AmRest

REPORT OF THE APPOINTMENTS AND REMUNERATIONS COMMITTEE OF AMREST HOLDINGS SE REGARDING THE PROPOSAL TO APPROVE THE DIRECTORS' REMUNERATION POLICY 2018-2021 INCLUDED IN ITEM SEVEN OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING OF AMREST CALLED TO BE HELD ON JUNE 6, 2018, ON FIRST CALL

This report was prepared by the Appointments and Remunerations Committee ("**ARC**") pursuant to the provisions of article 529 *novodecies* of the restated text of the Spanish Companies Act (the "**Spanish Companies Act**"), approved by Royal Legislative Decree 1/2010, of July 2, according to which the directors' Remuneration Policy must be reasoned and must be accompanied by a specific report by the ARC justifying the proposal submitted for approval to the General Shareholders' Meeting called to be held on June 6, 2018 on first call under item seven of the Agenda.

Pursuant to article 20.4.(g) of the Board of Directors Regulations of AMREST HOLDINGS SE ("**AmRest**" or the "**Company**"), the ARC is the body in charge of proposing to the Board of Directors the Remuneration Policy for directors and for those who discharge senior management functions.

In compliance with the foregoing, the ARC has resolved to bring before the Board of Directors this report on the proposal of a the AmRest directors' remuneration Policy for years 2018-2021 (the "**Policy**" or the "**Remuneration Policy**"), attached to this report as **Annex,** the approval of which is proposed to the Shareholders' Meeting under item seven on the Agenda.

The analysis and review performed by the ARC was concluded with the submission of this Policy to the Shareholders' Meeting for its approval. In fact, the general principles and grounds of the remuneration scheme established for directors are aimed at ensuring that such remuneration is reasonably proportional to the importance of the Company, its financial position and the market standards for comparable enterprises. The established remuneration scheme, especially in the case of executive directors, is aimed at promoting the Company's long-term profitability and sustainability.

The ARC finds that the proposed Remuneration Policy being submitted to the Board of Directors meets this function, as well as most of the recommendations of the Good Governance

Code of Listed Companies approved by the National Securities Market Commission on remuneration, and with good governance recommendations that are generally accepted in the international markets regarding director remuneration.

Proposed resolution to be submitted to the General Shareholders' Meeting

The proposed resolution submitted for approval by the shareholders at the General Shareholders' Meeting reads as follows:

"PROPOSED RESOLUTION REGARDING ITEM SEVEN ON THE AGENDA

7. ***Examination and approval, if appropriate, of the directors' remuneration policy for financial years 2018 to 2021.***

To approve, in accordance with the provisions of article 7 of the Regulations of the General Shareholders' Meeting of the Company and 511 bis of the Companies Act, the Directors' remuneration policy of AMREST HOLDINGS SE for financial years 2018-2021, the text of which has been made available to the shareholders together with the relevant favourable report by the Appointments and Remunerations Committee and the rest of the documentation relating to the Shareholders' Meeting since the date of its call, and which includes, among other components, the maximum limit of the overall annual remuneration to be paid to the Directors in their capacity as such."

* * *

In Madrid May, 4 2018

ANNEX

REMUNERATION POLICY

Directors
Remuneration Policy

AMREST HOLDINGS, S.E.
DIRECTOR REMUNERATION POLICY
2018-2021

1. Introduction

The Board of Directors of AMREST HOLDINGS, S.E. (“**AmRest**” or the “**Company**”) in exercise of the powers granted thereto and pursuant to article 29 of its Articles of Association and article 27 of its Board of Directors Regulations, proposes this directors’ remuneration policy (the “**Directors’ Remuneration Policy**”) to be submitted for approval to the General Shareholders’ Meeting as a separate item of the Agenda.

The Company desires to focus on full alignment of the Directors’ Remuneration Policy with the good governance recommendations generally recognized in international markets in the area of directors’ remuneration, adjusting them to the specific needs and circumstances of the Company

2. Purpose and Basic Principles

2.1. Basic Principles

The main purpose of the Directors’ Remuneration Policy of AmRest is to contribute to the development of the values, mission and vision of the AmRest Group, in order to adequate the directors’ remuneration to the achievement of the objectives and functions the directors are concerned with.

In this sense, the basic principles inspiring the Directors’ Remuneration Policy of AmRest are the following:

– Assessment of the **dedication, qualification and responsibility** required by the position, staying in line with the market remuneration paid by **peer companies**.

– Balance the interests of the shareholders’ and of the directors, and in particular, **alignment with the values of the Company**, its commitment to maximize its social dividend and with **shareholders return**.

– Guarantee that the remuneration system promotes the **achievement of the strategic goals** set by the Company and its group (the “**Group**”).

– Adjustment to **economic situation** and **international scope**.

– Ensure the commitment with the principle of **full transparency** of the Directors’ Remuneration Policy, providing timely, sufficient and clear information in line with the applicable regulations and corporate governance recommendations followed in international markets regarding directors’ remuneration.

2.2. Term of the Policy

Pursuant to article 29 of the Articles of Association of AmRest, the Directors' Remuneration Policy will be submitted for approval to the General Meeting at least every three years.

For this reason, this Policy submitted for approval to the General Shareholders Meeting shall be applicable for the remuneration of the members of the Board of Directors during the current financial year 2018 and the three following financial years (2019, 2020 and 2021) unless any amendment or substitution is approved by the shareholders meeting of the Company during such period.

3. Competent Bodies

The Directors' Remuneration Policy, in accordance with article 28 of the Company's Articles of Association and article 27 of the Board of Directors Regulations, is subject to the shareholder's approval, acting at a General Shareholders' Meeting, upon a proposal of the Board of Directors and of the Appointments and Remuneration Committee every three years.

4. Structure of the Remuneration of Directors in their Capacity as Such

4.1. Fixed Remuneration

According to AmRest's Articles of Association (article 28), the members of the Board of Directors shall receive, in their capacity as such, a statutory remuneration whose maximum annual amount for all the members of the Board of Directors is determined by the General Shareholders' Meeting and updated according to the indexes or figures established by the General Shareholders' Meeting.

This remuneration includes the following items: (i) a fixed payment; and (ii) allowances for effective attendance at the meetings of the Board of Directors and its delegate or advisory committees.

The Board of Directors will, for each financial year, define the method and moment of payment and agree upon the exact allocation among its members of the global remuneration prescribed by the Articles of Association, as described in the first paragraph above.

The allocation may be calculated individually, taking into account: the functions and responsibilities corresponding to each director, whether he or she is a member of the Board's committees and any other objective circumstances that the Board of Directors deems relevant.

Regarding directors' remuneration in their capacity as such, the Directors' Remuneration Policy must establish the maximum annual remuneration payable to all members of the Board of Directors, in their capacity as such.

In particular, the maximum amount AmRest will pay to the Company's directors, as fixed annual amount, in their capacity as board members, for each financial year in which this policy is in force, shall not exceed EUR 1,000,000 as a whole. This global amount aims to grant the board of directors with certain leeway while this policy is in force.

Within the abovementioned global maximum annual remuneration, the allocation among the Board members would be as follows:

- Member of the board: 75,000 euros for each director. Any remuneration in cash or in kind received by a director from the Company or its Group due to his/her condition of employee shall be deducted from this amount. For the avoidance of doubt, this will not apply to executive directors.

- Independent director member of the Executive Committee or of any of the advisory Committees of the Board (irrespective of the number of Committees in which the independent director is a member): 25,000 additional euros for each independent director.

Unless the General Shareholders Meeting adopts any resolution, the above amounts will not be updated.

4.2. Attendance Fees

Directors, in their capacity as such, may receive attendance fees for every meeting of the Board of Directors or the Committees they actually attend, in accordance with the Company's Articles of Association.

The total annual amount of attendance fees will depend on the number of meetings effectively held and on the number of directors attending the meetings. The amount of such fees has been already included in the fixed remuneration described in paragraph 4.1 above.

4.3. Coverage of Risk and Civil Liability Benefits

The Company may pay the premiums under insurance policies taken with several insurance companies, for the coverage of the death or disability of directors caused by accidents or due to natural causes as well as the features against the eventual civil liability in which the director may incur holding the position of director.

4.4. Absence of Other Remuneration

Aside from the remuneration indicated in the previous sections, the directors will not be entitled to receive any other remuneration from the Company or its Group, whatever their concept.

5. Structure of Remuneration of Executive Directors for the Performance of Executive Duties

The Board of Directors will determine the remuneration that executive directors will receive for performing the executive functions delegated or entrusted to them by the Board of Directors, in addition to what executive directors are entitled to receive according to the Articles of Association in their capacity as directors.

The remuneration of the executive directors may include fixed salaries; variable remunerations (based on reaching business objectives and/or personal performance); equity awards, stock options rights or other securities entitling their holders to obtain shares; severance pay for reasons other than a failure to fulfil duties; pensions; insurance; forecast systems; differed payment plans; and retirement plans consisting of the provision of shares or options for shares of the Company, or which are indexed to the value of shares.

With respect to the remuneration of executive functions, the remuneration policy will set out the amount of the fixed annual remuneration and its variation during the period to which the policy refers, the different parameters to set the variable components and the main terms and conditions of the contracts signed with executive directors. The main terms and conditions of the contracts should include, in particular: their duration, compensations for early termination or termination of the contractual relationship and exclusivity agreements, and post-contractual non-competition and permanence or loyalty clauses.

5.1. Principles of the Remuneration of Executive Directors

The basic principles regarding the remuneration of the executive directors are the following:

– Ensure the retribution, in terms of structure and global amount, suits the **best practices** and is **competitive** with respect to those of the peer companies.

– Combine **fixed remuneration with a significant variable component** indexed to earnings development, other financial indicators, performance or achievement of strategic objectives set out by the Company and the Group

– Set objective criteria to calculate the individual remuneration of every executive director in accordance with the **individual performance** and the achievement of the business objectives of the Company.

– Incorporate long-term incentives that promote the **achievement of the strategic objectives** set by the Company and the Group.

– Commitment with the values of the Company and the Group, as well as with the **business and personal ethics**, meritocracy and work-life balance, in order to assure talent retention.

– Determine **appropriate maximum limits to any variable remuneration** due to this Policy as well as suitable mechanisms in order to allow the Company to obtain **reimbursement** of the variable components of remuneration if the payment has not complied the terms of performance or if such variable components have been paid, based on information later shown to be inaccurate.

5.2. Fixed Remuneration

The remuneration of the executive directors may vary based on the specific responsibilities and nature of the functions performed and will be reviewed annually by the Board of Directors upon a proposal of the Appointments and Remuneration Committee.

In 2018, the CEO (*Consejero Director General*) will have the right to receive an amount of annual fixed remuneration of 300,000 PLN plus 247,979 USD from both the Company and its subsidiaries or any other Company of the Group.

5.3. Variable Remuneration

A) Short-term Variable Remuneration

A portion of the remuneration of executive directors is variable, in order to strengthen their commitment to the strategic goals of the Company and to promote the best performance of their duties.

The annual variable remuneration of the executive directors will be linked to their performance on the basis level of the achievement of stipulated business objectives and shall be established by the Appointments and Remuneration Committee.

In March 2018, a bonus has been approved for the CEO of 244,572 USD (200,000 USD from SCM Sp. z.o.o. and 44,572 USD from AmRest FSVC).

B) Long-term Variable Remuneration

The Company has a long-term incentive plan in force directed towards senior employees, including executive directors.

The plan was approved by the supervisory board of the Company on 12 December 2016 as is effective as of 1 January 2017. It can be terminated by the Board of Directors at any time.

The CEO (*Consejero Director General*) was granted 75,000 options under the current plan at an initial grant price of PLN 321.10 (that grows at 11% yearly until vested pursuant to the plan) and 75,000 additional options at an initial grant price of Euro 76.23 (that grows at 11% yearly until vested pursuant to the plan).

Any new long-term incentive plans will be subject to approval by the shareholders at a General Shareholders' Meeting, who may also set the objective and quantifiable parameters determining the accrual thereof as well as their relative weighting.

The parameters may include financial share price, comparative total shareholder return, business results (EBITDA, margin or net income), responsibility variables, and must in any case be consistent with the strategy of the Company determined by the Board of Directors.

5.4. Remuneration for Holding the Position of Director or for other Functions at Other Companies of the Group

As set forth above in Sections 5.2 and 5.3, the CEO (*Consejero Director General*), receives the following remunerations from Company's subsidiaries or companies within the AmRest Group:

- Salary of US$200,000 paid from SCM Sp. z.o.o.
- Salary of PLN 300,000 paid from AmRest Sp. z.o.o.
- House allowance of US$ 36,000 paid from AmRest Sp. z.o.o.
- Salary of US$47,979 paid from AmRest FSVC

plus the bonus mentioned above.

This will be annually reviewed by the Board of Directors, upon proposal of the Appointments and Remunerations Committee.

5.5. Benefits

The remuneration system of executive directors may be supplemented by health and life insurance policies arranged by the Company for the executive directors, in line with practices in the market by peer companies. This will be annually reviewed by the Board of Directors, upon proposal of the Appointments and Remunerations Committee.

5.6. *Malus* and *Claw-back* Clauses

The Board of Directors, with due regard to any proposal made by the Appointments and Remuneration Committee, has the power to cancel the payment of long-term variable remuneration (*malus* clause) or to request the return of remuneration already paid (claw-back clauses) under special circumstances. These circumstances include fraud, serious violation of the law and a material restatement of the financial statements on which the Board based the evaluation of the performance level, provided that said restatement is confirmed by the external auditors and is not due to a change in accounting rules.

5.7. Severance Compensation

The executive directors may have the right to receive a severance compensation in the event of termination of their relationship with the Company, provided that such termination is not the consequence of a breach attributable thereto or of the sole decision thereof.

5.8. Non-competition

The contracts with executive directors may establish the payment of remuneration for the duty no to compete with respect to companies and activities similar in nature with the one of the Company or the Group, during the duration of the contract and for a period after its termination.

5.9. Exclusivity

The contracts with executive directors may establish the payment of remuneration for the duty not to enter into contracts to provide services to other companies or entities except if expressly authorized by the board of directors.

5.10. Appointment of New Executive Directors

The remuneration system for the new executive directors appointed after the approval of this policy will be in line with the parameters described herein. The annual fixed and variable amount will be set out at the time of their appointment, as the case may be.

6. Basic terms of the Contracts with Executive Directors

a) Contract Duration

The contract with executive directors of the Company are of indefinite duration.

b) Governing Law

The contracts with the executive directors are governed by Spanish law, and in particular by the Spanish Corporate Enterprise Act (*Ley de Sociedades de Capital*), and any legal provisions applicable in each case. The contracts that the executive directors may have with other Group companies will be governed by the law of the nationality of the Group company.

c) Compliance with the Company's Corporate Governance

The executive directors are obliged to strictly comply with the Company's Corporate Governance rules.

d) Jurisdiction

Any dispute that may arise in relation to the interpretation, performance or termination of the contracts with the Company will be submitted by the courts and tribunals of

Madrid (Spain). In the case of contracts with other companies of the Group, the provisions of the applicable legislation and what the parties agree will apply.

e) Termination

In the event of termination of the contract due to resignation by the executive director or revocation by the Company, the executive director is not entitled to receive any indemnification nor compensation. The CEO however is entitled to a severance payment equal to the remuneration of 9 months in case of termination of his relationship with the Group.

f) Confidentiality and Return of Documents

The position of executive director is subject to a strict duty of confidentiality during the term of the contract and after its termination. Therefore, the executive director will be obliged to return to the Company upon termination any documents and items in his possession relating to the activities carried out thereby.

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