 euros for the different Committee meetings. Accordingly, the total amount accrued by directors in attendance fees was 322 thousand euros in 2019.

The fixed remuneration of the directors for their duties as such is distributed among the different Board members in consideration for the duties undertaken by each one on the Board and in the different Committees. The current scale, after the latest review agreed by the Board on 22 June 2006 at the proposal of 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
  - Committee Chairman: 0.05 points per meeting
  - Committee Members: 0.03 points per meeting

The individual details of amounts actually accrued in 2019 by each Director for each of the above items are set out in section C of this report.

- Amount and nature of the fixed components accrued by executive directors during the year for senior management duties.

The Chairman of the Board, as executive director, received a fixed remuneration for the performance of executive duties of 1,056,359 euros gross in 2019, in accordance with the terms of his contract. The fixed remuneration of the Executive Chairman consists of part in cash (1,050,830 euros gross) and part in kind (5,529 euros gross), through private use of a company car (see section A.1, point 5, of this report).

For this year (2020), the Board of Directors resolved on 27 February 2020 (at the proposal of the Nomination and Remuneration Committee) to raise the fixed cash remuneration of the Executive Chairman from 1,050,830 euros gross received in 2019 to 1,500,000 euros gross, as follows:

- (i) In 2020, a first increase to 1,250,000 euros gross; and
- (ii) In 2021, a second increase to 1,500,000 euros gross.

Accordingly, the fixed cash remuneration of the Executive Chairman, the only director who performs executive duties, will be 1,250,000 euros gross in 2020.

The Chairman is the only executive director performing executive duties. Although Heralianz Investing Group, S.L. is recognised as an executive director, it has never performed executive duties in Ebro Foods, S.A. or any subsidiary of the Group and, therefore, has received no remuneration for such duties.

See the explanatory note in section D of this report regarding the classification of Heralianz Investing Group, S.L. as an executive director.

- Amount and nature of any remuneration in kind that will be accrued during the year, including, but not limited to, insurance premiums paid for directors.

The Chairman of the Board, as the only Director with executive duties, receives remuneration in kind to the extent of private use made of the company car allocated to him. The value of this remuneration in kind for 2019 (5,529 euros) is included within the fixed remuneration of the executive director accrued in 2019.

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 value of those products and services is deducted from the gross salary of the executive, who is allocated in lieu the corresponding income in kind. These products and services include group medical insurance, housing rental, nursery, vehicle hire/lease and employee training.

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 fixed cash remuneration.

In addition, in line with common practice in other comparable companies, the Company has taken out and maintains in force a liability insurance policy for its directors and executives.

- Amount and nature of the variable components, distinguishing between those established at short and long term. Financial and non-financial parameters - including among the latter social, environmental and climate change factors - selected to determine the variable remuneration in the current year. Explain to what extent those parameters are aligned with the performance of both the director and the company and its risk profile, and the methodology, necessary time and techniques contemplated to determine, at year-end, the level of achievement of the parameters used to design the variable remuneration.

Indicate the range, in monetary terms, of the different variable components according to the level of achievement of the goals and parameters established and whether there is a maximum monetary amount in absolute terms.

As mentioned earlier, of the directors, only the Chairman of the Board, as executive director performing executive duties, receives variable remuneration on similar terms to the other senior executives of the company, according to the Directors' Remuneration Policy.

The variable remuneration of the Chairman of the Board for his executive duties includes:

(i) Ordinary annual variable remuneration:

The annual variable remuneration established in the Executive Director's contract is proportionate to the level of achievement of the targets established for each year by the Board, in view of a proposal and report by the Nomination and Remuneration Committee.

The ordinary annual variable remuneration of the Chairman for the performance of his executive duties accrues according to the following rules:

- If the targets are fully met (100%), the annual variable remuneration is equivalent to 100% of the fixed remuneration.
- If the targets are exceeded, the annual variable remuneration may be increased to no more than 150% of the fixed remuneration. So if targets are met in a proportion of over 100%, the annual variable remuneration will be increased in the same proportion up to a ceiling of 150% of the fixed annual remuneration.
- If the targets are not met, the annual variable remuneration will be reduced in proportion to the percentage fulfilment (under 100%) achieved, with a floor of 85%, below which no annual variable remuneration accrues.
- As an exception, considering the special dedication by the Executive Chairman to the performance of his executive duties and a temporary situation in the Company or Group, the Board may, at the proposal of the Nomination and Remuneration Committee, decide to raise the variable remuneration of the Executive Chairman to the maximum limit established for his fixed remuneration.

On 28 February 2019, in view of a favourable report by the Nomination and Remuneration Committee, the Board established the EBITDA budgeted for the consolidated Group as the sole target to be assessed for the annual variable remuneration of the Executive Chairman in 2019.

Based on this, following assessment of the degree of achievement of that target and issuance of the corresponding proposal by the Nomination and Remuneration Committee, the Board confirmed on 27 February 2020 that the target had been met in a percentage of 74.94%, so the annual variable remuneration of the Executive Chairman was set at 787,452 euros gross for 2019.

On 27 February 2020, in view of a favourable report by the Nomination and Remuneration Committee, the Board also resolved to maintain achievement of the EBITDA budgeted for the consolidated Group as the sole objective to be assessed for the ordinary annual variable remuneration of the Executive Chairman in 2020.

(ii) Deferred annual variable remuneration:

On 30 April 2019, at the proposal of the Nomination and Remuneration Committee, the Board of Directors of Ebro Foods, S.A. approved a Deferred Annual Bonus Scheme for the senior management of the Ebro Foods Group, linked to fulfilment of the Strategic Plan 2019-2021. The Chairman of the Board, as executive director and for his executive duties, participates in that Scheme according to the terms of his contract.

The beneficiaries of the Scheme (including the Chairman of the Board as executive director) are only entitled to receive the deferred remuneration if they are still working in the Ebro Group at the date of payment. As an exception, the Scheme contemplates early payment in the event of: (i) termination of the employment relationship with the Company during the period of the Scheme owing to the 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. If those targets are fully met, he will be entitled to 100% of the bonus, capped at 125% of the budgeted targets (in which case the bonus for the 3-year period would be 125% of the fixed remuneration) and with a floor of 85% of the budgeted targets (at which no bonus would accrue).

The deferred annual bonus is not payable until eleven months after it has been determined in view of the financial results of each year. For this reason, in 2019 the Chairman of the Board was paid the deferred annual bonus for 2017.

The targets of the Scheme for the first two years (2019, payable in 2021, and 2020, payable in 2022) are the annual EBITDA and ROCE for those years (in comparison with those set in the Strategic Plan), the accrual of 25% of the deferred variable remuneration being linked to meeting those targets.

The level of achievement of the EBITDA determines 80% of the deferred bonus each year and the level of achievement of the ROCE determines the remaining 20%.

The targets of the Scheme for the final year (2021, payable in 2023) are: (i) the annual EBITDA and ROCE for that year (representing 80% and 20%, respectively), to which the accrual of 25% of the deferred variable remuneration is linked; (ii) the aggregate sum of EBITDAs of the years included in the Scheme (2019-2021), 12.5% of the deferred variable remuneration of the three-year period being subject to the outcome of that assessment; and (iii) the general assessment of the development of the Strategic Plan 2019-2021 in financial aspects other than EBITDA, to be assessed by the Strategy and Investment Committee, which will submit a proposal in this regard to the Nomination and Remuneration Committee, the remaining 12.5% of the deferred variable remuneration of the three-year period being subject to the outcome of that assessment.

The Nomination and Remuneration Committee reviews each year (once the results of the preceding year are known) the level of achievement of the economic variables to which this deferred bonus is linked (EBITDA and ROCE). The Nomination and Remuneration Committee also reviews and validates, during the last year of the Scheme, the proposed general assessment of the development of the Strategic Plan submitted by the Strategy and Investment Committee. After these verifications, the Nomination and Remuneration Committee submits a proposal to the Board of Directors, which then decides on the final amounts accrued by the Executive Chairman (and the other executives included in the Scheme).

By virtue of the Deferred Annual Bonus Scheme linked to fulfilment of the Strategic Plan 2019-2021, a provision has been recognised in the separate accounts of the Company for 2019 in a sum of 755,275 euros gross, corresponding to the provisional estimate of the deferred annual bonus payable to the Chairman of the Board (as executive director for the performance of executive duties) in 2019. That sum will be paid in 2021.

Also under the Scheme, the Executive Chairman received a sum of 788,101 euros gross in 2019 as deferred annual bonus for 2017. And in 2020, he has received 595,539 euros gross as the deferred annual bonus for 2018.

The Scheme described above is not indexed to the value of the Company's share and the beneficiaries do not receive shares or any other rights thereover.

- Main features of the long-term saving schemes. This information should include, inter alia, the contingencies covered by the scheme, whether it is defined-contribution or defined-benefit, the annual contribution to be made to defined-contribution schemes, the benefit to which beneficiaries are entitled under defined-benefit schemes, the conditions for the vesting of economic rights in favour of the directors and compatibility with any kind of termination benefit payable for or in connection with interruption or expiry of the contractual relationship between the company and the director.

State whether accrual or vesting of rights under any of the long-term savings schemes is subject to the achievement of certain targets or parameters related with the short and long-term performance of the director.

No contributions have been made to any pension funds or schemes for former or existing members of the Board of Directors (neither the directors as such nor the executive directors for the performance of executive duties) and no obligations have been contracted in this respect.

Nor have any contributions been made or obligations contracted for directorships in other group companies (for the directors as such or the executive directors for the performance of executive duties).

- Any kind of payment or compensation for termination, early or otherwise, of the contractual relationship between the company and the director, at the initiative of the company or the director, and any arrangements agreed, such as exclusive dedication, minimum employment commitment, loyalty and no competition during and after employment.

No compensations have been arranged or paid for termination of directors' duties (neither the directors as such nor the executive directors for the performance of executive duties).

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

Pursuant to sections 249, 529 octodecies and 529 quidecies 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 having executive duties, at the proposal of the Nomination and Remuneration Committee and within the confines of Directors' Remuneration Policy approved by the General Meeting.

The principal terms of contract of the Executive Chairman of the company for his executive duties (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

See the explanatory note in section D of this report for the reasons for classification of Heralianz Investing Group, S.L. as an executive director.

- The nature and estimated amount of any other supplementary remuneration that will be payable to directors this year for services rendered in addition to those inherent in their directorship.

No supplemental remuneration is earned by directors (neither the directors as such nor the executive directors for the performance of executive duties) for services rendered in addition to those inherent in their directorship and/or the performance of executive duties.

- Any other remuneration, such as advances, loans and guarantees granted to directors by the company, and other remuneration.

The company has not granted any loans or advances to members of the board (neither the directors as such nor the executive directors for the performance of executive duties), or contracted any obligations on their behalf through guarantees or bonds.

- The nature and estimated amount of any other supplementary remuneration not included in the preceding paragraphs, paid by the company or another company in the group, that will accrue in directors' favour this year.

There is no remuneration other than as explained in this Report, apart from the attendance fees received by the Chairman of the Board as director of Pastificio Lucio Garofalo, S.p.A (a subsidiary of the Ebro Foods Group), in a sum of 5,000 euros gross.

In addition, in 2019 the Chairman of the Board received a sum of 5,200 euros gross in attendance fees from Riso Scotti, S.p.A. Riso Scotti, S.p.A. is an associate and not part of the Group, in which Ebro Foods, S.A. has a 40% interest (it is an associate consolidated by the equity method).

Insofar as the Executive Chairman continues to sit on the boards of the above-mentioned companies, he will foreseeably receive similar remunerations in 2020.

**A.2. Explain any significant change in the remuneration policy applicable this year, deriving from:**

- A new policy or modification of the policy already approved by the general meeting.
- Significant changes in the specific criteria established by the board for this year within the current remuneration policy in respect of those applied in the previous year.
- Proposals that the board has agreed to submit to the general meeting at which this annual report will be presented, for application to this year.

The Directors' Remuneration Policy 2019-2021 (which had been approved by the General Meeting in 2018) was modified in 2019 for two purposes: (i) to adapt the Policy to the alteration of the Article of Association in respect of directors' remuneration (Article 22), which only affects the remuneration of directors as such, i.e. for their supervisory and other non-executive duties, as approved at the Annual General Meeting in June 2019; and (ii) to modify the Policy in the part regulating the Deferred Annual Bonus Scheme, in which the Executive Chairman participates, following the approval in 2019 of a new Deferred Annual Bonus Scheme linked to the Strategic Plan 2019-2021.

In 2020, it is planned to table a motion at the Annual General Meeting to approve a further modification of the Directors' Remuneration Policy 2019-2021, for the sole purpose of including updated tax on the fixed cash remuneration of the Executive Chairman, modified by a resolution adopted by the Board of Directors on 27 February 2020. The sole purpose of that modification is to see that the current policy contemplates the duly updated amount of the fixed annual cash remuneration of the Executive Chairman and the variation thereof during the period covered by the Policy, pursuant to section 529 octodecies of the Corporate Enterprises Act.

See the continuation of section A.1, point 1, in section D of this report for further details.

**A.3. Indicate the direct link to the document containing the current remuneration policy of the company, which must be available on the company's website.**

<https://www.ebrofoods.es/wp-content/uploads/2020/03/Texto-Refundido-de-la-Politica-Remuneraci%C3%B3n-de-Consejeros-2019-2021.pdf>

**A.4. In view of the details provided in section B.4, explain how the shareholders' advisory vote at the general meeting on the annual report on remuneration of the previous year has been taken into account.**

Given the large majority of the capital that voted to approve the annual report on remuneration for 2017, in 2018 the Directors' Remuneration Policy for the years 2019-2021 was laid before the General Meeting, substantially reiterating the principles and criteria contained in the preceding policy (2016-2018). It was approved by an ample majority of the capital.

In 2019, a motion was tabled at the Annual General Meeting to modify the Remuneration Policy in order to: (i) adapt the Policy to the alteration of the article of association contemplating directors' remuneration (Article 22 of the Articles of Association), which only affects the remuneration of directors as such, i.e. for their supervisory and other non-executive duties, as approved at the Annual General Meeting in June 2019; and (ii) modify the Policy in the part regulating the Deferred Annual Bonus Scheme, in which the Executive Chairman participates, following the approval in 2019 of a new Deferred Annual Bonus Scheme linked to the Strategic Plan 2019-2021. That modification was approved by a large majority of the capital.

In 2020, it is planned to table a motion at the Annual General Meeting to approve a further modification of the Directors' Remuneration Policy 2019-2021, for the sole purpose of including updated information on the fixed annual cash remuneration of the Executive Chairman following the review thereof resolved by the Board, at the proposal of the Nomination and Remuneration Committee, on 27 February 2020, as explained above.

In view of the ample majority of support by the shareholders at the General Meeting in the approvals laid before them, and considering the remuneration report 2018, no changes are planned for the Remuneration Policy 2019-2021 other than any that may become necessary or convenient in the wake of a change in the law.



**B. OVERALL SUMMARY OF APPLICATION OF THE REMUNERATION POLICY DURING THE REPORTING PERIOD**

**B.1.** Explain the process followed to apply the remuneration policy and determine the individual remunerations reflected in section C of this report. This information should include the role played by the remuneration commission, the decisions taken by the board and, if appropriate, the identity and role of the external advisers whose services were used in the process of applying the remuneration policy during the reporting period.

a) Remuneration of Directors as such.

At a meeting on 13 February 2019, the Nomination and Remuneration Committee resolved to submit a proposal to the Board of Directors (to be tabled at the Annual General Meeting in 2019) to set the fixed remuneration for the Board as a whole for 2018 at 2,728,053 euros gross, coinciding with the amount proposed in previous years. It further proposed maintaining the amount of attendance fees for Board meetings (1,600 euros gross per meeting) and meetings of the Board Committees (800 euros gross per meeting).

On 28 February 2019, the Board of Directors resolved to table a motion with those proposals at the Annual General Meeting in June 2019, where they were passed by an ample majority.

The total amount approved by the General Meeting on 4 June 2019 for the statutory remuneration for the Board as a whole for 2018 (2,728,053 euros gross) was distributed among the Board members in accordance with the prevailing distribution criteria (see section A.1). Based on those criteria, the annual fixed assignment to Directors as such in 2018 was as follows:

- membership of the Board: a total sum of 1,829,175.96 euros gross
- membership of the Board Committees: a total sum of 898,877.26 euros gross.

The fees paid in 2018 for attendance of Board and Committee meetings of Ebro Foods, S.A. amounted to 303,200 euros gross.

At a meeting on 13 February 2020, the Nomination and Remuneration Committee resolved to submit a proposal to the Board of Directors (to be tabled at the Annual General Meeting in 2020) to set the fixed remuneration for the Board as a whole for 2019 at 2,728,053 euros gross, coinciding with the amount proposed in previous years. It further proposed maintaining the amount of attendance fees for Board meetings (1,600 euros gross per meeting) and meetings of the Board Committees (800 euros gross per meeting).

On 27 February 2020, the Board of Directors resolved to table a motion with those proposals at the Annual General Meeting in June 2020.

If that amount is approved at the Annual General Meeting held in 2020, it will be distributed among the Board members in accordance with the prevailing distribution criteria (see section A.1). Based on those criteria, the annual fixed assignment to Directors as such in 2019 would be as follows:

- membership of the Board: a total sum of 1,723,982.16 euros gross
- membership of the Board Committees: a total sum of 1,004,070.95 euros gross.

If the proposals are approved, the attendance fees for Board and Committee meetings of Ebro Foods, S.A. in 2019 would amount to 322,400 euros gross.

b) Remuneration of the Chairman of the Board as Executive Director for the performance of executive duties.

On 13 February 2019, the Nomination and Remuneration Committee reviewed the level of achievement in 2018 of the economic variables, based on which the variable bonus (both annual and deferred) of the Executive Chairman, the only director with executive duties, was determined.

It also considered the increase in fixed remuneration of the executives and employees of the Group (including the Executive Chairman), proposing a 1.5% rise for all the employees of the parent company of the Group. Accordingly, it submitted the corresponding proposal to the Board, which approved that proposal in all its terms.

On 12 February 2020, the Nomination and Remuneration Committee reviewed the level of achievement in 2019 of the economic variables, based on which the variable bonus (both annual and deferred) of the Executive Chairman, the only director with executive duties, was determined.

In 2019, the sums received by the Chairman of the Board for the performance of executive duties, according to his contract, were as follows:

- Fixed remuneration: 1,056,359 euros gross (1,050,830 euros gross of monetary fixed remuneration and 5,529 euros gross in kind)
- Annual variable remuneration: 787,452 euros gross
- Deferred annual variable remuneration: 755,275.41 euros gross. A provision for this amount has been recognised in the annual accounts at 31 December 2019 and it will be paid in 2021.

In 2019, the Executive Chairman received a sum of 788,101.18 euros gross as deferred annual variable remuneration for 2017, a provision for which had been recognised in the 2017 accounts.

In 2020, the Executive Chairman has been paid a sum of 595,539 euros gross as deferred annual variable remuneration for 2018.

It should be remembered that although Herculanz Investing Group, S.L. is recognised as an executive director, it has never performed executive or management duties in Ebro Foods, S.A. or any subsidiary of the Group and, therefore, has received no remuneration for such duties. See the explanatory note in section D of this report.

- B.2.** Explain the different actions taken by the company regarding the remuneration system and how they have contributed to reducing excessive risk exposure, and align it with the long-term goals, values, and interests of the company, indicating what measures have been adopted to ensure that remuneration has accrued in consideration of the long-term results of the company, striking an appropriate balance between the non-variable and variable components of remuneration, what measures have been taken with respect to those categories of personnel whose professional activities have a significant impact on the company's risk profile, and what measures have been taken to avoid conflicts of interest, where necessary.

The current Deferred Annual Variable Remuneration Scheme (linked to the Strategic Plan 2019-2021) described in section A.1 makes the payment of bonuses conditional upon meeting targets set each year and the beneficiary's continued employment in the Group at the date of payment established for those bonuses, 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.

Finally, as indicated earlier, the Scheme is structured in such a way that the deferred annual bonus corresponding to any of the years within the Scheme will be paid 11 months after being determined (after checking the degree of fulfilment of the targets), so by the time they are paid, a reasonable time will have passed, enabling greater certainty as to the accuracy of the financial information used to calculate the bonus.

- B.3.** Explain how the remuneration accrued during the year complies with the provisions of the current remuneration policy.

Describe the relationship between the remuneration received by the directors and the earnings or other short and long-term performance indicators of the company explaining, where appropriate, how any variations in the company's performance may have had a bearing on the variation in directors' remuneration, including any deferred remuneration, and how they contribute to the short and long-term results of the company.

As explained elsewhere in this report, the remuneration of the Directors as such is set by the General Meeting of Shareholders and has remained substantially unaltered in recent years, since the situation of the Company's and Group's business has been rather stable.

The variable remuneration (both annual and deferred) of the Chairman of the Board as Executive Director, for his executive duties is linked to the development of the Group's business, being determined in accordance with the level of achievement of the targets set in the Remuneration Policy.

- B.4.** Report on the results of the advisory vote by the general meeting on the annual report on remuneration of the previous year, indicating the number of votes against, if any.

	Number	% total
Votes cast	124,177,577	80.71
	Number	% votes cast
Votes against	14,184,711	11.42
Votes for	93,889,639	75.61
Abstentions	16,103,227	12.97

**Comments**

The number of abstentions indicated above (16,103,227) includes the number of blank votes (1,616).

- B.5.** Explain how the fixed components accrued during the year by the directors as such were determined and how they have varied in respect of the previous year.

As explained earlier, the fixed remuneration of the directors as such is set by the General Meeting, following assessment and a proposal by the Nomination and Remuneration Committee and the Board of Directors.

The proposal by the Nomination and Remuneration Committee and the Board of Directors takes into account the economic situation of the Group and the development of its business, although the proposed remuneration has remained stable in recent years, despite the favourable evolution of business.

Accordingly, the total fixed remuneration of the directors as such to be proposed for 2019 (to be approved at the Annual General Meeting in 2020) is expected to be the same as in 2018 (which in turn has not varied in recent years).

- B.6.** Explain how the salaries corresponding to each of the executive directors for their management duties was determined in the reporting period and how they have varied in respect of the previous year.

In 2019, the fixed remuneration of the Executive Chairman, the only director with executive duties, was raised by 1.5% in respect of the previous year. This rise was approved by the Board of Directors in general for all the employees of the parent company of the Group. With that increase, the fixed monetary remuneration of the Executive Chairman for performance of his executive duties totalled 1,050,830 euros gross in 2019 (1,035,300 euros gross in 2018).

The amounts accrued in variable remuneration (both annual and deferred) are determined by the Nomination and Remuneration Committee, which checks the level of achievement of the financial and, if appropriate, non-financial variables on which the accrual of such remuneration is conditional and submits a proposal to the Board.

After confirming that achievement in 2019:

- the amount corresponding to ordinary annual variable remuneration for the year was 787,452 euros gross, compared to 172,330.61 euros gross in 2018;
- the deferred annual remuneration accrued for 2019 was 755,275 euros, compared to 595,539.40 euros gross in 2018.

- B.7.** Explain the nature and main features of the variable components of the remuneration schemes accrued during the reporting period.

In particular:

- Identify each of the remuneration schemes that have determined the variable remunerations accrued by each of the directors during the reporting period, including information on the scope, date of approval, date of implementation, accrual and effective periods, criteria used to assess performance and the effect it had on the setting of the variable amount accrued, as well as the measurement criteria used and the time necessary to be in a position to measure adequately all the conditions and criteria stipulated.

In the case of stock options and other financial instruments, the general features of each scheme shall include information on the conditions for acquiring unconditional rights (vesting) and exercising those options or financial instruments, including the price and time for exercise.

- Each of the directors and their category (executive directors, non-executive proprietary directors, non-executive independent directors and other non-executive directors) who are beneficiaries of remuneration systems or schemes that include variable remuneration.
- If applicable, provide information on any payment deferral periods established that have been applied and/or the periods for retaining/not disposing of shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration schemes:

Variable remuneration (short and long-term) corresponds exclusively to the Chairman of the Board, the only Director performing executive duties, on the terms set out elsewhere in this report.

Explain the long-term variable components of the remuneration schemes:

Variable remuneration (short and long-term) corresponds exclusively to the Chairman of the Board, the only Director performing executive duties, on the terms set out elsewhere in this report.

**B.8.** Indicate whether certain variable components have been reduced after the corresponding rights have been vested and payment deferred, or repayment has been demanded after being vested and paid, in view of information subsequently found to be inaccurate. State the amounts reduced or repaid by application of the reduction or clawback clauses, why these clauses were enforced and the years to which they correspond.

No such circumstances have existed.

**B.9.** Explain the main features of the long-term savings schemes, the amount or equivalent annual cost of which is indicated in the tables in Section C, including retirement and any other survival benefit, wholly or partially financed by the company with internal or external funds, stating the type of scheme, whether it is defined-contribution or defined-benefit, the contingencies it covers, 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.

There are no such schemes.

**B.10.** State any compensations or other kind of payment accrued and/or received by directors during the reporting period upon termination of their contracts, at the initiative of the company or the director, early or at the end of the specified term.

No compensation has been arranged or paid for termination of directors' duties (to directors as such or executive directors for their executive duties).

**B.11.** State whether there have been any significant modifications in the contracts of senior executives or executive directors and explain those changes, if any. Explain the main terms and conditions of the new contracts signed with executive directors during the reporting period, unless they have been explained in section A.1.

There have not been any changes nor have any new contracts been signed with the Executive Director during 2019.

For 2020, as explained earlier, the Board has, in view of the proposal of the Nomination and Remuneration Committee, approved a review of the fixed cash remuneration of the Executive Chairman, such that in 2020 it will be raised to 1,250,000 euros gross and in 2021 to 1,500,000 euros gross. That resolution led to the corresponding modification of the Executive Chairman's contract with the company regarding the performance of his executive duties.

**B.12.** Explain any supplementary remuneration accrued by directors in consideration for services rendered other than those corresponding to their office as such.

As explained earlier, no supplementary remuneration is earned by the directors (as such or for executive duties) in consideration for services rendered other than those corresponding to their office or to the performance of executive duties. However, as also mentioned earlier, the Executive Chairman receives remuneration for being on the boards of: (i) a Group company, and (ii) an associate.

**B.13.** Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, the essential terms and conditions and the amounts repaid, if any, as well as any obligations assumed on their behalf through guarantees.

Neither the company nor any other companies in the Group have granted any loans, advances or guarantees to members of the board (to the directors as such or the executive directors for the performance of executive duties), or contracted any obligations on their behalf through guarantees or bonds.

**B.14.** Describe the remuneration in kind accrued by directors during the year, including a brief explanation of the nature of the different remuneration components.

As explained earlier, the Chairman of the Board, as the only director with executive duties, receives remuneration in kind to the extent of private use made of the company car allocated to him. The value of his remuneration in kind for 2019 (5,529 euros) is included within the fixed remuneration of the executive director accrued in 2019.

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 value of those products and services is deducted from the gross salary of the executive, who is allocated in lieu the corresponding income in kind. These products and services include group medical insurance, housing rental, nursery, vehicle hire/lease and employee training.

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.

**B.15.** Explain the remuneration accrued by the director by virtue of the payments made by the listed company to a third entity to which the director renders services, when those payments are intended to remunerate said director's services in that company.

No payments of this nature have been made.

**B.16.** Explain any other 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.

As explained earlier, there are no remunerations other than those listed above, without prejudice to the fees received by the Chairman of the Board as director of Pastificio Lucio Garofalo, S.p.A (subsidiary of the Ebro Foods Group), in an annual sum of 5,000 euros gross.

In 2019, the Chairman of the Board also received directorship fees from Riso Scotti, S.p.A. in a sum of 5,200 euros gross. As indicated in Article A.1, point 12, above, Riso Scotti, S.p.A. is an associate and does not form part of the Ebro Foods Group.

**C. DETAILS OF INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR**

Name	Type	Accrual period 2019
ANTONIO HERNÁNDEZ CALLEJAS	Executive Chairman	From 01/01/2019 to 31/12/2019
DEMETRIO CARCELLER ARCE	Proprietary Vice-Chairman	From 01/01/2019 to 31/12/2019
ALIMENTOS Y ACEITES, S.A.	Proprietary Director	From 01/01/2019 to 31/12/2019
FERNANDO CASTELLÓ CLEMENTE	Independent Director	From 01/01/2019 to 31/12/2019
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Proprietary Director	From 01/01/2019 to 31/12/2019
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Proprietary Director	From 01/01/2019 to 31/12/2019
GRUPO TRADIFÍN, S.L	Proprietary Director	From 01/01/2019 to 31/12/2019
HERCALIANZ INVESTING GROUP, S.L	Executive Director	From 01/01/2019 to 31/12/2019
MERCEDES COSTA GARCÍA	Lead Independent Director	From 01/01/2019 to 31/12/2019
BELÉN BARREIRO PÉREZ-PARDO	Independent Director	From 01/01/2019 to 31/12/2019
CORPORACIÓN FINANCIERA ALBA, S.A.	Proprietary Director	From 31/01/2019 to 31/12/2019
MARÍA CARCELLER ARCE	Proprietary Director	From 21/03/2019 to 31/12/2019
PEDRO ANTONIO ZORRERO CAMAS	Independent Director	From 13/12/2019 to 31/12/2019

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

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

a) Remuneration accrued in the reporting company:

i) Remuneration in cash (thousand euros)

Name	Fixed remuneration	Attendance fees	Remuneration as members of board committees	Salary	Short-term annual variable remuneration	Long-term annual variable remuneration	Termination benefits	Other items	Total 2019	Total 2018
ANTONIO HERNÁNDEZ CALLEJAS	238	27	150	1,057	787	788			3,047	2,478
DEMETRIO CARCELLER ARCE	177	33	191						401	444
ALIMENTOS Y ACEITES, S.A.	119	18							137	152
FERNANDO CASTELLÓ CLEMENTE	119	28	79						226	253
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	119	20	31						170	200
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	119	18							137	152
GRUPO TRADIFÍN, S.L	119	28	71						218	244
HERCALIANZ INVESTING GROUP, S.L	119	20	31						170	186
MERCEDES COSTA GARCÍA	119	28	78						225	224
BELÉN BARREIRO PÉREZ-PARDO	119	23	36						178	195
CORPORACIÓN FINANCIERA ALBA, S.A.	119	32	184						335	325
MARÍA CARCELLER ARCE	119	18							137	126
PEDRO ANTONIO ZORRERO CAMAS	119	29	153						301	24

Comments

ii) Table of changes in share-based remuneration schemes and gross earnings on the shares or financial instruments vested.

Name	Name of Scheme	Financial instruments at beginning of 2019		Financial instruments awarded during 2019		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2019	
		No. instruments	Equivalent shares	No. instruments	Equivalent shares	No. instruments	Equivalent/ vested shares	Price of vested shares	Gross earnings on shares or financial instruments vested (€ thousand)	No. instruments	No. instruments	Equivalent shares
ANTONIO HERNÁNDEZ CALLEJAS	Scheme							0.00				
DEMETRIO CARCELLER ARCE	Scheme							0.00				
ALIMENTOS Y ACEITES, S.A.	Scheme							0.00				
FERNANDO CASTELLÓ CLEMENTE	Scheme							0.00				
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Scheme							0.00				
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Scheme							0.00				
GRUPO TRADIFÍN, S.L	Scheme							0.00				
HERCALIANZ INVESTING GROUP, S.L	Scheme							0.00				
MERCEDES COSTA GARCÍA	Scheme							0.00				
BELÉN BARREIRO PÉREZ-PARDO	Scheme							0.00				



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

Name	Name of Scheme	Financial instruments at beginning of 2019		Financial instruments awarded during 2019		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2019	
		No. instruments	Equivalent shares	No. instruments	Equivalent shares	No. instruments	Equivalent/ vested shares	Price of vested shares	Gross earnings on shares or financial instruments vested (€ thousand)	No. instruments	No. instruments	Equivalent shares
CORPORACIÓN FINANCIERA ALBA, S.A.	Scheme							0.00				
MARÍA CARCELLER ARCE	Scheme							0.00				
PEDRO ANTONIO ZORRERO CAMAS	Scheme							0.00				

Comments

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iii) Long-term savings schemes

Name	Remuneration from vesting of rights in savings schemes
ANTONIO HERNÁNDEZ CALLEJAS	
DEMETRIO CARCELLER ARCE	
ALIMENTOS Y ACEITES, S.A.	
FERNANDO CASTELLÓ CLEMENTE	
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	
GRUPO TRADIFÍN, S.L	
HERCALIANZ INVESTING GROUP, S.L	
MERCEDES COSTA GARCÍA	
BELÉN BARREIRO PÉREZ-PARDO	
CORPORACIÓN FINANCIERA ALBA, S.A.	
MARÍA CARCELLER ARCE	
PEDRO ANTONIO ZORRERO CAMAS	

Name	Contribution by company during the year (€ thousand)				Amount of funds accumulated (€ thousand)			
	Savings schemes with economic rights vested		Savings schemes with economic rights not vested		Savings schemes with economic rights vested		Savings schemes with economic rights not vested	
	2019	2018	2019	2018	2019	2018	2019	2018
ANTONIO HERNÁNDEZ CALLEJAS								
DEMETRIO CARCELLER ARCE								
ALIMENTOS Y ACEITES, S.A.								
FERNANDO CASTELLÓ CLEMENTE								
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL								
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.								
GRUPO TRADIFÍN, S.L								
HERCALIANZ INVESTING GROUP, S.L								
MERCEDES COSTA GARCÍA								
BELÉN BARREIRO PÉREZ-PARDO								

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

Name	Contribution by company during the year (€ thousand)				Amount of funds accumulated (€ thousand)			
	Savings schemes with economic rights vested		Savings schemes with economic rights not vested		Savings schemes with economic rights vested		Savings schemes with economic rights not vested	
	2019	2018	2019	2018	2019	2018	2019	2018
CORPORACIÓN FINANCIERA ALBA, S.A.								
MARÍA CARCELLER ARCE								
PEDRO ANTONIO ZORRERO CAMAS								

Comments

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iv) Details of other items

Name	Item	Amount
ANTONIO HERNÁNDEZ CALLEJAS	Item	
DEMETRIO CARCELLER ARCE	Item	
ALIMENTOS Y ACEITES, S.A.	Item	
FERNANDO CASTELLÓ CLEMENTE	Item	
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Item	
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Item	
GRUPO TRADIFÍN, S.L	Item	
HERCALIANZ INVESTING GROUP, S.L	Item	
MERCEDES COSTA GARCÍA	Item	
BELÉN BARREIRO PÉREZ-PARDO	Item	
CORPORACIÓN FINANCIERA ALBA, S.A.	Item	
MARÍA CARCELLER ARCE	Item	
PEDRO ANTONIO ZORRERO CAMAS	Item	

Comments

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

b) Remuneration of directors of the company for directorships in other group companies:

i) Remuneration accrued in cash (€ thousand)

Name	Fixed remuneration	Attendance fees	Remuneration as members of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2019	Total 2018
ANTONIO HERNÁNDEZ CALLEJAS		5							5	5
DEMETRIO CARCELLER ARCE										
ALIMENTOS Y ACEITES, S.A.										
FERNANDO CASTELLÓ CLEMENTE										
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL										
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.										
GRUPO TRADIFÍN, S.L										
HERCALIANZ INVESTING GROUP, S.L										
MERCEDES COSTA GARCÍA										
BELÉN BARREIRO PÉREZ-PARDO										
CORPORACIÓN FINANCIERA ALBA, S.A.										
MARÍA CARCELLER ARCE										
PEDRO ANTONIO ZORRERO CAMAS										

### Comments

Includes the attendance fee received by the Chairman of the Board of Ebro Foods, S.A., Antonio Hernández Callejas, as director of a Group subsidiary, Pastificio Lucio Garofalo, S.p.A.

In addition, the Chairman of the Board received 5,000 euros in attendance fees as director of the associate Riso Scotti, S.p.A.

ii) Table of changes in share-based remuneration schemes and gross earnings on the shares or financial instruments vested.

Name	Name of Scheme	Financial instruments at beginning of 2019		Financial instruments awarded during 2019		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2019	
		No. instruments	Equivalent shares	No. instruments	Equivalent shares	No. instruments	Equivalent/ vested shares	Price of vested shares	Gross earnings on shares or financial instruments vested (€ thousand)	No. instruments	No. instruments	Equivalent shares
ANTONIO HERNÁNDEZ CALLEJAS	Scheme							0,00				
DEMETRIO CARCELLER ARCE	Scheme							0,00				
ALIMENTOS Y ACEITES, S.A.	Scheme							0,00				
FERNANDO CASTELLÓ CLEMENTE	Scheme							0,00				
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Scheme							0,00				
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Scheme							0,00				
GRUPO TRADIFÍN, S.L	Scheme							0,00				
HERCALIANZ INVESTING GROUP, S.L	Scheme							0,00				
MERCEDES COSTA GARCÍA	Scheme							0,00				
BELÉN BARREIRO PÉREZ-PARDO	Scheme							0,00				
CORPORACIÓN FINANCIERA ALBA, S.A.	Scheme							0,00				
MARÍA CARCELLER ARCE	Scheme							0,00				
PEDRO ANTONIO ZORRERO CAMAS	Scheme							0,00				

Comments

iii) Long-term savings schemes

Name	Remuneration from vesting of rights in savings schemes
ANTONIO HERNÁNDEZ CALLEJAS	
DEMETRIO CARCELLER ARCE	
ALIMENTOS Y ACEITES, S.A.	
FERNANDO CASTELLÓ CLEMENTE	
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	
GRUPO TRADIFÍN, S.L	
HERCALIANZ INVESTING GROUP, S.L	
MERCEDES COSTA GARCÍA	
BELÉN BARREIRO PÉREZ-PARDO	
CORPORACIÓN FINANCIERA ALBA, S.A.	
MARÍA CARCELLER ARCE	
PEDRO ANTONIO ZORRERO CAMAS	



Name	Contribution by company during the year (€ thousand)				Amount of funds accumulated (€ thousand)			
	Savings schemes with economic rights vested		Savings schemes with economic rights not vested		Savings schemes with economic rights vested		Savings schemes with economic rights not vested	
	2019	2018	2019	2018	2019	2018	2019	2018
ANTONIO HERNÁNDEZ CALLEJAS								
DEMETRIO CARCELLER ARCE								
ALIMENTOS Y ACEITES, S.A.								
FERNANDO CASTELLÓ CLEMENTE								
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL								
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.								
GRUPO TRADIFÍN, S.L								
HERCALIANZ INVESTING GROUP, S.L								
MERCEDES COSTA GARCÍA								
BELÉN BARREIRO PÉREZ-PARDO								
CORPORACIÓN FINANCIERA ALBA, S.A.								
MARÍA CARCELLER ARCE								
PEDRO ANTONIO ZORRERO CAMAS								

Comments

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iv) Details of other items

Name	Item	Amount
ANTONIO HERNÁNDEZ CALLEJAS	Item	
DEMETRIO CARCELLER ARCE	Item	
ALIMENTOS Y ACEITES, S.A.	Item	
FERNANDO CASTELLÓ CLEMENTE	Item	
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Item	
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Item	
GRUPO TRADIFÍN, S.L	Item	
HERCALIANZ INVESTING GROUP, S.L	Item	
MERCEDES COSTA GARCÍA	Item	
BELÉN BARREIRO PÉREZ-PARDO	Item	
CORPORACIÓN FINANCIERA ALBA, S.A.	Item	
MARÍA CARCELLER ARCE	Item	
PEDRO ANTONIO ZORRERO CAMAS	Item	

Comments

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

c) Summary of remunerations (thousand euros):

Include in the summary the amounts corresponding to all items of remuneration included in this report that have been accrued by the directors, in thousand euros.

Name	Remuneration accrued in the Company					Remuneration accrued in Group companies				
	Total cash remuneration	Gross earnings on shares or financial instruments vested	Remuneration from savings schemes	Remuneration for other items	Total 2019 company	Total cash remuneration	Gross earnings on shares or financial instruments vested	Remuneration from savings schemes	Remuneration for other items	Total 2019 group
ANTONIO HERNÁNDEZ CALLEJAS	3,047				3,047	5				5
DEMETRIO CARCELLER ARCE	401				401					
ALIMENTOS Y ACEITES, S.A.	137				137					
FERNANDO CASTELLÓ CLEMENTE	226				226					
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	170				170					
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	137				137					
GRUPO TRADIFÍN, S.L	218				218					
HERCALIANZ INVESTING GROUP, S.L	170				170					
MERCEDES COSTA GARCÍA	225				225					
BELÉN BARREIRO PÉREZ-PARDO	178				178					
CORPORACIÓN FINANCIERA ALBA, S.A.	335				335					
MARÍA CARCELLER ARCE	137				137					
PEDRO ANTONIO ZORRERO CAMAS	301				301					
<b>TOTAL</b>	<b>5,682</b>				<b>5,682</b>	<b>5</b>				<b>5</b>

Comments



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

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**D. 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.

CONTINUATION OF SECTION A.1, POINT 1, OF THIS REPORT

Each year, when it has the previous year-end information (particularly the information on the consolidated profit attributable to the Company), the Nomination and Remuneration Committee assesses the circumstances and submits a proposal to the Board on: (i) the fixed remuneration corresponding to the Board as a whole, establishing such amount as it may deem fit considering the circumstances, and (ii) the amount of fees for attending each meeting of the Board of Directors and the different Committees. After assessing the proposal submitted by the Nomination and Remuneration Committee, the Board tables a motion at the Annual General Meeting for adoption of a resolution on the remuneration of the directors as such.

The Nomination and Remuneration Committee also rates each year the level of achievement of the economic variables on the basis of which the variable remuneration (annual and deferred) is determined for the Executive Chairman (the only director who performs executive duties) in accordance with the terms of his contract and the amount decided by the Board. In view of that assessment and the proposal submitted by the Committee, the Board approves the variable remunerations of the Executive Chairman each year in accordance with the terms of his contract.

In 2017, the Nomination and Remuneration Committee requested an external adviser (Willis Towers Watson) to analyse the remuneration of the directors as such, to determine whether it was reasonable, considering comparable companies.

EXPLANATORY NOTE REGARDING THE CLASSIFICATION OF HERCALIANZ INVESTING GROUP, S.L. AS EXECUTIVE DIRECTOR

As mentioned throughout this Report, although Hercalianz Investing Group, S.L. is classified as an Executive Director, it has never performed executive duties in Ebro Foods, S.A. or any subsidiary of the Group, so has never received and does not receive any remuneration as such.

Hercalianz Investing Group, S.L. has been classified as an Executive Director because its representative on the Board of Directors of Ebro Foods, S.A. (pursuant to section 212 bis of the Corporate Enterprises Act) is an executive of a subsidiary of the Ebro Foods Group.

This annual remuneration report was approved by the board of directors of the company at its meeting of:

[ 25/03/2020 ]

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

[  ] Yes

[  ] No

Name of board member (s) who did not vote for approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons
ALIMENTOS Y ACEITES, S.A.	Abstention	María Jesús Garrido Solís, representative of the Director Alimentos y Aceites, S.A., abstained from voting on this report, declaring that the Board of Directors of SEPI (controlling shareholder of Alimentos y Aceites, S.A.) decided on the vote of SEPI as shareholder of Ebro Foods, S.A.

**The English version of this document is purely informative.  
In the event of any discrepancy between the Spanish and English versions of  
this document, the Spanish version will prevail.**