



# Annual Report on Director Remuneration

## for the year ended 31 December 2022

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**AmRest Holdings SE**

**Annual Report on Director Remuneration**  
for the year ended 31 December 2022

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## A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

**A.1.1 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.**

**Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards directors' remuneration both in their capacity as such and for executive functions carried out.**

In any case, the following aspects must be reported, as a minimum:

- a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.
- b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- c) Information on whether any external advisors took part in this process and, if so, their identity.
- d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

The Board of Directors of AmRest Holdings, SE (the "Company"), at the proposal of the Appointments, Remuneration and Corporate Governance Committee, drew up the "Remuneration Policy for Directors 2022-2025" (the "Policy") for subsequent approval by the General Shareholders' Meeting held on May 12, 2022.

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. The 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 context, 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 maximization 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.
- 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 recognized in international markets for the remuneration of directors.

Likewise, in the preparation of the Remuneration Policy and in determining the remuneration scheme and the other terms and conditions of directors' remuneration, the Board of Directors has paid special attention to the remuneration and employment terms of the Company's employees, to the extent that directors shall not be granted any remuneration concept that is not similar to that which other employees of the Company may have.

In this sense, the Remuneration Policy is aligned with that of the other employees and executives 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 organization, favoring 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, in preparing the Remuneration Policy, the Appointments, Remuneration and Corporate Governance Committee and the Board of Directors have taken into account the pay schemes of comparable companies, and no external advisors have participated in the preparation of the policy.

Moreover, regarding the procedures and company bodies involved in determining, approving and applying the remuneration policy:

**General Shareholders' Meeting:** It approves the Remuneration Policy at least every three years as a separate item on the agenda. Likewise, it approves the maximum amount of the annual remuneration for all the directors in their positions as such. It has an advisory vote on the Annual Report about the directors' remuneration, detailing the remuneration accrued during the last financial year.

**Board of Directors:** In accordance with the Regulations of the Board of Directors of the Company, the Board is responsible for determining the remuneration of directors for the performance of their duties, including those within the statutory framework, the Remuneration Policy of the directors, and the ceiling set by the General Shareholders' Meeting, 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, and approve the remaining terms and conditions of their contracts.

**Appointment, Remuneration and Corporate Governance Committee:** In accordance with the Regulations of the Board of Directors, this 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, the Appointment and Remuneration Committee is responsible for analysing and periodically reviewing the remuneration policy applied to the directors; checking the compliance with the remuneration policy established by the Company; and verifying the information on the remuneration for directors.

- **Structure of remuneration for directors in their capacity as such**

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.

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.

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.

- 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.

- Fixed annual remuneration for participation in the Board Committees

In addition to the remuneration provided in section 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).

- 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.

Currently, the directors do not receive, and are not expected to receive, allowances for attending the meetings of the Board of Directors and the committees they attend.

- 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.

- 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.

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.

- **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.

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.

The remunerative items that make up the remuneration of the executive directors, as well as the basic terms for the performance of his duties, must be included in a contract signed with these directors. 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.

- 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, Remuneration and Corporate Governance 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.

- 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.

- 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.

- 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 executives of the Company. This will be decided by the Board of Directors at the proposal of the Appointment, Remuneration and Corporate Governance 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.

It should be noted that, of all the above concepts, the only executive director of the Company only receives, in addition to the fixed annual remuneration for his participation in the Board of Directors (82,500 euros per year), an annual remuneration package amounting to 72,000 euros net (120,000 euros gross).

Finally, the Remuneration Policy does not set forth any procedures in order to apply temporary exceptions or any component that may be subject to exception.

**A.1.2 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 ensure an appropriate balance between the fixed and variable components of the remuneration, In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure 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 personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.**

Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

The Remuneration Policy for directors of AmRest Holdings, SE does not provide for variable remuneration items, neither in the remuneration for directors in their capacity as such, nor in that of executive directors for the performance of executive duties.

**A.1.3 Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.**

The following fixed components are expected to accrue to the directors in their capacity as such during the financial year 2023:

- 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.
- Fixed annual remuneration for participation in the Board committees: 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 of the Board of Directors (regardless of the number of committees of which the independent director is a member).

Directors are not expected to receive allowances for attending meetings of the Board of Directors and the committees they attend.

**A.1.4 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.**

During the financial year 2023, no fixed components are expected to accrue for the performance of senior management functions by the executive directors, other than the compensation package the Executive Chairman is entitled to in the amount of 72,000 euros net per year (120,000 euros gross per year).

**A.1.5 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.**

No remuneration in kind is expected to accrue in favor of the Company's directors during the financial year 2023.

This regardless of the civil liability policy (D&O) that the Company has contracted for directors and executives, with the usual conditions for this type of insurance.

**A.1.6 Amount and nature of variable components, differentiating between those established in the short and long terms, Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.**

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

As indicated above, the Remuneration Policy for Directors of AmRest Holdings, SE does not provide for variable remuneration items, neither in the remuneration for directors in their capacity as such, nor in that of executive directors for the performance of executive duties.

**A.1.7 Main characteristics of long-term savings schemes, Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.**

Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the attainment of certain objectives or parameters relating to the director's short- or long-term performance.

The Company's directors do not participate in long-term savings schemes.

**A.1.8 Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.**

There is no provision for any type of payment or indemnification to directors in these cases.

**A.1.9 Indicate the conditions that the contracts of executive directors performing senior management functions should contain, Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as compensation or 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, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.**

The contract of the current Executive Director is for an indefinite duration, it does not provide indemnification or permanence clause.

The contract does not establish a specific notice period for its termination, which may take place through unilateral resolution by either party, mutual agreement or by decision of either party in the event of non-compliance by the other, leaving safe, in this case, the claim that for damages may correspond to the other party.

Likewise, the contract does not foresee clauses relating to hiring bonuses, indemnities or shields for early resolution or termination of the contractual relationship between the company and the executive director, nor pacts or agreements of non-competition, exclusivity, permanence or loyalty and post-contractual non-competition.

Finally, the contract provides a standard confidentiality clause.

**A.1.10 The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position.**

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

**A.1.11 Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.**

As of the date of this report, no advance payments, loans or guarantees are expected to be granted by the Company to the directors.

**A.1.12 The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.**

As of the date of this report, no supplementary remuneration not included in the foregoing sections is foreseen to be paid by the Company or by another Group company to the directors.

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

- a) A new policy or an amendment to a policy already approved by the General Meeting.
- b) 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.
- c) Proposals that the Board of Directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.

As already indicated, the Board of Directors, at the proposal of the Appointments, Remuneration and Corporate Governance Committee, submitted the current Remuneration Policy for approval at the 2022 General Shareholders' Meeting, which came into force on the date of the General Shareholders' Meeting (May 12, 2022) and will remain in force until December 31, 2025, unless the General Shareholders' Meeting decides to amend or replace it during this period.

- The current Remuneration Policy 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 Companies Act (Ley de Sociedades de Capital), it was 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.

- Likewise, it was also considered desirable to update the remuneration of non-executive directors in the new Policy.

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

However, the Company's monitoring and supervision requires more and more dedication on the part of the directors. 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 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 was considered necessary and appropriate to proceed with the review of the Remuneration Policy, 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. The achievement of these objectives is facilitated by the new Company Remuneration Policy.

In this context, i) the fixed annual remuneration for participation in the Board of Directors is 82,500 euros per year per director (in the previous Remuneration Policy it was 75,000 euros) and ii) independent directors will receive an additional remuneration of 27,500 euros per year for their membership in the Executive Committee or any of the committees of the Board of Directors, regardless of the number of committees of which the independent director is a member (in the previous Remuneration Policy such remuneration was 25,000 euros).

- Finally, the remuneration of the Executive Chairman for the performance of his executive functions is maintained under the same terms, as approved in the previous Remuneration Policy for directors. However, the new Policy includes items relating to the contracts of directors which must be noted, in accordance with the provisions of the new regulations in force.

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

The current Remuneration Policy for directors is available on the Company's website at <https://www.amrest.eu/en/investors/corporate-governance/board-directors-regulations-and-reports>

**A.4 Explain, taking into account the data provided in Section B,4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.**

The annual report on directors' remuneration for the 2021 financial year was submitted to the consultative vote of the General Shareholders' Meeting held on May 12, 2022, being approved by the 98.94% of the votes issued, with 0.10% of votes against and 0.96% of abstentions.

This result reflects the broad support the annual report on directors' remuneration received from the Company's shareholders, for which reason it has been considered appropriate to prepare the report for the 2022 financial year in similar terms.

## **B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED**

**B.1.1 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 the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.**

During the 2022 financial year, two remuneration policies were applicable:

- From January 1 to May 12, the Directors' Remuneration Policy approved at the Company's General Shareholders' Meeting held on May 12, 2021.
- From May 12 until December 31, the Directors' Remuneration Policy approved at the Company's General Shareholders' Meeting held on May 12, 2022.

The remuneration accrued and paid in the financial year 2022 has followed the terms of the Remuneration Policies approved by the General Shareholders' Meeting in 2021 and 2022, without any deviation from the procedure for the application of these Policies, nor has any temporary exception been applied to them.

In this regard, the remuneration accrued and paid in 2022 to the directors (both to the directors in their capacity as such and to the executive directors) has been composed of the same elements as those described in relation to the current Remuneration Policy in force in 2023.

Regarding the process followed for the application of the Remuneration Policy during the financial year 2022, the following should be noted:

- The General Shareholders' Meeting agreed to set the maximum annual amount of remuneration for all of the Company's directors in their capacity as such at €1,500,000.
- In turn, the General Shareholders' Meeting delegated to the Company's Board of Directors the distribution among its members of this amount, taking into account the functions and responsibilities attributed to each director, their membership of the Board's committees, and any other objective circumstances deemed relevant.
- Furthermore, in order to apply the Remuneration Policy during the 2022 fiscal year, the Appointments, Remuneration and Corporate Governance Committee performed the following duties:

(i) to propose to the Board of Directors: (a) the remuneration policy for the directors; (b) the individual remuneration for the executive director and other conditions of its contract, ensuring that they are followed; and (c) the basic conditions of senior executives contracts;

- (ii) to analyse, pose and periodically review the remuneration policy applied to executives, including the remuneration packages with shares and their application, and ensure that it is proportionate to that paid to the 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 internal regulation, verifying the information about the directors and senior executives' remuneration established in different corporate documents, including the annual report on directors' remuneration.
- The services of external advisors have not been used in the process of applying the remuneration policy in the 2022 financial year.

**B.1.2 Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.**

During the financial year 2022 there has been no deviation from the procedure established for the application of the Remuneration Policy.

**B.1.3 Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.**

During the financial year 2022 no temporary exception has been applied to the Remuneration Policy.

**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, aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued, Ensure that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.**

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. The 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 context, 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 maximization 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.
- 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 recognized in international markets for the remuneration of directors.

Likewise, in the preparation of the Remuneration Policy and in determining the remuneration scheme and the other terms and conditions of the directors' remuneration, the Board of Directors has paid special attention to the remuneration and employment terms of the Company's employees, to the extent that directors shall not be granted any remuneration concept that is not similar to that which other employees of the Company may have.

In this sense, the Remuneration Policy is aligned with that of the other employees and executives 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 organization, favoring 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.

Within the framework of this Remuneration Policy, 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) No variable remuneration items are provided for, neither in the remuneration for directors in their capacity as such, nor in that of executive directors for the performance of executive duties.

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. Their remuneration can only be of fixed nature, it may vary based on the specific responsibilities and nature of the duties performed. 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 the policy to economic conditions and the international landscape.

**B.3 Explain how the remuneration accrued and consolidated over the financial year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.**

**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, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.**

The remuneration accrued in the financial year 2022 fulfils the terms of the current AmRest Directors' 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. In addition, the principles and criteria set out in the Policy have been followed, among others, that the remuneration of the directors in their capacity as such consists only of a fixed amount and, in the case of the remuneration of the Executive Chairman, of a compensation package.

Directors' remuneration is austere and balanced, reflecting the Company's corporate and personal ethics, thus contributing to its sustainability and results.

**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 in favour, votes against, abstentions and blank ballots:**

	Number	% of total
Votes cast	163,798,400	74.61

	Number	% of total cast
Votes against	158,838	0.10
Votes in favour	162,066,771	98.94
Blank ballots	0	0
Abstentions	1,572,791	0.96

**B.5 Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director and how they changed with respect to the previous year:**

During the financial year 2022 the following fixed components have been accrued for the directors in their condition as such:

- Annual fixed remuneration for participation in the Board of Directors:

From January to May (date of approval of the current Remuneration Policy) the amount of annual fixed remuneration for this item was 75,000 euros per director annually.

From May to December, the amount of the annual fixed remuneration for this item was 82,500 euros per director annually.

- Annual fixed remuneration for participation in the Board committees:

From January to May (date of approval of the current Remuneration Policy) independent directors received an additional annual remuneration of 25,000 euros for their membership in the Executive Committee or in any of the committees of the Board of Directors (regardless of the number of committees of which the independent director is a member).

From May to December, the amount received for this concept was 27,500 euros annually.

The amount accrued for these same fixed components during the financial year 2021 was as follows:

- Annual fixed remuneration for participation in the Board of Directors: 75,000 euros per director annually.
- Annual fixed remuneration of independent directors for participation in the Board committees: an additional 25,000 euros per independent director annually.

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

During the financial year 2022, no salaries were accrued by the executive directors for the performance of management duties.

The Executive Chairman accrued an amount of €72,000 net per annum (€120,000 gross per annum) as a compensation package. This amount has not changed with respect to the financial year 2021.

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

In particular:

- a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.
- b) In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.
- c) Each director that is a beneficiary of remunerations systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).
- d) Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

**Explain the short-term variable components of the remuneration systems**

During the financial year 2022 no short-term variable components have been accrued for any of the directors.

**Explain the long-term variable components of the remuneration systems**

During the financial year 2022 no long-term variable components have been accrued for any of the directors.

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

Not applicable. The Remuneration Policy for Directors of AmRest Holdings, SE does not provide for variable components, neither in the remuneration for directors in their capacity as such, nor in that of executive directors for the performance of executive duties.

**B.9 Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.**

Not applicable. The Remuneration Policy for Directors of AmRest Holdings, SE does not provide for the participation of directors in long-term savings schemes.

**B.10** Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.

Not applicable.

**B.11** Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain them. 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.

Not applicable.

**B.12** Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

During the financial year 2022, no supplementary remuneration has been accrued by the directors as consideration for services rendered other than those inherent to their position.

**B.13** Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

No advances payments, loans or guarantees have been granted to any director during the financial year 2022.

**B.14** Itemise the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.

During the financial year 2022, no in-kind remunerations has been accrued by the directors.

**B.15** Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director's services to the company.

No payments of this type were made in 2022.

**B.16** Explain and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director or in consideration for the performance of their executive functions and whether or not has been considered appropriate to be included among the amounts accrued under the "Other concepts" heading in Section C.

During the financial year 2022, no amounts have been accrued in relation to any other remuneration concept other than that set forth above.

## C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in year 2022
Mr. José Parés Gutiérrez	Executive Chairman	From 01/01/2022 to 31/12/2022
Mr. Luis Miguel Álvarez Pérez	Proprietary Vice Chairman	From 01/01/2022 to 31/12/2022
Mr. Carlos Fernández González	Proprietary Director	From 01/01/2022 to 31/12/2022
Mr. Pablo Castilla Reparaz	Independent Director	From 01/01/2022 to 31/12/2022
Ms. Romana Sadurska	Independent Director	From 01/01/2022 to 31/12/2022
Mr. Emilio Fullaondo Botella	Independent Director	From 01/01/2022 to 31/12/2022
Ms. Mónica Cueva Díaz	Independent Director	From 01/01/2022 to 31/12/2022

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

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year 2022	Total year 2021
Mr. José Parés Gutiérrez	80							120	200	195
Mr. Luis Miguel Álvarez Pérez	80								80	75
Mr. Carlos Fernández González	80								80	75
Mr. Pablo Castilla Reparaz	80		26						106	100
Ms. Romana Sadurska	80		26						106	100
Mr. Emilio Fullaondo Botella	80		26						106	100
Ms. Mónica Cueva Díaz	80		26						106	100

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

Name	Name of plan	Financial instruments at start of year 2022		Financial instruments granted during year 2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year 2022	
		Nº of instruments	Nº of equivalent shares	Nº of instruments	Nº of equivalent shares	Nº of instruments	No. of equivalent / vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	Nº of instruments	Nº of instruments	Nº of equivalent shares
No data												

### iii) Long-term savings schemes

Name	Remuneration from vesting of rights to savings schemes
No data	

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Schemes with vested economic rights		Schemes with non-vested economic rights	
	Year 2022	Year 2021	Year 2022	Year 2021	Year 2022	Year 2021	Year 2022	Year 2021
No data								

### iv) Details of other items

Name	Concept	Amount of remuneration
No data		

### b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies:

#### i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year 2022	Total year 2021
No data										

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

Name	Name of plan	Financial instruments at start of year 2022		Financial instruments granted during year 2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year 2022	
		N° of instruments	N° of equivalent shares	N° of instruments	N° of equivalent shares	N° of instruments	N° of equivalent / vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	N° of instruments	N° of instruments	N° of equivalent shares
No data												

### iii) Long-term savings schemes

Name	Remuneration from vesting of rights to savings schemes
No data	

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Schemes with vested economic rights		Schemes with non-vested economic rights	
	Year 2022	Year 2021	Year 2022	Year 2021	Year 2022	Year 2021	Year 2022	Year 2021
No data								

#### iv) Details of other items

Name	Concept	Amount of remuneration
No data		

#### c) Summary of remuneration (thousands of euros):

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

Name	Remuneration accruing in the Company					Remuneration accruing in group companies					Total in year 2022 company + group
	Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year 2022 company	Total cash remuneration	Gross benefit of vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year 2022 group	
José Parés Gutiérrez	200				200						200
Luis Miguel Álvarez Pérez	80				80						80
Carlos Fernández González	80				80						80
Pablo Castilla Reparaz	106				106						106
Romana Sadurska	106				106						106
Emilio Fullaondo Botella	106				106						106
Mónica Cueva Díaz	106				106						106
<b>Total:</b>	<b>784</b>				<b>784</b>						<b>784</b>

**C.2** Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Year 2022	% variation 2022/2021	Year 2021	% variation 2021/2020	Year 2020	% variation 2020/2019	Year 2019	% variation 2019/2018	Year 2018
<b>Executive directors</b>									
Mr. José Parés Gutiérrez	200	2.56	195	413.16	38	-49.33	75	0.00	75
<b>External directors</b>									
Mr. Luis Miguel Álvarez Pérez	80	6.67	75	97.37	38	-49.33	75	0.00	75
Mr. Carlos Fernández González	80	6.67	75	97.37	38	-49.33	75	0.00	75
Mr. Pablo Castilla Reparaz	106	6.00	100	100.00	50	-50.00	100	0.00	100
Ms. Romana Sadurska	106	6.00	100	100.00	50	-16.67	60		0
Mr. Emilio Fullaondo Botella	106	6.00	100	100.00	50	-16.67	60		0
Ms. Mónica Cueva Díaz	106	6.00	100	100.00	50		0		0
<b>Consolidated results of the company</b>	27,550	-52.40	57,875	-71.27	201,462	115.80	93,358	62.26	57,537
<b>Average employee remuneration</b>	11	10.00	10	11.11	9	-10.00	10	25.00	8

#### Observations

The Company moved its registered office to Spain and set up a Board of Directors in March 2018.

Ms. Romana Sadurska and Mr. Emilio Fullaondo joined AmRest Board in May 2019. Ms. Mónica Cueva joined in July 2020.

In 2020, due to the exceptional circumstances caused by the Covid-19 pandemic, the Board lowered its remuneration by 50%. In 2021 there was no increase in directors' remuneration but just the reinstatement of the ordinary remuneration, which had remained unchanged since 2017.

## D. OTHER INFORMATION OF INTEREST

If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

Note to Section C "ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR".

This section includes the amounts accrued and received by the directors, in thousands of euros and without decimals.

With decimals and without rounding, the amounts are as follows: 80 (79.7); 26 (26.5); 106 (106.3); 120 (120.0); 200 (199.7); 784 (784.3).

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This annual remuneration report was approved  
by the Board of Directors of the company in its meeting of February 27, 2023.

Indicate whether any director voted against or abstained from approving this report.

Yes  No