

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

ISSUER IDENTIFICATION

YEAR- END DATE

31/12/2019

Tax Identification No. [C.I.F.] A88063979

Company Name:
AMREST HOLDINGS, SE

Registered Office:

PASEO DE LA CASTELLANA 163, MADRID

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

A REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.1 Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

The specific determinations for the year in progress should be described, both the remuneration of directors in their status as such and as a result of their executive functions carried out for the Board pursuant to the contracts signed with executive directors and to the remuneration policy approved by the General Shareholders' Meeting

At any event, the following aspects should be reported:

- Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.
- Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- Information on whether any external advisors took part in this process and, if so, their identity.

At the request of the Appointments and Remuneration Committee (the "ARC"), the Board of Directors of AmRest Holdings, SE (the "Company") drew up the "2018-2021 Directors Remuneration Policy" in accordance with the duties attributed thereto under Article 29 of the Company's Articles of Association and Article 27 of the Board of Directors Regulation, for its subsequent approval by the general shareholders' meeting.

The 2018-2021 Directors Remuneration Policy was approved at the general shareholders' meeting held on 6 June 2018 and will remain in force until 2021 unless the general shareholders' meeting agrees to amend or replace it.

Basic Principles: (i) to assess the dedication, qualification and responsibility required by the position, remaining in line with the market remuneration paid by peer companies; (ii) to balance the directors and shareholders' interests and, in particular, alignment with the values of the Company, its commitment to maximise its shareholder dividend and returns; (iii) to ensure that the remuneration system promotes the achievement of the strategic goals set by the Company and its group; (iv) to align to the policy to economic conditions and the international landscape; (v) to ensure 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.

Competent bodies: The GSM determines the maximum annual statutory remuneration for all the members of the Board of Directors. The Board defines for each financial year the method and time of payment and agrees upon the exact allocation among its members of the overall remuneration.

Structure of the Remuneration of Directors in their Capacity as Such: The Board members, in their capacity as such, shall receive remuneration comprising the following items: (i) a fixed payment; and (ii) allowances for attending the meetings of the Board of Directors and its delegate or advisory committees.

(i) The maximum amount the Company will pay to its directors as a fixed annual amount in

their capacity as board members for each financial year in which this policy is in force shall not exceed the total sum of EUR 1,000,000.

Within the abovementioned maximum annual remuneration, the allocation among the Board members would be as follows: (i) 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 in their capacity as an employee shall be deducted from this amount. For the avoidance of doubt, this will not apply to executive directors; (ii) Independent director member of the Executive Committee or of any of the advisory Committees of the Board (irrespective of the number of Committees on which the independent director serves): 25,000 additional euros for each independent director. The above amounts shall not be revised unless agreed by the general shareholders' meeting.

(ii) Attendance Fees and Coverage of Risk and Civil Liability Benefits: Directors, in their capacity as such, may receive attendance fees for every meeting of the Board of Directors or the committees they actually attend. 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 the preceding paragraph.

The Company may pay the premiums of the insurance policies taken out with several insurance companies covering the death or disability of directors caused by accidents or due to natural causes, as well as any potential civil liability against the directors in their position as such.

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, regardless of the concept.

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. The remuneration of the executive directors according to the applicable policy as detailed in the following sections includes fixed and variable remuneration. In this regard, the Remuneration Policy sets 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 term, compensation for early termination or termination of the contractual relationship and exclusivity agreements, as well as post-contractual non-compete and length of service or loyalty clauses.

The Company analysed the policies of other Spanish listed entities as a reference when drafting the terms of the Remuneration Policy. AmRest did not hire any external advisors to assist with the creation of the Policy.

- Relative importance of variable remuneration items *vis-à-vis* fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to guarantee a suitable balance between the fixed and variable components of the remuneration. In particular, state the actions adopted by the company in relation to the remuneration system to reduce exposure to excessive risks and adapt this to the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures to guarantee that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company and measures to avoid conflict of interest, as the case may be.

Furthermore, state whether the company has established any period for the accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or the handover of accrued and consolidated financial instruments, or if any clause exists reducing the deferred remuneration or that obliges the director to return remuneration received, when such remuneration has been based on certain figures

that have clearly been shown to be inaccurate has been agreed.

AmRest Remuneration Policy sets forth the remuneration of the executive directors, which may include fixed salaries; variable remuneration (based on achieving business objectives and/or personal performance); equity awards, stock options or rights over 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.

The purpose and criteria used to determine the fixed and variable remuneration to be received by the executive directors and maintain a balance between the two concepts are the following: (i) to ensure that the remuneration, in terms of structure and total amount, aligns to the best practices and is competitive with respect to those of peer companies; (ii) to combine fixed remuneration with a significant variable component indexed to earnings development, other financial indicators, the performance or achievement of strategic objectives set out by the Company and the Group; (iii) to set objective criteria to calculate the individual remuneration of every executive director in accordance with their individual performance and the achievement of the Company's business objectives; (iv) to incorporate long-term incentives that promote the achievement of the strategic objectives set by the Company and the Group; (v) to uphold a commitment to the values of the Company and the Group, as well as the business and personal ethics, meritocracy and work-life balance, in order to assure talent retention; and (vi) to determine appropriate maximum limits to any variable remuneration due under the policy as well as suitable mechanisms in order to allow the Company to be reimbursed when the payment has not fulfilled the terms of performance or if such variable components have been paid based on information later shown to be inaccurate.

Since May 14, 2019, AmRest has no Directors with variable remuneration. In the period of 1 January – 14 May 2019 only one executive director (Mr. McGovern) was entitled to variable remuneration, set annually by the Appointments and Remuneration Committee.

Malus and Claw-back Clauses: As set forth in the Remuneration Policy, the Board of Directors, at the request of the Appointments and Remuneration Committee, has the authority 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, a serious infringement of the law and a material restatement of the financial statements on which the Board based the performance appraisal, provided that said restatement is confirmed by the external auditors and is not due to a change in accounting norms.

- Amount and nature of fixed components that are due to be accrued during the year by directors in their status as such.

Given the current composition of the Board, namely three proprietary directors and four independent directors, the following fixed components shall be paid to the directors in 2020:

Board member: 75,000 euros per director.

Independent director and member of the Executive Committee or any of the advisory committees: 25,000 additional euros per independent director.

- Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

Since 14 May 2019 the Company has no executive director and, therefore, no amount is expected to be accrued during 2020 as regards performance of senior management functions.

- Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of

the director.

In 2020, it is not expected that such remunerations in kind will be accrued.

- Amount and nature of variable components, differentiating between those established in the short and long term. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration in the year in progress, explaining the extent to which these parameters are related to performance, both of the director and of the company, together with their risk profile, and the methodology, deadline necessary and techniques established to determine the degree of compliance with the parameters used in the design of the variable remuneration at the end of the year.

State the range, in monetary terms, of the different variable components according to the degree of compliance with the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

The variable remuneration paid by AmRest – limited exclusively to the executive directors – seeks to foster the creation of value within the Group as a means of aligning shareholders’ interests with the shrewd management of risks and generation of long-term prosperity for the Company and the Group. As reflected in the Remuneration Policy, the amount and nature of the variable components, distinguished between long and short-term elements, are as follows:

A) Short-term Variable Remuneration: a portion of the executive directors’ remuneration is variable, aimed at strengthening their commitment to the strategic goals of the Company and to provide an incentive for them to perform their duties as effectively as possible. The annual variable remuneration for executive directors will be linked to their performance and the level of achievement of stipulated business objectives and shall be established by the Appointments and Remuneration Committee.

B) Long-term Variable Remuneration: the Company has a long-term incentive plan aimed at senior employees, including executive directors. The plan was approved by the supervisory board of the Company on 12 December 2016 and came into force on 1 January 2017. The Board of Directors has the authority to cancel the plan at any time.

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.

As since 14 May 2019 the Company has no executive director, in 2020 it is expected that no amounts of this nature will be accrued.

- Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether through defined contributions or benefits, the annual contribution that needs to be made to the defined contribution system, the benefits directors are entitled to in the event of defined benefit systems, the conditions under which economic rights are consolidated for directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director.

- State if the accrual or consolidation of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the short- or long-term performance of the director.

N/A.

- Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the director to any type of remuneration.

N/A.

- State the conditions that contracts should respect for those exercising senior management functions as executive directors. Among others, information should be provided on the duration, limits on amounts of severance pay, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to hiring bonuses, compensation and golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, permanence and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

N/A.

- The nature and estimated amount of any other supplementary remuneration accrued by directors in the year in progress in consideration for services rendered other than those inherent in the post.

As at the date of this report, no supplementary remuneration as consideration for services other than those intrinsic to the role are foreseen.

- Other remunerative items or by-products, as the case may be, of the company granting the director advance payments, loans, guarantees or any other remuneration.

No advance payments, loans or guarantees imposing contrary common or market conditions are expected to be granted to any director this fiscal year.

- The nature and estimated amount of any other planned supplementary remuneration accrued by directors in the year in progress that are not included in the previous sections, whether payment is satisfied by the company or another group company.

There are no further remuneration concepts to those listed above.

A.2 Explain any significant change in the remuneration policy applicable in the current year resulting from:

- A new policy or a modification of the policy already approved by the General Meeting.
- Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.
- Proposals that the board of directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and which are proposed to be applicable to the current year.

The Remuneration Policy was approved at the general shareholders' meeting on 6 June 2018 and will apply to this year. No amendments are expected to be made thereto.

A.3 Identify the direct link to the document where the current company remuneration policy is posted, which must be available on the web page of the company.

The 2018-2021 Directors Remuneration Policy is available on the Company's website at <https://www.amrest.eu/es/inversores/politica-e-informes-anual-de-remuneraciones-de-los-consejeros>

A.4 Explain, taking into account the data provided in Section B.4, the outcome of voting, of a consultative nature, by shareholders at the General Shareholders' Meeting on the annual report on remuneration for the previous year.

The annual report on remuneration for the previous year was submitted to the consultative vote of the Annual General Meeting of Shareholders, with positive outcome and no votes against it or abstaining.

B OVERALL SUMMARY OF HOW REMUNERATION POLICY HAS BEEN APPLIED DURING THE YEAR ENDED

B.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and, as the case may be, the identity and the role of the external advisors whose services have been used in the process to apply the remuneration policy in the year ended.

The ARC prepared the 2018-2021 Remuneration Policy and issued it to the Board of Directors, with the Policy then approved at the AmRest general shareholders' meeting held on 6 June 2018.

In order for the Remuneration Policy to come into force during the 2018 fiscal year, the ARC performed the following duties: (i) to propose to the Board of Directors: (a) the remuneration policy for the directors and general managers or for those who have senior management

functions and report directly to the Board of Directors, committees or the CEOs; (b) the individual remuneration for executive directors and other conditions of their contracts, ensuring that they are followed; and (c) the basic conditions of senior executive contracts; (ii) to analyse, pose and periodically review the remuneration policy applied to senior executives and the management team, including the remuneration packages with shares and their application, and ensure that it is proportionate to that paid to the other directors and members of the management team and to other personnel of the company; (iii) to ensure compliance with the remuneration policy established by the Company; and (iv) to assist the Board in the preparation of the report on the remuneration policy and submit to the Board any other remuneration reports foreseen in this Regulation, verifying the information about the directors and senior executives' remuneration established in different corporate documents, including the annual report on directors' remuneration.

The general shareholders' meeting held on 6 June 2018 agreed to set the maximum fixed remuneration for the entire group of Board members at EUR 1,000,000. In turn, the meeting delegated the duty of allocating such amount among the Board members to the Board itself, with said allocation to be based on the duties and responsibilities of each member, their involvement in the numerous committees and other objective elements deemed relevant.

As a result, the Board of Directors allocated a total of EUR 600,250 of the EUR 1 million maximum approved at the general shareholders' meeting as the Board members fixed annual remuneration for the 2019 fiscal year.

In addition, it was agreed to pay the Company's CEO the amounts set in section B.6 as remuneration for his executive and senior management duties, pursuant to the terms of the conditions agreed by the Company.

The Board may defer the payment of any variable remuneration for the executive director and the Executive Team of AmRest, depending on the Company's financial results and the Group's leverage ratio.

No external advisors have been used in the process to apply the remuneration policy in the year ended.

- B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adapting them to the long-term objectives, values and interests of the company, including a reference to the measures that have been adopted to guarantee that the long-term results of the company have been taken into consideration in the remuneration accrued and that a suitable balance has been attained between the fixed and variable components of the remuneration, the measures that have been adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile and the measures that have been adopted to avoid conflicts of interest, if appropriate.

The measures or actions taken by the Company in relation to the remuneration system in a bid to reduce exposure to excessive risks and align the system to the long-term objectives, values and interests of the Company are summarised as follows: (i) the executive directors' fixed remuneration may vary based on the specific responsibilities and nature of the duties performed and will be reviewed annually by the Board of Directors at the request of the Appointments and Remuneration Committee. In any event, said fixed remuneration must remain in line with the market remuneration paid by peer companies; (ii) to balance the directors and shareholders' interests and, in particular, alignment with the values of the Company, its commitment to maximise its shareholder dividend and returns; (iii) to align to the policy to economic conditions and the international landscape; (iv) the variable remuneration set annually for directors must align to the performance and achievement of the Company's strategic goals; (v) with regard to the long-term incentive plan in force since 1 January 2017, the Board of Directors has the authority to cancel the plan at any time where it is believed that a risk is posed to the Company. 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; and (vi) the Remuneration Policy applicable to the 2019 fiscal year includes deferral, malus and claw-back clauses relating to the

executive directors' short and long-term variable remuneration, thus aligning to corporate governance best practice. The Board of Directors, at the request of the ARC, has the authority 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, a serious infringement of the law and a material restatement of the financial statements on which the Board based the performance appraisal, provided that said restatement is confirmed by the external auditors and is not due to a change in accounting norms.

B.3 Explain how the remuneration accrued over the year meets the provisions contained in the current remuneration policy.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, as the case may be, how the variations in the performance of the company have influenced changes in the remuneration of directors and how the latter contribute to the short- and long-term results of the company.

The remuneration owed in relation to the 2019 fiscal year fulfils the terms of the Remuneration Policy insofar as the amounts accrued fall within the maximum annual amount approved by the general shareholders' meeting and correspond to the allocation agreed by the Board of Directors. Moreover, the numerous concepts set out in the Remuneration Policy have been covered in the sense that the directors' remuneration in their position as such comprised a fixed amount, and the CEO's remuneration reflected the concepts prescribed for that category, namely: fixed salaries; variable remuneration (based on achieving business objectives and/or personal performance); and equity awards.

The 2019 financial results of the Group determined that no options under the MIP were granted to the CEO.

All CEO's unvested options forfeited upon his departure from the Group on 14 May 2019.

B.4 Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes against that may have been cast:

	Number	% of total
Votes cast	174,026,816	79.26%

	Number	% cast
Votes against	0	0
Votes in favour	174,026,816	100%
Abstentions	0	0

Remarks

B.5 Explain how the fixed components accrued during the year by the directors in their capacity as such have been determined and how they have changed with respect to the previous year

The following fixed components for directors in their position as such accrued during the 2019 fiscal year:

Member of the board: 75,000 euros for each director.

Independent director member of the Executive Committee or of any of the advisory Committees of the Board: 25,000 additional euros for each independent director.

The fixed components accrued during the year by the directors have not changed with respect to the previous year.

- B.6 Explain how the salaries accrued by each one of the executive directors over the past financial year for the performance of management duties were determined, and how they have changed with respect to the previous year.

The 2019 remuneration owed to the CEO Henry Joseph McGovern (the Company's sole executive director) was calculated based on the provisions of the Remuneration Policy. Mr. McGovern was entitled to receive fixed annual remuneration of USD 301,337, PLN 332,500 and Euro 75,000 (making a total of Euro 417,108) from both the Company and its subsidiaries.

Due to his resignation effective May 14, 2019, total remuneration earned for the period of 1 January to 14 May 2019 amounted to 290,101 EUR, including bonus paid in amount of 137,978 EUR. Simultaneously to tendering his resignation, in March 2019, Mr. McGovern exercised all his vested options under share based remuneration schemes of AmRest; said options were settled by differences in cash for an amount of 15,460,000 EUR.

In 2018, the CEO received a fixed remuneration of PLN 332,000, USD 265,500 from both the Company and its subsidiaries and EUR 75,000 as member of the Board of AmRest Holdings, SE.

Compared to previous year, the salaries accrued by the Executive Director have been slightly changed reflecting also the currency exchange impact.

- B.7 Explain the nature and the main characteristics of the variable components of the remuneration systems accrued in the year ended.

In particular:

- Identify each one of the remuneration plans that have determined the different types of variable remuneration accrued by each of the directors in the year ended, including information on their scope, their date of approval, their date of incorporation, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria used and the period necessary to be in a position to suitably measure all the conditions and criteria stipulated.

In the case of share options and other financial instruments, the general characteristics of each plan will include information on both the conditions to acquire unconditional ownership (consolidation) and to exercise these options or financial instruments, including the price and term to exercise them.

- Each one of the directors, together with their category (executive directors, proprietary external directors, independent external directors and other external directors), that are beneficiaries of remunerations systems or plans that include variable remuneration.
- As the case may be, information is to be provided on periods for the accrual or deferment of payment applied and/or the periods for withholding/unavailability of

shares or other financial instruments, if they should exist.

Explain the short-term variable components of the remuneration systems

The purpose of the short-term variable components set forth for the executive directors under the Remuneration Policy is 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 must 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 May 2019, a bonus was paid to the CEO, Henry Joseph McGovern, of USD 155,055.

Explain the long-term variable components of the remuneration systems

With regard to long-term variable remuneration, the Company has an incentive plan aimed at senior employees, including the CEO. The plan was approved on 12 December 2016 and came into force on 1 January 2017. Under said plan, the CEO was granted 75,000 options under the current plan at an initial grant price of PLN 321.10 (to grow at an annual rate of 11% until vested pursuant to the plan) and 75,000 additional options at an initial grant price of EUR 76.23 (to grow at an annual rate of 11% until vested pursuant to the plan), entailing a total of 150,000 options. Consequently to Mr. McGovern resignation all of his unvested options under the said plan forfeited.

The authority to acquire treasury shares in execution of the plan was approved by way of resolutions passed at the general shareholders' meetings held on 19 May 2015 and 21 September 2016, with the purpose being to motivate and incentivise the current and future members of the Company's executive team in a bid to ensure their optimal performance for the benefit of the Company and its subsidiaries.

Shares options shall be granted by the Board of Directors. The period for such action began on 1 January 2017 and will end on 31 December 2019 (both inclusive). The total number of shares over which options may be granted must not exceed 10,000,000.

The conditions shall be set by the Board, at the proposal of the ARC. Unless it is agreed otherwise, the price applicable to all of the options granted during the aforementioned period will be calculated as follows: (i) for one year from the date of the first granting, the price shall be set as the fair market share price as at such date; (ii) upon each one-year anniversary, the price shall increase by 11% against the preceding year's figure. Said 11% increase shall continue up to the third anniversary of the first granting. However, the ARC may propose the Board to amend the price and/or number of shares on the back of certain events.

While the participant remains an employee of the Company throughout the entire period from the granting date to the corresponding vesting date – both inclusive –, the options shall acquire their rights in accordance with the following schedule: (i) one-third of the total number of options granted on the third anniversary of the granting date; (ii) one-third of the total number of options granted on the fourth anniversary of the granting date; and (iii) any option granted on a certain granting date which has not been subject to investment shall acquire its right on the fifth anniversary.

The right to exercise these options shall remain valid for 10 years as of the granting date and, in the event the employee leaves the group, one year since departure. The intention to exercise must be expressed to the Company by way of a written report within the period set by the Board of Directors.

B.8 Indicate whether certain variable components have been reduced or clawed back when, in the case of the former, payment has been consolidated and deferred or, in the case of the latter, consolidated and paid, on the basis of data that have subsequently proved to be inaccurate. Describe the amounts reduced or clawed back through the application of the reduction or clawback clauses, why they were implemented and the years to which they refer.

No reductions or claims for the reimbursement of certain variable components were made in 2019, nor were any claw-back clauses activated.

- B.9 Explain the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit that are financed, totally or partially, by the company, whether through internal or external contributions, indicating the type of plan, whether it is a defined contribution or benefit, the contingencies covered, the conditions to consolidate economic rights for directors and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the company and the director.

There are none.

- B.10 Explain, where appropriate, the severance pay or any other type of payment deriving from early dismissal or early resignation, or from the termination of the contract in the terms provided for therein, accrued and/or received by directors during the year ended.

The 2018-2021 Remuneration Policy states that the executive directors may have the right to receive severance 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. In particular, the former CEO Henry Joseph McGovern was entitled to a 9-month salary (fixed remuneration) severance payment in case of termination. Due to his resignation, Mr. McGovern is entitled to a severance payment in an amount of 441,441 USD.

- B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, where appropriate, explain such changes. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

No amendments were made to the executive director's contract in 2019. Mr. McGovern's relationship with the Group terminated effectively on 14 May 2019.

- B.12 Explain any supplementary remuneration accrued by directors as consideration for services rendered outside of their post.

No supplementary remuneration as consideration for services other than those intrinsic to the role were paid to the directors in 2019.

- B.13 Explain any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, their key characteristics and the amounts eventually returned, as well as the obligations taken on by way of guarantee or collateral.

No advance payments, loans or guarantees imposing contrary common or market conditions were granted to any director in 2019.

B.14 Itemise the remuneration in kind accrued by the directors over the year, briefly explaining the nature of the different salary components.

In period of 1 January to 14 May 2019 Mr. McGovern received as remuneration in kind PLN 3,925 (c. Euro 922) as health insurance premium and PLN 5,515 (c. Euro 1,296) as company car, annually.

B.15 Explain the remuneration accrued by directors by virtue of payments settled by the listed company to a third company at which the director renders services when these payments seek to remunerate the director's services to the company.

No payments of this type were made in 2019.

B.16 Explain any other items of remuneration other than those mentioned in the previous sections, whatever their nature or the group company that settles the payment, particularly when this is a related operation or its settlement distorts the true image of the total remuneration accrued by the director.

No remuneration under concepts other than those listed above was paid out in 2019.

C ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in year t
José Parés Gutiérrez	Proprietary	From 01/01/2019 to 31/12/2019
Luis Miguel Álvarez Pérez	Proprietary	From 01/01/2019 to 31/12/2019
Carlos Fernández González	Proprietary	From 01/01/2019 to 31/12/2019
Henry Joseph McGovern	Executive	From 01/01/2019 to 14/05/2019
Steven Kent Winegar Clark	Proprietary	From 01/01/2019 to 14/05/2019
Pablo Castilla Reparaz	Independent	From 01/01/2019 to 31/12/2019
Mustafa Ogretici	Independent	From 01/01/2019 to 31/12/2019
Romana Sadurska	Independent	From 14/05/2019 to 31/12/2019
Emilio Fullaondo Botella	Independent	From 14/05/2019 to 31/12/2019

C.1 Complete the following tables regarding the individual remuneration of each director (including the salary received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration in cash (thousand euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in year t	Total in year t-1
José Parés Gutiérrez	75								75	75

Luis Miguel Álvarez Pérez	75									75	75
Carlos Fernández González	75									75	75
Henry Joseph McGovern	28									28	75
Steven Kent Winegar Clark	28									28	38
Pablo Castilla Reparaz	75		25							100	100
Mustafa Ogretici	75		25							100	100
Romana Sadurska	45		15							60	-
Emilio Fullaondo Botella	45		15							60	-

Remarks
Mr. McGovern and Mr. Winegar received the proportionate part of the fixed Board fee remuneration, i.e. 27,917 EUR each from 1 January 2019 to the date of effectiveness of their resignations (14 May 2019), and Ms. Sadurska and Mr. Fullaondo, since their appointment of even date until 31 December 2019.

ii Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at start of year t		Financial instruments granted at start of year t		Financial instruments consolidated during the year				Instrument s matured but not exercised	Financial instruments at end of year t	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/hand ed over	Price of the consolidate d shares	Netprofit from shares handed over or consolidated financial instruments (thousand€)	No. of instrumen ts	No. of instruments	No. of equivalent shares
Henry Joseph McGovern	Management Incentive Plan	3,166,660	3,166,660	0	0	1,666,660	1,666,660	2.95	12,861	1,500,000	0	0
	Stock Option Plan	300,000	300,000	0	0	300,000	300,000	1.52	2,599	0	0	0

Remarks
Due to his resignation as CEO of the Company, all of Mr. McGovern's vested options under the Management Incentive Plan and the Stock Option Plan were exercised by him in March 2019.

iii) Long-term saving systems

	Remuneration from consolidation of rights to savings system
Director 1	

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)	
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Year t	Year t-1

	Year t	Year t-1	Year t	Year t-1	Systems with consolidated economic rights	Systems with unconsolidated economic rights	Systems with consolidated economic rights	Systems with unconsolidated economic rights
Director 1								

Remarks

iv) Details of other items

Name	Item	Amount remunerated
Director 1		

Remarks

b) Remuneration of the company directors for seats on the boards of other group companies:

i) Remuneration in cash (thousand euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in year t	Total In year t-1
Henry Joseph McGovern	113				138		393	11	655	453
Steve Kent Winegar										46

Remarks

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at start of year t		Financial instruments granted at start of year t		Financial instruments consolidated during the year				Instrument mated but not exercised	Financial instruments at end of year t	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/handed over	Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
Director 1	Plan 1											
	Plan 2											

Remarks
In March 2019 Mr. McGovern exercise all his vested options under the Management Incentive Plan and the Stock Option Plan. All remaining unvested options

forfeited due to his resignation.

iii) Long-term saving systems

	Remuneration from consolidation of rights to savings system
Director 1	

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Year t		Year t-1	
	Year t	Year t-1	Year t	Year t-1	Systems with consolidated economic rights	Systems with unconsolidated economic rights	Systems with consolidated economic rights	Systems with unconsolidated economic rights
	Director 1							

Remarks

iv) Details of other items

Name	Item	Amount remunerated
Director 1		

Remarks

c) Summary of remunerations (thousand €):

This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to each director (thousand €).

Name	Remuneration accrued in the company					Remuneration accrued in group companies				
	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Saving Systems	Remuneration for other items	Total FY2019 company	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Saving Systems	Remuneration for other items	Total year t group
José Parés Gutiérrez	75				75					
Luis Miguel Álvarez Pérez	75				75					
Carlos Fernández González	75				75					
Henry Joseph McGovern	28	15,460			15,488	655				655
Steven Kent Winegar Clark	28				28					
Pablo Castilla Reparaz	100				100					

Mustafa Ogretici	100				100					
Romana Sadurska	60				60					
Emilio Fullaondo Botella	60				60					
Total:	601	15,460			16,061	655				655

Remarks

D OTHER INFORMATION OF INTEREST

If there are any relevant issues relating to directors' remuneration that you have not been able to address in the previous sections of this report, but which are necessary to provide more comprehensive and fully reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

This annual remuneration report has been approved by the Board of Directors of the company on 28 February 2020.

State whether any director has voted against or abstained from approving this report

Yes_

No X

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non- attendance)	Explain the reasons