



## **REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE EVALUATING ITS PERFORMANCE DURING THE YEAR 2019**

### **1. INTRODUCTION**

The Committee has prepared this report pursuant to the terms stipulated in the internal regulations of AmRest Holdings, SE ("**AmRest**" or the "**Company**") and in order for the Board of Directors to observe the performance of the Committee in accordance with Article 6.5 of the Board of Directors Regulation and Article 529, section 9, of Royal Legislative Decree 1/2010 of 2 July approving the consolidated text of the Spanish Corporate Enterprises Act (the "**Corporate Enterprises Act**").

This report on the activities performed by the Appointments and Remuneration Committee during the 2019 fiscal year will be available to shareholders and investors on the Company's website ([www.amrest.eu](http://www.amrest.eu)) from the time at which the general shareholders' meeting is arranged.

This report has been prepared in accordance with Recommendation 6 of the Good Governance Code of Listed Companies published by the Spanish Stock Market Regulator (*Comisión Nacional del Mercado de Valores*, the "**CNMV**") in 2015. Moreover, its content aligns with the recommendations outlined in the CNMV's Technical Guidelines 1/2019 on appointments and remuneration.

### **2. REGULATION**

The rules regarding the organisation and performance of the Appointments and Remuneration Committee are outlined in the Board of Directors Regulation, both of which are available for perusal on the Company's website ([www.amrest.eu](http://www.amrest.eu)).

Regarding Recommendation 48 of the new Good Governance Code, which states that large-cap companies should operate separate appointments and remuneration committees, the Committee deems the existence of one body as sufficient in view of the Company's organisational structure, the arrangement of the Board of Directors (seven members) and the fact that, pursuant to said Recommendation, AmRest is not considered a large-cap enterprise due to not being listed on the Ibex-35.



### 3. COMMITTEE STRUCTURE

On 14 May 2019, the Committee increased in size from three to four members, with co-opted Board members Romana Sadurska and Emilio Fullaondo appointed to the Committee and Mustafa Ogretici stepping down as Committee chairman, replaced by Pablo Castilla Reparaz.

In view of the above, the structure of the Appointments and Remuneration Committee at 2019-year end was as follows:

- (i) Mr. Pablo Castilla (Chairman), an independent, external AmRest Board member since 12 March 2018.
- (ii) Mr. Luis Miguel Álvarez (Committee Member), an external proprietary AmRest Board member since 12 March 2018.
- (iii) Mr. Emilio Fullaondo Botella (Committee Member), an independent, external AmRest Board member since 14 May 2019.
- (iv) Ms. Romana Sadurska (Committee Member), an independent, external AmRest Board member since 14 May 2019.

Remaining as Secretary and Deputy Secretary of the Committee were Eduardo Rodríguez-Rovira and Jaime Tarrero Martos, respectively.

Information on each of the Appointments and Remuneration Committee members, including their professional profiles and biographies, can be found on the Company's website ([www.amrest.eu](http://www.amrest.eu)).

Upon being formed exclusively of non-executive members appointed by the Board, the majority of whom are independent members and with the chairman also being an independent Board member, the structure of the Committee in 2019 meets the requirements set out under the Corporate Enterprises Act and the Board of Directors Regulation.

Based on the members' professional profiles and biographies, the Committee is considered diverse in terms of gender, career background, skills and abilities, with the members possessing the knowledge, qualifications and experience required to perform the Committee's duties.



#### **4. FUNCTIONING OF THE COMMITTEE**

The Appointments and Remuneration Committee meets as often as necessary in the Chairman's view, who must arrange a meeting when reports are to be issued or proposals are to be approved and, in any event, when a meeting is required to ensure the correct performance of the Committee's duties.

Committee meetings are deemed validly established when attended by the majority of its members, whether present themselves or represented, with resolutions adopted by way of such majority.

The Committee met on 10 occasions throughout 2019. Thus, enough meetings were held for the Committee to properly perform its duties.

In addition to the Committee members, attending as guests at some of the meetings were Mark Chandler (Group CEO, who also took charge of handling group human resources affairs in August) and Lukasz Lubicz from the Remuneration division of the Human Resources department.

Regarding the preparation and running of the sessions, the Committee chairman arranged each meeting with sufficient notice, with all members attending each and every gathering. Moreover, prior to each meeting the members were provided with information on the matters to be addressed at the sessions, thus facilitating their active participation and informed passing of resolutions.

The Secretary drew up the corresponding minutes of each meeting held, reflecting their running, content, discussions and adopted resolutions. All Committee meeting minutes are available to the members, as well as to the members of the Board of Directors.

The Committee performs its duties on an independent basis and has complied with all regulations set out in the Articles of Association and the Board of Directors Regulation, and is structured efficiently and correctly to be able to perform its duties.

#### **5. THE COMMITTEE'S WORK IN 2019**

Among others, the Committee addressed the following matters in the meetings held throughout 2019:

- Review of the performance of the CEO and the high officers which are members



of the Executive Team, and approval of their variable remuneration for the previous year.

- Report on the proposals to the Board of the appointment of Ms. Romana Sadurska and Mr. Emilio Fullaondo as independent directors to fill in the vacancies caused by the resignations of Mr. Henry J. McGovern and Mr. Steve Kent Winegar.
- The appointment of Eduardo Zamarripa as the Company's new Chief Financial Officer, replacing Mark R. Chandler, who was promoted to the role of CEO following Henry J. McGovern's exit from the AmRest group.
- The appointment of Ismael Sánchez Moreno as the new Chief People Officer, replacing Oksana Staniszewska.
- The appointment of Pawel Surmak as the group's Global Security Director.
- The reorganisation of the CEO's direct reports and the members of the Executive Team, comprising the following individuals:

<b>Name</b>	<b>Position</b>
Mark R. Chandler	<i>CEO (Chief Executive Officer)</i>
Olgierd Danielewicz	<i>COO (Chief Operations Officer)</i>
Ismael Sánchez Moreno*	<i>CPO (Chief People Officer)</i>
Eduardo Zamarripa	<i>CFO (Chief Financial Officer)</i>
Ramanurup Sen	<i>Food Service President</i>
María Elena Pato-Castel	<i>Owned Brands President</i>
Adam Mularuk	<i>Franchised Brands President</i>
Peter Kaineder	<i>CSO (Chief Strategy Officer)</i>
Robert Žuk	<i>CIO (Chief Information Officer)</i>
Jerzy Tymofiejew	<i>CDO (Chief Development Officer)</i>
Pawel Surmak*	<i>Global Security Director</i>

\* Joined in February 2020.



## **6. ASSESSMENT OF THE PERFORMANCE AND FUNCTIONING OF THE APPOINTMENTS AND REMUNERATION COMMITTEE. CONCLUSIONS**

The Board of Directors has assessed the performance of the Appointments and Remuneration Committee for the 2019 fiscal year, the degree of preparation and execution of the tasks mandated thereto by the Board and the performance of its duties and functions. In this regard, the Board of Directors deems the Committee's performance to be satisfactory.

The independent assessment of the Appointments and Remuneration Committee has not raised any significant modifications to its internal organisation or procedures.

The Committee trusts that the newly appointed Chief People Officer will contribute to improve the coordination of the Commission's duties, enabling an orderly and efficient performance of the Appointments and Remuneration Committee.

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This report has been drafted by AmRest's Appointments and Remuneration Committee on 27 February 2020 and approved by the Board of Directors at its meeting held on 28 February 2020.