



**REASONED PROPOSAL OF THE BOARD OF DIRECTORS OF AMREST HOLDINGS, SE,  
REGARDING THE REMUNERATION POLICY OF COMPANY DIRECTORS, INCLUDED IN  
ITEM SIX OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS MEETING  
CALLED FOR 12 AND 13 MAY 2022, IN THE FIRST AND SECOND CALL,  
RESPECTIVELY**

**1. PURPOSE OF THE REPORT**

This report is prepared by the Board of Directors of AmRest Holdings, SE (“**AmRest**” or the “**Company**”), in compliance with the provisions of Article 529 novodecies of Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Spanish Companies Act (*Ley de Sociedades de Capital*) (“**LSC**” or “**Companies Act**”), with the aim of presenting, subject to a favourable report of the Appointment and Remuneration Committee, the reasoned proposal for approval of the remuneration policy for Company directors, applicable during 2022, 2023 and 2024, the approval of which is proposed as item six of the Agenda of the next Ordinary General Shareholders Meeting to be held on 12 May 2022, at the first call or, if the necessary quorum is not reached, on 13 May 2022, at the second call.

Attached to this report is the previous favourable report of the Appointment and Remuneration Committee, the terms of which are endorsed in their entirety by the Board of Directors.

**2. JUSTIFICATION FOR UPDATING THE PROPOSAL**

This proposal is made in accordance with the provisions of Article 529 novodecies 2 of the Companies Act. Spanish Law 5/2021, of 12 April, incorporated important changes in the remuneration of the Board members of listed companies. Therefore, it has been considered timely and necessary to take advantage of the approval of a new Remuneration Policy to introduce the latest legislative amendments approved under this Act, in line with the objective of constant updating and reviewing the Company's corporate governance system, so as to align it with the corporate governance best practices.

Accordingly, the Policy Proposal follows that approved by the General Shareholders Meeting in 2021, although proposing two specific adaptations to this policy: i) adapt it to legislative developments and ii) update the remuneration of non-executive directors.

The current AmRest Remuneration Policy for directors provides for non-executive directors the remuneration that has remained unchanged since 2017, except for the 50% reduction applied for all board members during 2020.

The Company's monitoring and supervision requires more and more dedication on the part of the directors. In the case of AmRest, this greater dedication by directors has become evident, for example, by the increase in the number of meetings in 2020 (where 49 board meetings and 28 various committee meetings were held) and 2021 (where 34 board meetings and 26 various committee meetings were held). In view of the greater dedication of the directors, and maintaining the primary objective of ensuring that the remuneration received by directors is in reasonable proportion to the Company's importance, with the current economic situation and the market standards of comparable companies at both national and international level, it has



been considered necessary and appropriate to proceed with this review, which ensures maintaining the previous principles of proportionality and reasonableness.

In turn, remuneration must be adequate to attract and retain the directors of the desired profile and to reward the dedication, qualification and responsibility required by the office, without compromising the independence of the directors' judgement. This Committee considers that the achievement of these objectives is facilitated by the proposed review.

Likewise, the remuneration of the Executive Chairman for the performance of his executive functions is maintained under the same terms, as approved in the Remuneration Policy for Directors at the Ordinary General Shareholders Meeting held on 12 May 2021. However, the Policy proposed for approval includes items relating to the contracts of directors which must be noted, in accordance with the provisions of the new regulations in force.

For all these reasons, the Board has agreed to propose a remuneration policy to the General Shareholders Meeting for approval that would give continuity to the Company's remuneration policy in effect during the last financial years, but adapting it to the new circumstances and organisational structure of the Company, as well as to regulatory developments.

### **3. VALID PERIOD**

This Policy will come into effect on the date of its approval by the Ordinary General Shareholders Meeting and will apply to financial years 2022, as of its approval, 2023, 2024 and 2025. Without prejudice to amendments that, at any time, may be approved by the Ordinary General Shareholders Meeting of the Company.

### **4. CONCLUSION**

The Board of Directors of AmRest considers that the remuneration of directors provided for in the remuneration policy proposed to the General Meeting is in reasonable proportion to the Company's importance, its current economic situation and the market standards of comparable companies.

### **5. PROPOSAL FOR RESOLUTION SUBMITTED TO THE ORDINARY GENERAL SHAREHOLDERS MEETING FOR APPROVAL**

In view of the foregoing, the Board of Directors submits to the Ordinary General Shareholders Meeting the following proposal for resolution:

*"Remuneration policy for directors for financial years 2022, as of its approval, 2023, 2024 and 2025.*

*Approve, in accordance with the provisions of Article 529 novodecies of the Companies Act, and in accordance with the reasoned proposal approved by the Board of Directors, which accompanies the mandatory report of the Appointment and Remuneration Committee, the remuneration policy for directors, which will apply for financial years 2022 (as of its approval), 2023, 2024 and 2025. With respect to financial year 2022, this remuneration policy replaces,*



*from the date of its approval, the text of the remuneration policy for directors, applicable for financial years 2021 to 2023, which was approved at the Ordinary General Shareholders Meeting held on 12 May 2021. The full text of the remuneration policy for directors has been made available to shareholders since the date of publication of the call for the General Meeting.”*

In Madrid, on 31 March 2022.



**REPORT PREPARED BY THE APPOINTMENT AND REMUNERATION COMMITTEE OF  
AMREST HOLDINGS, SE, ON THE PROPOSAL FOR APPROVAL OF THE  
REMUNERATION POLICY FOR DIRECTORS OF THE COMPANY, INCLUDED IN ITEM  
SIX OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS MEETING,  
CALLED FOR 12 AND 13 MAY 2022, IN THE FIRST AND SECOND CALL,  
RESPECTIVELY**

**1. PURPOSE OF THE REPORT**

This report has been prepared by the Appointment and Remuneration Committee of AmRest Holdings, SE (“**AmRest**” or the “**Company**”), in compliance with the provisions of current Article 529 novodecies of Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Spanish Companies Act (*Ley de Sociedades de Capital*) (“**LSC**” or “**Companies Act**”), which establishes that the remuneration policy for directors must be reasoned and accompanied by a specific report of the Appointment and Remuneration Committee to justify the proposal, the approval of which is proposed as item six on the Agenda of the next Ordinary General Shareholders Meeting to be held on 12 May 2022, at the first call or, if the necessary quorum is not reached, on 13 May 2022, at the second call.

In accordance with the provisions of the Rules of Procedure of the Board of Directors of AmRest, the Appointment and Remuneration Committee is the body authorised to propose to the Board of Directors the modification or replacement of the Remuneration Policy for Directors and those carrying out senior management duties.

In compliance with the above, the Appointment and Remuneration Committee has agreed to submit to the Board of Directors this report concerning the proposed AmRest Remuneration Policy for directors for financial years 2022-2024 (the “**Policy**” or “**Remuneration Policy**”), attached as Annex to this report. This report is submitted to the Board of Directors so that this body can in turn submit this proposal to the AmRest General Shareholders Meeting for approval.

If approved, the Policy will supersede and void, with respect to financial year 2022 and from the date of its approval, the Remuneration Policy for the years 2021 to 2023, which was approved by the General Shareholders Meeting of the Company on 12 May 2021.

**2. JUSTIFICATION FOR UPDATING THE PROPOSAL**

The proposal for a Remuneration Policy, which will be submitted to the Board of Directors and, subsequently, to the Ordinary General Shareholders Meeting, follows the lines established in the previous remuneration policies for directors, introducing the necessary amendments due to the entry into force of Spanish Law 5/2021, of 12 April, which incorporated important changes in matters of remuneration of the Board members of listed companies. In view of this amendment and in accordance with the new wording of Article 529 novodecies of the LSC, it is considered appropriate and necessary to take advantage of the approval of a new Remuneration Policy to introduce the legislative amendments approved under that Act, in line with the objective of constant updating and revision of the Company's corporate governance system, so as to align it with the best practices of corporate governance and amendments.



It has also been considered desirable to update the remuneration of non-executive directors in the Policy proposed for approval.

The current AmRest Remuneration Policy for directors provides for non-executive directors the remuneration that has remained unchanged since 2017, except for a 50% reduction for all board members during 2020.

The Company's monitoring and supervision requires more and more dedication on the part of the directors. In the case of AmRest, this greater dedication by directors has become evident, for example, by the increase in the number of meetings in 2020 (where 49 board meetings and 28 various committee meetings were held) and 2021 (where 34 board meetings and 26 various committee meetings were held). In view of the greater dedication of the directors, and maintaining the primary objective of ensuring that the remuneration received by directors is in reasonable proportion to the Company's importance, with the current economic situation and the market standards of comparable companies at both national and international level, it has been considered necessary and appropriate to proceed with this review, which ensures maintaining the previous principles of proportionality and reasonableness.

In turn, remuneration must be adequate to attract and retain the directors of the desired profile and to reward the dedication, qualification and responsibility required by the office, without compromising the independence of the directors' judgement. This Committee considers that the achievement of these objectives is facilitated by the proposed review.

Likewise, the remuneration of the Executive Chairman for the performance of his executive functions is maintained under the same terms, as approved in the Remuneration Policy for Directors at the Ordinary General Shareholders Meeting held on 12 May 2021. However, the Policy proposed for approval includes items relating to the contracts of directors which must be noted, in accordance with the provisions of the new regulations in force.

### **3. VALID TERM OF THE REMUNERATION POLICY**

The Company will apply this Remuneration Policy for Directors during financial years 2022 (as of its approval), 2023, 2024 and 2025.

Any amendment or replacement of the Remuneration Policy during this period will require the prior approval of the General Shareholders Meeting, in accordance with the provisions of the legislation in force, without prejudice to the remuneration expressly approved by the General Shareholders Meeting, pursuant to section 5 of the above Article 529 novodecies.

### **4. CONCLUSIONS**

The remuneration system established for directors is based on general principles and foundations which seek to ensure that remuneration is in reasonable proportion to the Company's importance, its economic situation and the market standards of comparable companies. The established remuneration system, especially in the case of executive directors, is aimed at promoting the long-term profitability and sustainability of the Company.



The Appointment and Remuneration Committee considers that the proposal of the Remuneration Policy for Directors submitted to the Board fulfils this purpose, is compliant with new applicable regulations, and follows most of the recommendations contained in the revised Code of Good Governance for Listed Companies approved by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores [CNMV]*) on remuneration, as well as generally recognised recommendations for good governance in international markets in this field.

Therefore, following the analysis and review carried out, the Appointment and Remuneration Committee decides to submit this report, together with the Remuneration Policy that accompanies it, to the Board of Directors for submission to the General Meeting for approval.



## ANNEX

### AMREST HOLDINGS, SE

#### REMUNERATION POLICY FOR DIRECTORS 2022-2025

##### 1. INTRODUCTION

The Board of Directors of AMREST HOLDINGS, SE (“**AmRest**” or the “**Company**”), in exercise of the powers conferred on it and of the provisions of Articles 29 of its Articles of Association and 27 of the Rules of Procedure of the Board of Directors, draws up this remuneration policy for directors (the “**Remuneration Policy**”), for submission to the Ordinary General Shareholders Meeting for approval as a separate item on the agenda, in accordance with legal provisions.

If approved, the Remuneration Policy will replace and void, with regard to financial year 2022, the Remuneration Policy for Directors of the Company for financial years 2021 to 2023, which was approved by the General Shareholders Meeting of the Company on 12 May 2021, and its validity will also cover the financial years 2023, 2024 and 2025.

The Company wishes to align this policy with the follow-up to corporate governance recommendations regarding the remuneration of internationally recognised directors in general, without prejudice to the fact that these are in accordance with the specific needs and circumstances of the Company.

##### 2. PURPOSE AND BASIC PRINCIPLES

The main purpose of the AmRest Remuneration Policy for Directors is to contribute to the development of the values, mission and vision of the AmRest Group, so that the remuneration corresponding to the members of the Company's governing body is appropriate to the achievement of the objectives and duties that concern the directors. This Remuneration Policy contributes to the Company's business strategy, interests and long-term sustainability, with the objective of creating shareholder value in a sustainable way over time, incorporating the necessary precautions to avoid excessive risk-taking and the rewarding of unfavourable results.

In this sense, the basic principles that inspire the Remuneration Policy to achieve this contribution to the Company's strategy, interests and long-term sustainability are as follows:

- Assess the dedication, qualification and responsibility required for the office, seeking moderation and in any case relating to the remuneration that is paid in the market in comparable companies, so that they align with best market practices.
- The remuneration of external directors, and in particular independent directors, will be as necessary to correspond to the effective dedication, qualification and responsibility required by the office, but not so high as to compromise their independence in judgement.



- Maintain a balance between the interests of the directors and shareholders and, in particular, align the policy with the Company's values, the maximisation of the company dividend and profitability for shareholders.
- Ensure that the remuneration system promotes the achievement of the strategic objectives established by the Company and its group (the “**Group**”).
- Ensure commitment to the principle of full transparency of the Company's Remuneration Policy by providing timely, sufficient and clear information in line with applicable regulations and corporate governance recommendations, as recognised in international markets for the remuneration of directors.

In the preparation of the Remuneration Policy and in determining the remuneration scheme and other remuneration terms and conditions for directors, the Board has paid special attention to the remuneration and employment terms of the Company employees.

In this sense, the Remuneration Policy is aligned with that of the other employees and directors of the Company, with regard to the principles that inspire it, such as, among others:

- (i) remuneration equity: ensuring non-discrimination on grounds of gender, age, culture, religion or race in the application of remuneration practices and policies. In this regard, AmRest professionals, including employees, executives and directors, are paid in a manner consistent with the level of responsibility, leadership and performance within the organisation, favouring the retention of key professionals and the attraction of the best talent,
- (ii) proportionality and risk management: remuneration levels are appropriate to the importance of the Company, its current economic situation and market standards in comparable sectors and companies. In addition, provisions to mitigate inappropriate risk-taking are included; and
- (iii) values: the Remuneration Policy is designed to attract and retain the best professionals and to motivate a high performance culture.

Furthermore, the conditions of the other employees of the Group have been taken into account to the extent that directors will not be granted any remuneration that is not similar to that which other Company employees may receive.

Consideration is also given to the results of the votes on the remuneration policy approved by the General Shareholders Meeting, as well as the results of the advisory votes on the annual remuneration report of directors. In particular, the Remuneration Policy 2021-2023 was approved with 98.631% of the votes and the annual remuneration report was approved with 99.97% of the votes, which represents a very significant support for the Company's Remuneration Policy, the principles of which continue in effect. Therefore, it has not been considered appropriate to make structural changes to the Remuneration Policy at this time.



Finally, both the Appointment and Remuneration Committee and the Board of Directors have ensured that the Remuneration Policy is aligned with the CNMV recommendations in the Code of Good Governance.

### **3. DECISION-MAKING PROCESS FOR THE DETERMINATION, REVIEW AND APPLICATION OF THE REMUNERATION POLICY**

This Remuneration Policy has been drawn up and approved by the AmRest Board of Directors, at the proposal from the Appointment and Remuneration Committee, and its approval is proposed to the AmRest General Shareholders Meeting.

In accordance with the Rules of Procedure of the Board of Directors of the Company, the Board is responsible for determining the remuneration of directors for the performance of their duties, as well as for setting up the remuneration package of the Executive Directors for the performance of their executive duties, within the statutory framework and the remuneration policy approved by the General Meeting.

In turn, the Appointment and Remuneration Committee is responsible for proposing to the Board the remuneration policy for directors, as well as the individual remuneration and other contractual conditions of the executive directors, ensuring also their observance. Likewise, in accordance with the provisions of the Rules of Procedure of the Board of Directors of the Company, the Appointment and Remuneration Committee is responsible for analysing, formulating and periodically reviewing the remuneration policy applied to the executive directors, verifying the information on the remuneration for directors.

In preparing this Remuneration Policy, the Appointments and Remuneration Committee and the Board of Directors have taken into account the pay schemes of comparable companies, as well as the terms of employment of the Group's employees. The Appointment and Remuneration Committee has the appropriate composition and operating rules to avoid the generation of conflict of interest situations in the process of preparing the Remuneration Policy, in addition, it is able to address them in case any should arise.

### **4. STRUCTURE OF REMUNERATION FOR DIRECTORS IN THEIR CAPACITY AS SUCH**

Remuneration for directors in their capacity as such will consist of a fixed annual amount, which is established as follows:

- (i) The maximum annual amount of remuneration for all the directors in their capacity as such will be determined by the General Meeting.
- (ii) The Board of Directors, at the proposal from the Appointment and Remuneration Committee, will distribute among its members the above maximum remuneration, taking into account the duties and responsibilities assigned to each director, the category to which each director belongs, membership in the Board Committees and other objective circumstances considered relevant by the Board.



The Board members will receive, as such, statutory remuneration whose maximum annual amount for the entire Board of Directors is determined by the General Meeting and is updated according to the rates or magnitudes that the Meeting itself defines. The maximum remuneration of the directors in their capacity as such is set, as a whole, at EUR 1,500,000. This overall amount is intended to provide the Board with a certain margin for manoeuvring during the validity of the Remuneration Policy for Directors.

Remuneration for directors is made up of the following items: (i) a fixed amount; and (ii) allowances for effective attendance at Board meetings and at its delegated or advisory committees. The fixed amount is, quantitatively, the main item of remuneration for directors.

Also, as indicated above, the Board of Directors is responsible for determining the distribution among its members of the maximum amount of remuneration. The distribution may be made on an individual basis, taking into account the duties and responsibilities assigned to each director, membership in Board committees and any other objective circumstances deemed relevant by the Board of Directors.

#### 4.1. Annual fixed remuneration for participation in the Board of Directors

The maximum amount of the annual fixed remuneration for this item is EUR 82,500 per director annually.

Any remuneration that a director may receive in cash or in kind from the Company or its Group as an employee will be deducted from this amount, with the understanding that this discount will not apply to what is received as executive director.

#### 4.2. Fixed annual remuneration for participation in the Board Committees

In addition to the remuneration provided in section 4.1 above, Independent Directors will receive an additional annual remuneration of EUR 27,500 for their membership in the Executive Committee or in any of the committees delegated by the Board (regardless of the number of Committees of which the Independent Director is a member).

#### 4.3. Allowances

The Directors, in their capacity as such, may receive allowances for attendance at each of the Board and Committee meetings they actually attend.

The annual amount of the allowance for attendance will depend on the number of meetings actually held and the number of directors attending these meetings.

#### 4.4. Coverage of risk and liability benefits

The Company may pay the amount of the premiums corresponding to the insurance policies contracted by the Company with different insurers to cover the death and disability benefits of directors due to accident or natural causes, as well as contracting a liability insurance for all its directors under the usual market conditions and proportionate to the circumstances of the Company itself.



#### 4.5. Expenses associated with Board and Committee meetings

Expenses associated with travel and stays for attendance at Board and Committee meetings will be covered directly by the Company and/or reimbursed to the directors, provided that these expenses have been previously notified to the Company and accepted by it, and are duly justified.

#### 4.6. Absence of other remuneration

Other than the remuneration indicated in the preceding sections and without prejudice to the provisions of the following section for executive directors, directors will not be entitled to receive any other remuneration from the Company or its Group, regardless of its concept.

### **5. STRUCTURE OF THE REMUNERATION FOR EXECUTIVE DIRECTORS FOR THE PERFORMANCE OF EXECUTIVE DUTIES**

In addition to what they may receive as directors in their capacity as such, executive directors may receive, for the performance of the executive duties delegated or entrusted to them by the Board, remuneration as determined by the Board itself. As of the date of this report, José Parés Gutiérrez, chairman of the Board of Directors, is the only member with executive duties assigned to him.

The remunerative items that make up the remuneration of the Executive Director, as well as the basic terms for the performance of his duties, must be included in a contract signed with that director. This contract must be approved in advance by the Board with the favourable vote of two-thirds of its members, at which time, the director in question must abstain from voting and deliberation.

Remuneration of executive directors may consist of fixed salaries; compensation for termination of the director office for reasons other than failure to perform his duties; pensions; insurance; social security systems and retirement plans; or other remuneration in kind.

#### 5.1. Remuneration principles for executive directors

The basic principles governing the remuneration of executive directors are as follows:

- Ensure that remuneration, in terms of its overall structure and size, complies with market best practices and is competitive in relation to comparable companies.
- Establish objective criteria for the calculation of the individual remuneration of each executive director, taking into account individual performance and the achievement of the Company's business objectives.
- Maintain commitment to the values pursued by the Company and the Group, including corporate and personal ethics, meritocracy and conciliation, so as to retain the best talent.



## 5.2. Fixed remuneration

Fixed remuneration for executive directors will vary according to the responsibility assumed and the characteristics of the duties performed by the director, which will be reviewed annually by the Board of Directors at the proposal of the Appointment and Remuneration Committee.

Fixed remuneration for executive directors may not exceed EUR 500,000 per year. This figure may be increased during the Policy's period of validity, in accordance with the AmRest Group general salary update rules, which may not exceed 10% per year.

## 5.3. Variable remuneration

Executive directors of the Company will not receive variable remuneration, nor will they form part of remuneration plans through shares or linked to the share price of the Company.

## 5.4. Remuneration for the performance of the office of director or other duties in other companies of the Group

Executive directors may receive additional remuneration for the provision of services to other companies of the Group, although the overall amount of remuneration to be received may not exceed the maximum limits set out in this policy.

## 5.5. Health-care benefits and other remuneration in kind

The remuneration system for executive directors may be complemented by health and life insurance contracted by the Company, in line with the practice followed in the market by comparable companies. Also, executive directors may be paid with other remuneration in kind, such as rental of vehicles, garage spaces, housing, travel expenses, travel allowances, coverage of transfer expenses, including transfer to a location abroad, and other social benefits generally applicable to the directors of the Company. This will be decided by the Board of Directors at the proposal of the Appointment and Remuneration Committee.

The relative proportion of health-care benefits and other remuneration to fixed remuneration, will be 20%, unless the executive director receives no fixed remuneration for the performance of executive duties, in which case, the limit on the value of the health-care benefits and other remuneration will be the same as provided for the fixed remuneration.

## **6. BASIC TERMS FOR CONTRACTS WITH EXECUTIVE DIRECTORS**

### a) Duration of the contract

Contracts with executive directors of the Company will be indefinite.

### b) No-claim and claw-back clauses

These are not applicable since there is no provision for the possibility of variable remuneration for executive directors.

### c) Advance notice



Contracts with executive directors of the Company will have a minimum advance notice of 15 days.

d) Terms for termination Severance clauses

The contract may be terminated by either party for any of the reasons established by the current regulations. Neither party will have the right to claim any compensation from the other party for the termination of the contract, without prejudice to the rights that each party may have in the event of a breach.

e) Non-competition

Contracts with executive directors may provide compensation for the assumption of a non-competition obligation in respect of companies and activities of a similar nature to that of the Company or the Group, for the term of the contract and for a period of time after its termination. Financial compensation to be paid under this post-contractual non-competition contract may be understood as included in the compensation provided in the event of termination of the contract.

f) Exclusiveness

Contracts with executive directors may establish compensation for the obligation not to provide services to other companies or entities, unless expressly authorised by the Board of Directors.

## **7. PERIOD OF VALIDITY**

In accordance with the provisions of the current regulations, the Remuneration Policy for Directors will be approved by the General Shareholders Meeting for its application for a maximum period of three financial years.

Therefore, this remuneration policy, which is submitted to the approval of the Meeting, will apply during this financial year 2022, from the date of its approval and the following three, 2023, 2024 and 2025, unless the General Shareholders Meeting decides to amend or replace it during this period.

Until the approval of this Remuneration Policy by the General Meeting, the previous policy approved by the AmRest General Meeting on 12 May 2021 will apply.