
ISSUER'S PARTICULARS

End of financial year in question: [31/12/2018]

Tax Identification Number: [A84342229]

Company name:

[**TELEPIZZA GROUP, S.A.**]

Registered offices:

[C/ ISLA GRACIOSA 7, (SAN SEBASTIÁN DE LOS REYES) MADRID]

A. COMPANY REMUNERATION POLICY FOR THE CURRENT FINANCIAL YEAR

A.1. Explain the current remuneration policy of the Directors, applicable to the current financial year. To the extent that it is relevant, certain information for reference to the remuneration policy, approved by the general shareholders' meeting, can be included, whenever the incorporation is clear, specific and concrete.

The specific determinations for the current financial year must be described, both for the remuneration of the Directors through their condition as such, and for the performance of Executive functions that the Director had carried out, in accordance with that arranged in contracts signed with the Executive Directors, and with the remuneration policy, approved by the general meeting.

However, the following aspects must be reported, as a minimum:

- Description of the procedures and administration of the Company involved in the determination and approval of the remuneration policy and its conditions.
- Indicate and, where applicable, explain if comparable companies have been taken into account to establish the Company remuneration policy.
- Information on whether any external advisor has participated and, if so, their identity.

The competent administration for the determination and approval of the Directors' remuneration policy are the Appointment and Remunerations Committee (hereinafter ARC), as well as the Board of Directors, according to that established in Article 32 of the Regulations of the Board.

In agreement with Article 32 of the Regulations of the Board of Directors, the ARC has the following competences:

- To propose to the Board of Directors (a) the remuneration policy of the Directors and the Senior Managers, or of those undertaking senior management functions, under the direct dependency of the Board or of Managing Directors, (b) the individual remuneration of the Executive Directors and the other conditions of the contracts, monitoring their observance, and (c) the basic conditions of contracts of the Senior Managers.
- To periodically analyse and review the remuneration policy applied to the Executive Directors and to the Management Team, including the systems of remuneration with shares and their application, as well as to guarantee that it is proportional to that which is paid to the other Directors and members of the Management Team and to other members of the personnel of the Company.
- To monitor the observance of the remuneration policy established by the Company.
- To verify the information on remuneration of the Directors and Senior Managers contained in the different corporate documents, including the annual report on Remuneration of the Directors.

The Board of Directors, following a proposal by the ARC, proposed to the General Meeting, held on 28th June 2018, the approval of the new policy of remuneration of Directors, in the sixth point of the agenda of the said Meeting. The said policy was approved by the Meeting on such date as was communicated to the CNMV (Spanish Securities Market Commission) by means of Relevant Fact published that same day. The approved policy had retroactive effect to be applied in 2018 (from January), as well as for 2019 and 2020.

The ARC considers it fundamental to periodically review the Directors' remuneration policy, in line with the best practices of corporate governance, adopted by institutional shareholders and the recommendations of the main Proxy Advisors. In this regard, the ARC regularly carries out analyses on the external competitiveness of the remuneration of the Executive Directors, with the support of an independent consultant.

Specifically, in the benchmarking carried out in 2017 for the position of Managing Director a comparison group was considered, constructed based on the following selection criteria:

- a) Spanish multi-sector companies with a turnover comparable to that of Telepizza.
- b) Mainly quoted companies.
- c) Companies with an international / global geographical reach.

The companies included in the comparison group are the following: Almirall, CLH, Enagás, Ezentis, Ferrer, Grupo Antolin, Grupo Prisa, Grupo Sigla, Meliá Hotels, Natra, NH Hotel Group, Red Eléctrica de España and Vocento.

The new Remunerations Policy also includes the recommendations of the national and international organisations in the matter of remuneration of Members of the Board of Directors in order to further adapt to the market standards and best practices of the quoted Spanish Companies.

The Remunerations Policy proposal presented by the ARC and finally approved, was made available to the shareholders on the webpage of the Company from the time of calling the General Shareholders' Meeting, remaining published on this page at present.

The Appointment and Remunerations Committee has had the advice of Willis Towers Watson in obtaining market references in the matter of remuneration, and the Garrigues consultancy firm for the production of the mentioned Remunerations Policy.

- Relative importance of the variable remuneration items, with respect to those fixed (remuneration mix), and whatever criteria and objectives have been taken into account in their determination, and to guarantee a suitable balance between the fixed and variable components of the remuneration. In particular, indicate the actions adopted by the Company in relation to the remuneration system to reduce the exposure to excessive risks and to adjust it to the long-term objectives, values and interests of the Company, which will include, where appropriate, a reference to anticipated measures to guarantee that the remuneration policy takes into account the long-term results of the Company, the measures adopted in relation to those categories of personnel whose professional activities have a material repercussion in the risk profile of the organization, and measures anticipated to avoid conflicts of interests, where applicable.

Also, indicate if the Company has established some period of accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, a period of deferment in the payment of amounts or delivery of financial instruments, already accrued and consolidated, or if a clause has been agreed to reduce the deferred remuneration or that obliges the Director to return the remuneration received, when such remuneration has been based on data whose inaccuracy has been later demonstrated in a manifest manner.

The ordinary variable salary can be received based on the fulfilment of objectives set by the company, in terms of achieving the group's Sales and Ebitda budgets. The variable salary percentage chosen by the Executive Director is the equivalent of 100% of their fixed salary. Variable remuneration, therefore, is subject not only to the results during the established accrual period, but also to a favourable evolution thereof.

The time period for the measurement of the ordinary variable acquisition is fixed in the current calendar year. There is no clause to reduce deferred remuneration that requires the return of amounts received, if their payment was due to an error in calculation.

With respect to financial instruments, the Executive Director is included in a long-term plan, the purpose of which is the commitment to permanence of the same in the group. The mentioned Share Revaluation Plan is linked to the attainment of an objective of revaluation of the share of Telepizza Group, in agreement with the requirements established in the general conditions of this Plan, having been assigned a number of "Restricted Stock Units" or "RSUs" that will serve as a basis to determine the number of shares of Telepizza that can be received, whenever the requirements and objectives established in the General Conditions of the Plan are fulfilled. Such information was communicated by the Company by means of relevant facts on the 28th May 2018, on remuneration systems. Also, the inclusion of the Executive Director in this plan was subject to the approval of the General Meeting held on 28th June 2018.

The number of RSUs assigned to the Executive Director for the First Period was 428,427; this assignment was notified on the 14th August 2018, on the CNMV webpage.

Additionally, the Executive Director forms part of a long-term loyalty plan, whose time scale occupies three overlapping periods that extend over a total of five years, from 2016 to 2020. On the basis of this plan, an allocation of Company shares to the value of 637,500 euros in the first and second period is chosen.

The third period of the plan has been annulled and replaced by the plan described in the previous paragraph termed Share Revaluation Plan.

The 3 Year Plan implemented in 2015 was liquidated during the current financial year, with the quantity accrued in 2018 and received, amounting to 569,400.00 euros, corresponding to the attainment of 100% of the objective established for the year 2015, and 75% for the year 2017.

- Amount and nature of the fixed components foreseen to be accrued by the Directors in the financial year.

The Members of the Board who hold independent status, have a total annual fixed remuneration of 75,000 euros per year, as determined by the Board of Directors at its meeting of the 27th September 2018.

The Chair of the Board has a fixed remuneration decided by such function in the amount of 100,000 euros.

In addition to this fixed amount, those Directors who have the status of Chair of some of the Committees, or have the status of Co-ordinating Director, will receive a fixed amount of 25,000 euros.

Finally, Committee Members will receive an additional amount of 15,000 euros.

- Amount and nature of the fixed components that will be accrued in the financial year for the performance of senior management functions by the Executive Directors.

Fixed remuneration of the Executive Director:

The remuneration of the Director, in cash, has the purpose of compensating the performance of their Executive functions. For the sole Executive Director of the Company according to that established in the remuneration policy, the amount of their annual fixed remuneration, in cash, for 2018 was established at 850,000 euros.

Of this amount, 100,000 euros correspond to their position as Chair of the Board who is described in the previous point 3.

Both items (fixed remuneration for Executive functions, and fixed remuneration as Chair of the Board of Directors) have the nature of a salary.

- Amount and nature of any component of remuneration in kind that will be accrued in the financial year including, but not limited to, the insurance premiums paid in favour of the Director.

Remuneration in kind.

The amount of the remuneration in kind assigned to the Executive Director corresponds to a life insurance, medical insurance and a company car, which will amount to a maximum of 18,000 euros annually, according to the remuneration policy approved for the year 2018.

During the year 2018, remuneration in kind was configured with the use of a company car and an insurance policy that includes life and accident cover, with no medical insurance for the Executive Director in charge of the company in that year.

The amount corresponding to both items amounted to 14,027.71 euros.

The other independent Directors do not have remuneration in kind, although the expenses accrued in the exercise of their functions of Director, with prior justification of the same, are borne by the Company.

- Amount and nature of the variable components, differentiating between those established in the short- and long-term. Financial and non-financial parameters, including among the latter the social, environmental and climate change parameters, selected to determine the variable remuneration in the current financial year, explaining to what extent such parameters bear relation to the performance, as much of the Director, as of the organisation, and with its risk profile, and the methodology, term necessary and techniques anticipated to be able to determine, at the end of the financial year, the degree of fulfilment of the parameters used in the design of the variable remuneration.

Indicate the range, in monetary terms, of the different variable components based on the degree of fulfilment of the objectives and established parameters, and whether there is some maximum monetary amount in absolute terms.

Short-term variable components of the Executive Director.

The variable salary, in the short-term, is measured based on the attainment of the sales and EBITDA budgets established for the group in the natural year.

The amount corresponding to this remuneration, during the year 2018, amounted to 1,356,041 euros. Such amount is the summation of the ordinary variable on the basis of its variable remuneration fixed by contract, as well as the special bonus in recognition of the work carried out to achieve the strategic agreement of the alliance between Telepizza Group and Pizza Hut International.

Variable components in the long-term.

Among the long-term variable components are the loyalty plan (or 3 year Plan) that is detailed in point 2, as well as the share revaluation plan that was also described in that point and which we reproduce here.

- Main characteristics of the long-term savings systems. Among other information, the contingencies covered by the system will be indicated, if it is a defined contribution or benefit, the annual contribution that must be made to the defined contribution systems, the benefit to which the beneficiaries are entitled in the case of systems of defined benefit, the conditions of consolidation of economic rights in favour of the Directors and their compatibility with any type of payment or indemnification by resolution or early termination, or derived from the termination of the contractual relationship, in the terms foreseen, between the Company and the Director.

It should be indicated if the accrual or consolidation of any of the long-term savings plans is linked to the achievement of certain objectives or parameters, related to the short- and long-term performance of the Director.

Solely and exclusively, the Managing Director has been granted, within their remuneration, a savings plan that represents an annual contribution corresponding to 22.42% of their annual fixed remuneration. The Savings Plan allows the Directors, and in this case also the Managing Director, who participate in the same to receive, on the occasion of their retirement, a certain amount in cash in accordance with the provisions of the collective insurance policy, which the Company has contracted with VidaCaixa, S.A. de Seguros y Reaseguros, to orchestrate this commitment by pensions.

Also included are certain benefits for contingencies of death and permanent incapacity to the degrees anticipated in the Regulations of the Saving Plan.

The Company annually contributes an amount agreed with beneficiaries. In the case the Director ceases to provide service, if the provision of other services by the current Managing Director remains, the status as beneficiary of the plan will be maintained, unless otherwise agreed.

The amount corresponding to contributions to the saving plan of the Director amounted to 190,570.00 euros.

- Any type of payment or compensation for resolution or early termination, or derivative of the termination of the contractual relationship under the terms established between the Company and the Director, whether the cessation is at the will of the Company or the Director, as well as any type of agreements, such as exclusivity, non-post-contractual concurrence and permanence or loyalty, which give the Director the right to any kind of payment.

The commercial relationship that unites the Director with the group may be terminated by both parties with a three-month notice period, unless the termination is due to a serious breach of the obligations set out in the Contract, in which case, no notice should be given. The total or partial failure to complete the notice will entitle the other party to receive compensation for this concept, equivalent to the Fixed Remuneration corresponding to the unfulfilled notice period.

In the event that the validity of this contract is terminated, due to the withdrawal of the Company, the Executive Director will be entitled to receive compensation for the termination by the following amounts:

- a) An amount equal to the amount received during the two years prior to the cessation of the Fixed Remuneration.
- b) An amount equal to the amount received during the two years prior to the cessation of Variable Remuneration.
- c) An amount equal to the amount received during the two years prior to the cessation, due to their status as Chair of the Board of Directors.

The above will not apply in the event that the termination of the contractual relationship is due to the breach of the obligations contained in the contract.

Regarding the terms relating to the non-concurrence, these are established in the following point 9

- Indicate the conditions that must be respected in the contracts of Executive Directors who exercise senior management functions. Among others, report on the duration, the limits to the compensation amounts, the permanency clauses, the notice periods, as well as the payment as a substitution of the aforementioned notice period, and any other clause related to hiring bonuses, as well as indemnities or redundancy for early resolution or termination of the contractual relationship, between the Company and the Executive Director. Include, among others, the agreements or non-concurrence agreements, exclusivity, permanence or loyalty, and non-post-contractual competition, unless they have been explained in the previous section.

The duration of the contract of the Director is indefinite.

Regarding the amounts of indemnities, redundancy....., etc., regarding the contract of the Executive Director, we refer to that stated in the previous point 8.

Non-concurrence

The prohibition of post-contractual competition has been agreed, by which the Executive Director, during the year following the termination of their Contract for any reason, undertakes not to develop any activity competing with that of the Company, or the Group, and to not collaborate, nor promote in any way, activities of Competitor Companies.

In the case of non-compliance with any of the provisions set out, the Company may claim the corresponding compensation for damages, their specific fulfilment, or both. As a compensatory amount for the acceptance of this clause, the Executive Director is paid the amount of 50,000 euros gross, included in their annual fixed remuneration.

- The nature and estimated amount of any other supplementary remuneration which will be accrued by the Directors, in the current financial year, in consideration for services rendered, other than those inherent to their position.

The firm of lawyers, VCGH Abogados C., of which Javier Gaspar Pardo de Andrade is an integral part, received a remuneration during the year 2018 of 240,000 euros for the concept of Secretary of the Board. Additionally, this same office received the amount of 360,000 euros for extraordinary assistance to the Board on the occasion of the strategic Alliance with Pizza Hut International signed in that year.

- Other remuneration items such as those derived, as applicable, from the concession, by the Company to the Director, of advance payments, credits and guarantees and other remuneration.

There is a loan to attend to the fiscal obligations derived from the presentation of shares to the Chair of the Board of Directors of the Company. The date of the concession of this loan was 13th May 2016. The validity of the same is for five years, which is why its validity ends on 13th May 2021. The agreed interest is Euribor plus one point.

The amount of the loan at the financial year end (by addition of the accrued interest) amounted to 1,369,157.74 euros.

- The nature and estimated amount of any other expected supplementary remuneration not included in the previous sections, whether it is paid by the organisation or another organisation of the group, which will be accrued by the Directors in the current financial year.

There are no additional remuneration that have not been included in previous sections.

A.2. Explain any relevant change in the remuneration policy applicable in the current financial year derived from:

- A new policy or a modification of the policy already approved by the Board.
- Relevant changes in the specific determinations established by the Board for the current financial year of the effective remuneration policy, with respect to those applied in the previous financial year.
- Proposals that the Board of Directors had decided to present to the general shareholders' meeting to which this annual report will be presented and which they propose to be of application to the current financial year.

We refer to the explanation of section A.1 which explains the new policy already approved by the Board for the 2018 -2020 triennium. At the moment, there is no likelihood that this policy will be modified or that there have been proposals from the Board of Directors advising it for the time being.

A.3. Identify the direct link to the document in which the effective remuneration policy of the Company appears, which must be available on the webpage of the Company.

<https://www.telepizza.com/wp-content/uploads/2016/04/19.-Poli%CC%81tica-de-remuneraciones-de-consejeros.pdf>

A.4. Explain, taking into account the data provided in section B.4, how the consultative vote of the shareholders on the annual report of remuneration of the previous financial year, has been taken into account.

The Company wanted to adapt and promote a Directors' remuneration policy that was more appropriate to the reality of the Company. Thus, a new remuneration policy was proposed and submitted for approval by the general meeting of 2018 (item 6.2 on the Agenda). It was approved with a broad majority of the votes cast, at 92.107%. This, together with the increase in the remuneration of Directors, which was also submitted to the approval of the Board in point 6.1. of the agenda, was approved by 100% of the votes cast. We understand that the Company's shareholders have received the new Directors' remuneration policy and system positively.

B. OVERALL SUMMARY OF THE APPLICATION OF THE REMUNERATION POLICY DURING THE CLOSED FINANCIAL YEAR

B.1. Explain the process that has been followed to apply the remuneration policy and to determine the individual remuneration which are reflected in Section C of the current report. This information will include the role played by the Remunerations Committee, the decisions taken by the Board of Directors and, where appropriate, the identity and the role of the external Directors whose services have been used in applying the remuneration policy in the closed financial year.

For the application of the remuneration policy it was approved by means of a proposal from the Appointments and Remunerations Committee to the Board of Directors, which put it to the General Meeting.

For the adoption of the said policy, at the request of the Appointments and Remunerations Committee, there was professional collaboration from external advisors. A market study, or "benchmark", was provided by Willis Tower Watson, as well as the Garrigues consultancy firm.

The proposed new remuneration attempt to maintain a reasonable proportion with the importance of the Company, its economic situation and the market standards of comparable companies. The established remuneration system, especially in the case of the Executive Directors, is oriented to promote the profitability and long-term sustainability of the Company and incorporates the caveats necessary to avoid the excessive assumption of risks and the rewarding of unfavourable results. The new Policy also includes the recommendations that have been published by different national and international organisations and institutions on the subject of Directors' remuneration.

- B.2.** Explain the different actions adopted by the Company in relation to the remuneration system and how they have contributed to reducing the exposure to excessive risks and to adjusting it to the objectives, values and long-term interests of the Company, including a reference to the measures that have been adopted to guarantee the accrued remuneration reflects the long-term results of the Company, and to reach an appropriate balance between the fixed and variable components of the remuneration, what measures have been adopted in relation to those categories of personnel whose professional activities have a material repercussion on the risks profile of the organisation, and what measures have been adopted to avoid conflicts of interests, where appropriate.

The loyalty plans attempt to consolidate the commitment of the Senior Managers to the Company. These plans are linked, obviously, to the permanence of the manager in the company, and attempt to consolidate their presence, determination and commitment to the adopted decisions. Equally, the share revaluation plans approved this year, 2018, have the objective of the commitment of the Company towards their shareholders and investors to adopt measures that contribute to the revaluation of the share.

- B.3.** Explain how the remuneration accrued in the financial year fulfils that arranged in the current remuneration policy.

Report also on the relationship between the remuneration obtained by the Directors and the results or other measures of profitability, in the short- and long-term, of the organisation, explaining, where appropriate, how the variations in the profitability of the Company have had an influence on the variation of the Directors' remuneration, including those accrued whose payment would have been deferred, and how these contribute to the short- and long-term results of the Company.

With the exception of the Executive, whose variable remuneration and how they relate to the profitability of the Company have been explained in Section A.1., the other Directors do not have an assigned variable remuneration linked to the profitability of the Company.

- B.4.** Report of the consultative voting results of the general meeting to the annual report on remuneration of the previous financial year, indicating the number of negative votes cast.

	Number	% of total
Votes cast	69,884,112	69.38
	Number	% of cast
Negative votes	15,994,699	22.89
Votes in favour	53,889,413	77.11
Abstentions		0.00

Observations

- B.5.** Explain how the fixed components accrued during the financial year by the Directors, through their status as such, have been determined, and how they have varied with respect to the previous year.

The remuneration of the Independent Directors rose to a fixed annual amount of 75,000 € through their status as such, not incorporating variable components. This amount was increased in 2018 to 75,000 € in the application of the new Directors' remuneration policy which was approved in June 2018, (in the General Meeting) with retroactive effect from January of that same year. During the previous year, the fixed remuneration was 40,000 euros per annum.

The increase resulting from the approval of the new policy is justified by the increase of business and importance of the Company, taking into account the market trends and strategic plan of the Company.

The amount, although it is superior to that of the past year, is framed within the principle of prudence and is an incentive to repay the dedication and responsibility of the Independent Directors.

An additional remuneration of 25,000 euros has been established for those who hold the Chair of some of the Committees delegated by the Board or who have the status of Co-ordinating Director.

In the previous year, the remuneration for such concept was 20,000 euros.

For 2018, an additional amount of 15,000 euros has been established for Committee Members.

This allocation was made by the Board of Directors following a proposal by the Appointments and Remunerations Committee in its session of September 2018 and was applied with retroactive effect from the start of the year.

B.6. Explain how the payments accrued by each of the Executive Directors for the performance of management functions, during the closed financial year, has been determined, and how they have varied with respect to the previous year.

The payments accrued by the Executive Director has undergone an increase, with respect to the previous year, by application of the new Directors' remuneration policy. In 2018, an agreement was signed with Pizza Hut International that practically doubled the scope of the business, with respect to the previous year, in addition to making it more complex and ambitious, which has motivated the determination of this payment. Consequently, based on benchmark made by WTW at the time, it was decided that the compensation and remuneration strategy had to be positioned, not only for the Executive Director, but also for some other key Company positions, in the 75th market percentile. The Executive Director is one of these positions that had a salary modification according to this policy and strategy.

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

In particular:

- Identify each of the remuneration plans that have determined the different variable remuneration accrued by each of the Directors, during the closed financial year, including information on their scope, their date of approval, date of implementation, periods of accrual and validity, criteria that have been used for performance evaluation, and how that has impacted on fixing the variable amount accrued, as well as the measuring criteria that have been used and the term necessary to suitably measure all the stipulated conditions and criteria.

In the case of share option plans or other financial instruments, the general characteristics of each plan will include information on the conditions for acquiring their unconditional ownership (consolidation), as well as how to exercise these options or financial instruments, including the price and term of the exercise.

- Each of the Directors, and their category (Executive Directors, external nominee Directors, independent external Directors or other external Directors), who are beneficiaries of remuneration systems or plans that incorporate a variable remuneration.
- Where appropriate, information will be provided on the periods of accrual or established deferral of payments that have been applied and / or the periods of retention / non-disposal of shares or other financial instruments, if any.

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

The annual variable remuneration: This is linked, among others parameters, to the attainment of concrete, predetermined and quantifiable economic-financial, industrial and operational objectives of the Company. These objectives will be aligned with the interests of the shareholders of Telepizza and with the strategic plan of the Company. In turn, the individual performance of the Executive Directors will also be assessed, all notwithstanding the possibility of weighing other objectives, in particular, in the matter of corporate governance and corporate social responsibility, in a quantitative or qualitative manner. The Executive Directors may also receive an extraordinary variable remuneration in the case that, according to the Board of Directors, these Directors have a determining participation in significant operations for the Telepizza Group which result in substantial and positive impacts on the Company and its shareholders. The terms and conditions of this remuneration will be fixed by the Board of Directors, following a proposal by the Appointments and Remunerations Committee. This extraordinary remuneration was decided by the Board for the Executive Director, as well as for the Secretary of the Board.

The Executive Director has received the extraordinary payment in the amount of 1,125,000 euros, corresponding to the attainment of the Strategic Alliance between Telepizza and Yum Brands!

-Variable remuneration in the medium- and long-term: The Executive Directors can participate in long-term incentive plans linked to conditions and strategic objectives, and liquefiable in cash or in shares, established by the Company for their Senior Managers, plans that may contain annual periods of concessions. These plans will be linked to strategic metrics of the Company and to the creation of value for its shareholders, they can include metrics related to the total return for the shareholder, the EBITDA of the group, the sales or any other metric that the Board of Directors, following a proposal by the ARC decides, in each case, and its approval will require the corresponding agreement of the General shareholders' meeting, an agreement in which the characteristics of these plans will be detailed. Each metric will have an associated scale for which a threshold will be established, below which will no incentive will be paid, and a maximum limit above which no additional incentive will be paid. The medium- and long-term plan (3 year plan) by which the Executive Director received remuneration was linked to the attainment of determined objectives which were the attainment of a determined number of EBITDA anticipated for the different years, as well as reduction of the Group's debt.

Regarding the allocation of the RSUs in the share revaluation plan, we refer to the information published in the previous sections, as well as the CNR's justification and report on the inclusion of the Executive Director in the said plan.

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

The Executive Director has received an amount of 569,400 euros on the occasion of the attainment of objectives of the three year plan which was accrued in 2018, once some objectives marked for 2015, 2016 and 2017 were fulfilled. This amount corresponds to the attainment of 100% of the 2015 objectives, no remuneration for 2016, and 75% of the objectives for 2017.

B.8. Indicate whether the return of certain variable components has been reduced or claimed when, in the first instance, the payment was consolidated and deferred or, in the second instance, consolidated and paid, based on data whose inaccuracy was later manifestly demonstrated. Describe the amounts reduced or returned by the application of clauses of reduction or refund (clawback), why they have been executed, and financial years to which they correspond.

The return of any variable component has not been claimed because there are no circumstances which could motivate it.

B.9. Explain the main characteristics of long-term savings systems whose amount, or annual equivalent cost, is shown in the tables in Section C, including retirement and any other survival benefit, which are partially or totally funded by the Company, whether gifted internally or externally, indicating the type of plan, whether it is a contribution or defined benefit, the contingencies it covers, the conditions for consolidating economic rights in favour of the Directors, and their compatibility with any type of compensation for early termination or termination of the contractual relationship between the Company and the Director.

Only the Executive Director has a long-term saving plan (not a pension plan) to which the Company annually contributes an amount accumulated to previous financial years.

In particular, in 2018, an amount was contributed that amounted to 190,570 euros. The amount of this saving plan corresponds to 22.42% of their annual fixed remuneration.

B.10. Where appropriate, explain the indemnifications or any other type of payments derived from early termination, whether at the will of the Company or the Director, or the completion of the contract, in the terms anticipated in it, accrued and/or received by the Directors, during the closed financial year.

The contract of the Executive Director provides:

In the event that the validity of this contract is terminated, due to the withdrawal of the Company, the Executive Director will be entitled to receive compensation for the termination by the following amounts:

- a) A quantity equal to the amount received during the two years prior to the cessation of the Fixed Remuneration.
- b) A quantity equal to the amount received during the two years prior to the cessation of Variable Remuneration.
- c) A quantity equal to the amount received during the two years prior to the cessation, due to their status as Chair of the Board of Directors.

The above will not be applicable in the event that the completion of the contractual relationship is due to the breach of the obligations specified within the contract.

As there is no assumption of termination of this contract, no amount has been accrued or received for such a concept.

B.11. Indicate if significant modifications have taken place in the contracts of those who exert senior management functions as Executive Directors and, where appropriate, explain them. Also, explain the main conditions of the new contracts signed with the Executive Directors, during the financial year, unless they have already been explained in Section A.1.

The amount of their fixed remuneration has been modified as has been described in section B 6.

The prohibition of post-contractual competition has been agreed, by which the Executive Director, during the year following the termination of his Contract for any reason, undertakes not to develop any activity competing with that of the Company or the Group and not to collaborate nor promote activities of Competitor Companies in any way.

In case of non-compliance with any of the provisions set out, the Company may claim the corresponding compensation for damages, its specific fulfilment or both together. As a compensatory amount for the acceptance of this clause, the Executive Director is paid the amount of 50,000 euros gross per year, included in their annual fixed remuneration.

B.12. Explain any additional remuneration accrued to the Directors as compensation for services rendered different from those inherent to their position.

Mr. Juan Riva de Aldama is holder of 100% of the Company Kinabalu SL, with which the Company Telepizza S.A.U. (100% subsidiary of the Company) has contracted an advisory service for the insertion and investment in Mexico, seeking potential investing partners or industrial premises. This company has received an amount of 64,223 euros (SIXTY FOUR THOUSAND, TWO HUNDRED AND TWENTY-THREE EUROS).

B.13. Explain any remuneration derived from the concession of advance payments, credits and guarantees, with indication of the interest rate, its essential characteristics and the amounts eventually returned, as well as the obligations assumed on their behalf as collateral.

There is a loan to take care of tax obligations derived from the delivery of shares to the Chair of the Board of Directors of the Company, for the sum of 1,369,157 euros.

The concession date of this loan was 13th May 2016.

The validity of the same is for five years, which is why its validity ends on 13th May 2021.

The agreed interest is Euribor plus one point

B.14. Detail the remuneration in kind accrued by the Directors during the financial year, briefly explaining the nature of the different salary components.

The remuneration in kind of the Executive Director responds to the items and amounts detailed as follows:

Amount 6,460 corresponding to a life insurance.

Amount of 7,567.33 euros, corresponding to a company vehicle.

B.15. Explain the remuneration accrued by the director by virtue of the payments made by the listed Company to a third organisation in which the Director provides services, when said payments are intended to remunerate their services in the company.

Does not apply

B.16. Explain any other remuneration item different from the previous ones, regardless of its nature or the group organisation that satisfies it, especially when it is considered a related operation or its issuance distorts the final image of the total remuneration accrued by the Director.

As has been explained in Section A.1 point 10, the law firm VCGH Abogados C.B., of whom Javier Gaspar Pardo de Andrade is an integral part, received a remuneration during 2018 to the amount of 240,000 euros for the concept of Secretary of the Board.

Additionally, this same firm received the amount of 360,000 euros for extraordinary legal assistance to the Board on the occasion of the strategic Alliance with Pizza Hut International which was signed this year.

Also, the company, Craft Media S.L., has provided advice in CRM to the company, Telepizza S.A.U. (100% subsidiary of the Company), for the sum of 14,450 euros.

Said company is non-majority owned by the organisation Kinabalu S.L which is owned 100% by Juan Riva de Aldama and which has been reported in Section B.12.

C. DETAIL OF THE INDIVIDUAL REMUNERATIONS CORRESPONDING TO EACH OF THE DIRECTORS

Name	Type	Period of accrual financial year 2018
PABLO JUANTEGUI AZPILICUETA	Executive Chair	From 01/01/2018 to 31/12/2018
BROWN JAVIER GASPAS OF ANDRADE	Other External Director	From 01/01/2018 to 31/12/2018
MARK PORTFIELD BROWN	Nominee Director	From 01/01/2018 to 31/12/2018
ALEJO VIDAL-QUADRAS DE CARALT	Nominee Director	From 01/01/2018 to 31/12/2018
MARCOS DE QUINTO ROMERO	Independent Director	From 01/01/2018 to 18/05/2018
JUAN RIVA DE ALDAMA	Independent Director	From 01/01/2018 to 31/12/2018
LUIS DANIEL SANZ SUAREZ	Independent Director	From 01/01/2018 to 31/12/2018
JOHN DERKACH	Independent Director	From 01/01/2018 to 31/12/2018

C.1. Complete the following tables with respect to the individualised remuneration of each of the Directors (including the remuneration for the exercise of executive functions), accrued during the financial year.

a) Remunerations of the Company, subject of the current report:

i) Remuneration accrued in cash (in thousands of €)

Name	Fixed remuneration	Expenses	Remuneration for pertaining to Board Committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total financial year 2018	Total financial year 2017
PABLO JUANTEGUI AZPILICUETA	100			750	1,356	569			2,775	877
JAVIER GASPAS PARDO DE ANDRADE										
MARK PORTFIELD BROWN										
ALEJO VIDAL-QUADRAS DE CARALT										

Name	Fixed remuneration	Expenses	Remuneration for pertaining to Board Committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total financial year 2018	Total financial year 2017
MARCOS DE QUINTO ROMERO	40								40	15
JUAN RIVA DE ALDAMA	75							25	100	60
LUIS DANIEL SANZ SUAREZ	75		25						100	60
JOHN DERKACH	75							25	100	60

Observations

Mr. De Quinto Romero resigned his position of Director on 18th May 2018.

Numbers expressed in thousands.

ii) Table of movements of the remuneration systems based on shares and gross profit from the shares or consolidated financial instruments.

Name	Name of the Plan	Financial instruments at the beginning of financial year 2018		Financial instruments granted during financial year 2018		Financial instruments consolidated in the financial year			Instruments expired and not exercised		Financial instruments at end of financial year 2018	
		N° instruments	N° equivalent shares	N° instruments	N° equivalent shares	N° instruments	N° consolidated equivalent shares	Price of the consolidated shares	Gross profit from the shares or consolidated financial instruments (thousands €)	N° instruments	N° instruments	N° equivalent shares
PABLO JUANTEGUI AZPILICUETA	Share Revaluation Plan			428,427	428,427			0.00			428,427	428,427
JAVIER GASPAR PARDO DE ANDRADE	Plan							0.00				
MARK PORTFIELD BROWN	Plan							0.00				

Name	Name of the Plan	Financial instruments at the beginning of financial year 2018		Financial instruments granted during financial year 2018		Consolidated financial instruments in the financial year			Instruments expired and not exercised		Financial instruments at end of financial year 2018	
		N° instruments	N° equivalent Actions	N° instruments	N° equivalent shares	N° instruments	N° consolidated equivalent shares	Price of the consolidated shares	Gross profit from the shares or consolidated financial instruments (thousands €)	N° instruments	N° instruments	N° equivalent shares
ALEJO VIDAL-QUADRAS DE CARALT	Plan							0.00				
MARCOS DE QUINTO ROMERO	Plan							0.00				
JUAN RIVA DE ALDAMA	Plan							0.00				
LUIS DANIEL SANZ SUAREZ	Plan							0.00				
JOHN DERKACH	Plan							0.00				

Observations

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iii) Long-term saving systems.

Name	Remuneration by consolidation of rights to saving systems
PABLO JUANTEGUI AZPILICUETA	191
JAVIER GASPAR PARDO DE ANDRADE	
MARK PORTFIELD BROWN	
ALEJO VIDAL-QUADRAS DE CARALT	

Name	Remuneration by consolidation of rights to saving systems
MARCOS DE QUINTO ROMERO	
JUAN RIVA DE ALDAMA	
LUIS DANIEL SANZ SUAREZ	
JOHN DERKACH	

Name	Contribution by the Company in the financial year (thousands €)				Amount of the accumulated funds (thousands €)			
	Saving systems with consolidated economic rights		Saving systems with non-consolidated economic rights		Saving systems with consolidated economic rights		Saving systems with non-consolidated economic rights	
	Financial year 2018	Financial year 2017	Financial year 2018	Financial year 2017	Financial year 2018	Financial year 2017	Financial year 2018	Financial year 2017
PABLO JUANTEGUI AZPILICUETA			191	137			448	257
JAVIER GASPAR PARDO DE ANDRADE								
MARK PORTFIELD BROWN								
ALEJO VIDAL-QUADRAS DE CARALT								
MARCOS DE QUINTO ROMERO								
JUAN RIVA DE ALDAMA LUIS DANIEL SANZ SUAREZ								

Name	Contribution of the Company by financial year (thousands €)				Amount of the accumulated funds (thousands €)			
	Saving systems with consolidated economic rights		Saving systems with non-consolidated economic rights		Saving systems with consolidated economic rights		Saving systems with non-consolidated economic rights	
	Financial year 2018	Financial year 2017	Financial year 2018	Financial year 2017	Financial year 2018	Financial year 2017	Financial year 2018	Financial year 2017
JOHN DERKACH								

Observations

Numbers expressed in thousands

iv) Detail of other items

Name	Item	Remuneration amount
PABLO JUANTEGUI AZPILICUETA	vehicle and life insurance	14
JAVIER GASPAR PARDO DE ANDRADE	Item	
MARK PORTFIELD BROWN	Item	
ALEJO VIDAL-QUADRAS DE CARALT	Item	
MARCOS DE QUINTO ROMERO	Item	
JUAN RIVA DE ALDAMA	Item	
LUIS DANIEL SANZ SUAREZ	Item	
JOHN DERKACH	Item	

Observations

Numbers expressed in thousands

b) Remunerations to the Directors of the Company pertaining to Boards of other Companies within the group:

i) Remuneration accrued in cash (in thousands of €)

Name	Fixed remuneration	Expenses	Remuneration for pertaining to Board Committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total financial year 2018	Total financial year 2017
PABLO JUATEGUI AZPILICUETA										
JAVIER GASPAR PARDO DE ANDRADE										
MARK PORTFIELD BROWN										
ALEJO VIDAL-QUADRAS DE CARALT										
MARCOS DE QUINTO ROMERO										
JUAN RIVA DE ALDAMA										
LUIS DANIEL SANZ SUAREZ										
JOHN DERKACH										

Observations

ii) Table of movements of the remuneration systems based on shares and gross profit from the shares or consolidated financial instruments.

Name	Name of the Plan	Financial instruments at the beginning of financial year 2018		Financial instruments granted during financial year 2018			Financial instruments consolidated in the financial year			Instruments expired and not exercised		Financial instruments at end of financial year 2018	
		N° instruments	N° equivalent shares	N° instruments	N° equivalent shares	N° instruments	N° consolidated equivalent shares	Price of the consolidated shares	Gross profit from the shares or consolidated financial instruments (thousands €)	N° instruments	N° instruments	N° equivalent shares	
PABLO JUATEGUI AZPILICUETA	Share revaluation plan			428,427		428,427		0.00			428,427	428,427	
JAVIER GASPAR PARDO DE ANDRADE	Plan							0.00					
MARK PORTFIELD BROWN	Plan							0.00					
ALEJO VIDAL- QUADRAS DE CARALT	Plan							0.00					
MARCOS DE QUINTO ROMERO	Plan							0.00					
JUAN RIVA DE ALDAMA	Plan							0.00					
LUIS DANIEL SANZ SUAREZ	Plan							0.00					

Name	Name of the Plan	Financial instruments at the beginning of financial year 2018		Financial instruments granted during financial year 2018		Financial instruments consolidated in the financial year			Instruments expired and not exercised		Financial instruments at end of financial year 2018	
		N° instruments	N° equivalent shares	N° instruments	N° equivalent shares	N° instruments	N° consolidated equivalent shares	Price of the consolidated shares	Gross profit from the shares or consolidated financial instruments (thousands €)	N° instruments	N° instruments	N° equivalent shares
JOHN DERKACH	Plan							0.00				

Observations

iii) Long-term saving systems.

Name	Remuneration for consolidation of rights to saving systems
PABLO JUANTEGUI AZPILICUETA	
JAVIER GASPAR PARDO DE ANDRADE	
MARK PORTFIELD BROWN	
ALEJO VIDAL-QUADRAS DE CARALT	
MARCOS DE QUINTO ROMERO	
JUAN RIVA DE ALDAMA	
LUIS DANIEL SANZ SUAREZ	

Name	Remuneration for consolidation of rights to saving systems
JOHN DERKACH	

Name	Contribution by the Company for the financial year (thousands €)				Amount of the accumulated funds (thousands €)			
	Saving systems with consolidated economic rights		Saving systems with non-consolidated economic rights		Saving systems with consolidated economic rights		Saving systems with non-consolidated economic rights	
	Financial year 2018	Financial year 2017	Financial year 2018	Financial year 2017	Financial year 2018	Financial year 2017	Financial year 2018	Financial year 2017
PABLO JUANTEGUI AZPILICUETA			191	137			448	257
JAVIER GASPAR PARDO DE ANDRADE								
MARK PORTFIELD BROWN								
ALEJO VIDAL-QUADRAS DE CARALT								
MARCOS DE QUINTO ROMERO								
JUAN RIVA OF ALDAMA								
LUIS DANIEL SANZ SUAREZ								
JOHN DERKACH								

Observations

As the remuneration granted to the Executive Director is a contribution to a savings plan (not pensions), the rights are not consolidated and no amount is included in this section.

iv) Details of other items

Name	Item	Remuneration amount
PABLO JUATEGUI AZPILICUETA	Remuneration in kind, vehicle and life insurance	14
JAVIER GASPAR PARDO DE ANDRADE	Item	
MARK PORTFIELD BROWN	Item	
ALEJO VIDAL-QUADRAS DE CARALT	Item	
MARCOS DE QUINTO ROMERO	Item	
JUAN RIVA DE ALDAMA	Item	
LUIS DANIEL SANZ SUAREZ	Item	
JOHN DERKACH	Item	

Observations

Numbers expressed in thousands

c) Summary of the remuneration (in thousands of €):

The amounts corresponding to all the remuneration items included in this report that have been accrued by the Director must be included in the summary in thousands of euros.

Name	Remuneration accrued in the Company					Remuneration accrued in Companies of the group				
	Total Remuneration in cash	Gross profit from the shares or consolidated financial instruments	Remuneration by saving systems	Remuneration for other items	Total financial year 2018 Company	Total Remuneration in cash	Gross profit from the shares or consolidated financial instruments	Remuneration by saving systems	Remuneration for other items	Total financial year 2018 group
PABLO JUANTEGUI AZPILICUETA	2,775		191	14	2,980					
JAVIER GASPAR PARDO DE ANDRADE										
MARK PORTFIELD BROWN										
ALEJO VIDAL-QUADRAS DE CARALT										
MARCOS DE QUINTO ROMERO	40				40					
JUAN RIVA DE ALDAMA	100				100					
LUIS DANIEL SANZ SUAREZ	100				100					
JOHN DERKACH	100				100					
TOTAL	3,115		191	14	3,320					

Observations

Numbers expressed in thousands

D. OTHER INFORMATION OF INTEREST

If there are any relevant aspects in the matter of remuneration of the Directors that have not been included in the other sections of the current report, but which are necessary to include to collect more complete and reasoned information on the structure and remuneration practices of the Company in relation to its Directors, detail them briefly.

[There are none.]

This annual report on remuneration has been approved by the Board of Directors of the Company, in its session on:

[28/02/2019]

Indicate if there have been Directors who have voted against, or have abstained, in relation to the approval of the current Report.

[] Yes
[x] No