Board of Directors

Chairman & Executive Directors

Mr. Philip Toomey (67)
Chairman of the Board
Philip has extensive business leadership and international experience following an executive career in the financial services industry practice at Accenture. Philip brings financial and operational expertise as well as significant board level experience.
Philip was formerly Global Chief Operating Officer for the financial services industry practice at Accenture and also a member of the Accenture Global Leadership Council.
He is a Fellow of Chartered Accountants Ireland.
Philip was appointed Chairman of the Board in May 2018 and has served as a Director for nine years. He is Chairman of the Governance, Nomination and Sustainability Committee having previously served as Senior Independent Director and Chairman of the Audit Committee.

Mr. Edmond Scanlon (47)
Executive Director
Chief Executive Officer
Edmond is a highly experienced leader in the global food and beverage industry having spent almost 20 years in senior roles across the Group. Edmond brings a strategic mindset to drive Group performance and growth as well as significant financial and operational expertise.
Edmond joined Kerry’s graduate programme in Ireland in 1996. Over his career he has held leadership roles in the Group’s Flavours and Applied Health and Nutrition businesses as well as heading up the Group’s activities in China and the Asia Pacific region.
Edmond was appointed Executive Director and Group Chief Executive Officer in October 2017.

Mr. Gerry Behan (56)
Executive Director
President and CEO
Kerry Taste & Nutrition
Gerry has over 30 years’ experience in the Group and has extensive knowledge of the global food and beverage industry.
He has a wealth of business leadership experience, financial and operational expertise and brings a strategic mindset in the advancement of Kerry’s leading taste and nutrition capabilities and unique positioning.
Gerry joined Kerry’s graduate programme in 1986 and has held a number of senior financial and business management roles, primarily in the Americas region, including regional Chief Operating Officer and regional Chief Executive Officer.
He was appointed President and Chief Executive Officer of Kerry’s Global Taste & Nutrition business in 2011.
Gerry has served as an Executive Director on the Board for 13 years.

Ms. Marguerite Larkin (49)
Executive Director
Chief Financial Officer
Marguerite brings extensive financial knowledge and risk management expertise as well as being a highly experienced business leader.
Marguerite has over 25 years international experience having served as lead client partner at Deloitte Ireland for a number of multinationals operating in a broad range of industries including food and beverage, pharma and technology.
During her career with Deloitte, Marguerite served as a senior partner and held a number of leadership roles within Deloitte Ireland.
Marguerite is a Fellow of Chartered Accountants Ireland and holds a Bachelor of Commerce degree and Masters in Accountancy.
Marguerite was appointed Executive Director and Group Chief Financial Officer in September 2018.

Committee Membership Key
A Audit Committee
N Governance, Nomination and Sustainability Committee
R Remuneration Committee
I Indicates Committee Chair
Board of Directors

Non-Executive Directors

Dr. Hugh Brady (61)
Independent Non-Executive Director
Hugh's biomedical research and academic background brings an invaluable perspective to the Board particularly in the areas of health and wellbeing. He also brings a broad range of international and leadership experience.
Hugh is currently President and Vice Chancellor of the University of Bristol in the UK, a position he has held since 2015.
Hugh had a successful career as a physician and biomedical research scientist in the US where he served on the faculty of Harvard Medical School for almost a decade prior to returning to his alma mater as Professor of Medicine and Therapeutics in University College Dublin (UCD). He was previously President of UCD from 2004 to 2013.

He is a non-Executive Director on the Board of ICON plc where he also serves on the Audit Committee.
Hugh joined both the Audit and Governance, Nomination and Sustainability Committees in 2015.

Appointed: 24 February 2014

Mr. Gerard Culligan (46)
Independent Non-Executive Director
Gerard has considerable knowledge of the food industry, in particular the dairy and agribusiness sectors, as well as many years business management experience. He brings insights to the Board that are reflective of the Group's heritage and the dairy community that he represents.
Gerard operates his own business in the agribusiness sector and is a director and co-owner of two private companies in the marine industry.

Appointed: 1 June 2017

Dr. Karin Dorrepaal (59)
Independent Non-Executive Director
Karin is an experienced business leader who also brings extensive pharmaceutical market knowledge. She has wide ranging experience as a non-Executive Director on an international basis.
During her career she was an Executive Director on the Board of Schering AG in Berlin with responsibility for the Diagnostic Imaging business as well as worldwide manufacturing and procurement and was a partner at the NY and Amsterdam office of an international consultancy firm (formerly known as Booz Allen & Hamilton) where she specialised in the pharmaceutical industry.
Karin holds a Ph.D. and an MBA.

She is currently a non-Executive Director on the Boards of Gerresheimer AG, Fainon AG (vice Chairperson) and Almirall S.A. Karin is also a director of a number of private companies.
Karin joined the Remuneration Committee in January 2015 and the Governance, Nomination and Sustainability Committee in December 2015.

Appointed: 1 January 2015

Ms. Joan Garahy (58)
Senior Independent Non-Executive Director
Joan has significant financial services and investment experience having spent over 31 years advising on and managing investment funds. Joan is also an experienced non-Executive Director and has particular expertise in financial and remuneration matters.
Joan's executive career included roles as a personal financial planner, equity analyst, fund manager and head of research and she held leadership roles in the investment and pensions industry including with ClearView Investments & Pensions, the National Treasury Management Agency (Ireland), Hibernian Investment Managers and Goodbody Stockbrokers.
Joan is currently non-Executive Director at ICON plc and Irish Residential Properties REIT plc. She is also a director of IPB Insurance CLG and a number of private companies.
In February 2012, Joan was appointed Chairperson of the Remuneration Committee and joined the Audit Committee on the same date. She was appointed Senior Independent Director on 3 May 2018.

Appointed: 11 January 2012 and as Senior Independent Director 3 May 2018.
Mr. Tom Moran (65)
Independent Non-Executive Director
Tom is an experienced leader who brings extensive knowledge of the food and agriculture industries combined with a broad range of international diplomacy skills. He is also a member of a number of boards and committees. Tom had a long and distinguished career within the Irish Public Sector where he served as Secretary General of the Irish Department of Agriculture, Food and the Marine and also held a number of international policy and international trade negotiation leadership roles. Tom is currently a Board member of An Bord Bia, the Irish Food Board, and chairs its Dairy Subsidiary Board, a member of the Irish Government AgriFood 2030 Strategy Group and Vice Chair of the Origin Green Global Sustainability Council. He is also Chairman of the Irish Government Public Appointments Service. Tom is a registered Chartered Director.
Tom joined the Remuneration Committee in February 2016 and the Governance, Nomination and Sustainability Committee in November 2020. He also served as a member of the Audit Committee from December 2015 to November 2020. Tom is currently the designated workforce engagement Director.
Appointed: 29 September 2015
Committee Membership: A

Ms. Emer Gilvarry (63)
Independent Non-Executive Director
Emer is a highly experienced professional who brings legal, business and corporate governance expertise to the Board.
Emer is a former senior partner of law firm Mason Hayes and Curran where she served as Head of the Litigation group from 2001 to 2008, Managing Partner from 2008 to 2014 and Chair from 2014 to 2017.
Emer is currently the Senior Independent Director at Greencoat Renewables plc. She is also a director of a number of private companies. She previously served as a non-Executive Director of Aer Lingus plc from 2014 to 2015 and as a Council Member of The Economic and Social Research Institute from 2014 to 2020.
Emer joined the Audit Committee in November 2020.
Appointed: 1 November 2020
Committee Membership: A

Mr. Con Murphy (56)
Independent Non-Executive Director
Con has a deep knowledge of the food industry, in particular the dairy and agribusiness sectors. He brings insights to the Board that are reflective of the Group’s heritage and the dairy community that he represents.
Con operates his own business in the agribusiness sector and is a member of the Board of a small private company. He was previously the Chairman of the Irish Montbéliarde Cattle Society.
Appointed: 1 June 2017

Mr. Christopher Rogers (60)
Independent Non-Executive Director
Christopher is an experienced non-Executive Director with a broad business leadership background who also brings extensive knowledge of the foodservice industry together with financial and risk management expertise. He was formerly an Executive Director of Whitbread plc for 11 years, serving as Finance Director for 7 years and then as Global Managing Director of Costa Coffee.
Christopher is currently non-Executive Director at Travis Perkins plc, Vivo Energy plc and Sanderson Design Group plc.
Christopher is a Fellow of Chartered Accountants England and Wales. He is also a visiting Fellow at Durham University (UK).
He was appointed Chairman of the Audit Committee with effect from 8 May 2018 and joined the Remuneration Committee in April 2020.
Appointed: 8 May 2018
Committee Membership: A, R

Mr. Jinlong Wang (63)
Independent Non-Executive Director
Jinlong is an experienced leader with more than 30 years’ experience in global business development, consumer branding and general management. His in-depth understanding of Asian markets, coupled with his extensive knowledge of the Food & Beverage industry, brings a key set of skills to the Board.
He was formerly President of Starbucks Coffee Asia Pacific having served as Chairman and President of Starbucks China. He also served as Operating Partner of Hony Capital Limited and as Group Chairman and Chief Executive Officer of PizzaExpress.
He is currently a non-Executive Director on the Boards of Sonova Holdings AG and Swire Properties Limited.
Jinlong holds a Bachelor’s degree in International Economics and Trade from the University of International Economics and Trade in Beijing and a Juris Doctor degree from Columbia University School of Law.
Appointed: 5 January 2021

Read More →
Audit Committee Report
Pages 107-112
Governance, Nomination and Sustainability Committee Report
Pages 113-118
Remuneration Committee Report
Pages 119-149
Report of the Directors

Directors and Other Information

Directors
Philip Toomey, Chairman
Edmond Scanlon, Chief Executive Officer*
Marguerite Larkin, Chief Financial Officer*
Gerry Behan, President & CEO Kerry Taste & Nutrition*
Hugh Brady
Gerard Culligan
Karin Dorrepaal
Joan Garahy
Emer Gilvarry
Tom Moran
Con Murphy
Christopher Rogers
Jinlong Wang

*Executive Director

Secretary and Registered Office
Ronan Deasy
Kerry Group plc
Prince's Street
Tralee
Co. Kerry
V92 EH11
Ireland

Registrar and Share Transfer Office
Ronan Deasy
Registrar’s Department
Kerry Group plc
Prince's Street
Tralee
Co. Kerry
V92 EH11
Ireland

Website
www.kerrygroup.com
The Directors submit their Annual Report together with the audited Consolidated Financial Statements for the year ended 31 December 2020.

Principal Activities
Kerry is the world's leading taste and nutrition company, providing sustainable nutrition solutions for the food, beverage and pharmaceutical industries and a leader in our consumer foods categories in the chilled cabinet.

Listed on the Euronext Dublin and London Stock Exchanges, Kerry has an international presence with 149 manufacturing facilities across the world.

Results and Review of the Business
The Directors are pleased to report, that in a year which was significantly impacted by COVID-19, the Group delivered a resilient performance with revenue of €7.0bn (2019: €7.2bn), trading profit of €797m (2019: €903m), profit before tax and non-trading items of €655m (2019: €757m) and shareholders’ funds of €4.7bn (2019: €4.6bn). Constant currency adjusted earnings per share (EPS), which is before brand related intangible asset amortisation and non-trading items (net of related tax), decreased by 9.4% to 345.4 cent (2019 currency adjusted: 381.4 cent). Basic EPS of 313.0 cent decreased by 2.3%. Trading margin for the year decreased by 100bps to 11.5% (2019: 12.5%). The Group achieved a free cash flow of €412m (2019: €515m). Further details of the results for the year are set out in the Consolidated Income Statement and in the related notes forming part of the Consolidated Financial Statements. The Group’s financial key performance indicators are discussed on pages 30-31.

The Chairman’s Statement, the Chief Executive Officer’s Review, the Business Reviews and the Financial Review, which are included in the Strategic Report on pages 8-45, report on the performance of the Group’s business, including acquisitions during the year and on future developments.

Dividends
On 15 February 2021, the Directors recommended a final dividend totaling 60.6 cent per share in respect of the year ended 31 December 2020 (see note 10 to the financial statements). This final dividend per share is an increase of 10.0% over the final 2019 dividend per share paid on 15 May 2020. This dividend is in addition to the interim dividend paid to shareholders on 13 November 2020, which amounted to 25.9 cent per share.

The payment date for the final dividend is 14 May 2021 to shareholders registered on the record date 16 April 2021.

Events After the Balance Sheet Date
Other than the proposed final dividend, there have been no other significant events, outside the ordinary course of business, affecting the Group since 31 December 2020.

Principal Risks and Uncertainties

Research and Development
The Group is fully committed to ongoing technological innovation in all sectors of its business, providing integrated customer focused product development and support by leveraging our global technology capabilities and expertise. To facilitate this, the Group has invested in highly focused research, development and application centres of excellence with a strategically located Global Technology & Innovation Centre, based in Naas, Ireland which is supported by Regional Development & Application Centres and a global knowledge management infrastructure. Expenditure on research and development applications and technical support amounted to €281.9m in 2020 (2019: €291.4m).

Sustainability
In October 2020, the Group announced its 2030 sustainability strategy Beyond the Horizon, which underpins Kerry’s future growth as it continues to partner with its customers across the globe to create a world of sustainable nutrition. Beyond the Horizon will see Kerry work with customers to promote healthier and more sustainable diets aiming to reach over two billion people by 2030.

The strategy also includes ambitions to deliver for people, society and the planet with targets across material topics including climate change, circular economy and responsible sourcing.

Details regarding the Group’s sustainability strategy, targets, performance, policies and programmes are outlined in the Sustainability Review on pages 46-70.

Share Capital
Details of the share capital are shown in note 26 of the financial statements. The authorised share capital of the Company is €35,000,000 divided into 280,000,000 A ordinary shares of 12.5 cent each, of which 176,700,036 shares were in issue at 31 December 2020.

The A ordinary shares rank equally in all respects. There are no limitations on the holding of securities in the Company.
There are no restrictions on the transfer of fully paid shares in the Company, but the Directors have the power to refuse the transfer of shares that are not fully paid. There are no deadlines for exercising voting rights other than proxy votes, which must be received by the Company at least 48 hours before the time of the meeting at which a vote will take place. There are no restrictions on voting rights except:

- where the holder or holders of shares have failed to pay any call or instalment in the manner and at the time appointed for payment; or
- the failure of any shareholder to comply with the terms of Article 14 of the Company’s Articles of Association (disclosure of beneficial interest).

The Company is not aware of any agreements between shareholders which may result in restrictions on the transfer of securities or on voting rights.

The Directors have the authority to issue new shares in the Company up to a maximum of 20 million new A ordinary shares. This authority will expire on the earlier of the conclusion of the 2021 Annual General Meeting (AGM) and close of business on 29 July 2021 and it is intended to seek shareholder approval to renew the authority at the AGM to be held on 29 April 2021.

Shareholders approved the authority for the Directors to allot shares for cash on a non-pro rata basis up to a maximum of 8,826,991 shares at the AGM held on 30 April 2020, representing 5% of the A Ordinary Shares in issue on 1 March 2020. Shareholders also approved an authority to allot a further 8,826,991 A Ordinary Shares (5%) for cash on a non pro rata basis provided the additional authority will only be used for the purpose of an acquisition or specified capital investment announced contemporaneously with the issue or which has taken place in the preceding six month period and is disclosed with the announcement of the issue. Neither authorities have been exercised and will expire on the earlier of the conclusion of the 2021 AGM and close of business on 29 July 2021. It is intended to seek shareholder approval for their renewal at the 2021 AGM. During 2020, 185,094 shares were allotted pursuant to the Company’s Short and Long-Term Incentive Plans as a result of shares which vested and options which were exercised. Further details are shown in note 26 to the financial statements.

The Company may purchase its own shares in accordance with the Companies Act 2014 and the Company’s Articles of Association. At the 2020 AGM, shareholders passed a resolution authorising the Company to purchase up to 5% of its own issued share capital, but the authority was not exercised. This authority is due to expire on the earlier of the conclusion of the 2021 AGM and close of business on 29 July 2021 and it is intended to seek shareholder approval for its renewal at the 2021 AGM.

### Substantial Interests

The Directors have been notified of the following shareholdings of 3% or more in the issued share capital of the Company:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Number Held</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kerry Co-operative Creameries Limited (KCC)</td>
<td>21,343,456</td>
<td>12.1%</td>
</tr>
<tr>
<td>Blackrock Investment Management</td>
<td>8,801,272</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

Apart from the aforementioned, the Company has not been notified of any interest of 3% or more in the issued share capital of the Company.

### Directors

The Board, at the date of this report, consists of a Chairman, three Executive and nine independent Non-Executive Directors. The names and biographical details of the Directors are set out on pages 85-87. Following the individual performance evaluation of all Directors, as outlined in the Corporate Governance Report on page 105, the Board recommends the election and re-election of all Directors seeking election and re-election.

The Directors’ and Company Secretary’s interests in shares and debentures are included in the Remuneration Report on page 145.

### Board and Committee Changes

Mr. James C. Kenny retired from the Board following the conclusion of the AGM on 30 April 2020.

Mr. Christopher Rogers was appointed to the Remuneration Committee on 30 April 2020.

Mr. Tom Moran stepped down from the Audit Committee on 1 November 2020 and was appointed to the Governance, Nomination and Sustainability Committee on the same date.

Ms. Emer Gilvarry was appointed to the Board on 1 November 2020 and was appointed to the Audit Committee on the same date.

Mr. Jinlong Wang was appointed to the Board on 5 January 2021.

Ms. Joan Garahy will retire as Senior Independent non-Executive Director and from the Board at the conclusion of the AGM to be held on 29 April 2021 and will not seek re-election.
The Articles of Association empower the Board to appoint Directors, but also require such Directors to retire and submit themselves for re-election at the next AGM following their appointment. For the purposes of the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 specific rules regarding the appointment and re-election of Directors are referred to in the Governance, Nomination and Sustainability Committee Report.

**Corporate Governance**
The Corporate Governance Report on pages 94-106 sets out the Company’s application of the principles, and compliance with the Provisions of the 2018 UK Corporate Governance Code and Irish Annex (the Code).

**Non-Financial Information**
Pursuant to the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, the Group is required to report on certain non-financial information to provide an understanding of its development, performance, position and the impact of its activities, relating to, at least, environmental matters, social matters, employee matters, respect for human rights and bribery and corruption. Information on these matters can be found in the following sections of the Annual Report, which are deemed to form part of this Report: Sustainability Review on pages 46-70, Our Business Model on pages 20-21, the Risk Management Report on pages 71-83. Information on diversity can be found in the Governance, Nomination and Sustainability Committee Report on pages 113-118 and the Sustainability Review on page 59.

**Going Concern and Long-Term Viability Statements**
The going concern and longer-term viability statements in the Risk Management Report on page 83 set out the Company’s basis for the adoption of the going concern basis of accounting in preparing the Consolidated Financial Statements and the basis for the Directors’ conclusion that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next three years.

**Directors’ Responsibility Statement**
The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Irish company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the assets, liabilities and financial position of the Company and the Group, and of the profit or loss of the Group for that period. Under that law the Directors have elected to prepare group financial statements in accordance with International Financial Reporting Standards (IFRSSs) and IFRSs as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the parent company financial statements under IFRSSs and IFRSs as adopted by the European Union. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS and IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for ensuring that the Company keeps adequate accounting records which correctly explain and record the transactions of the Company, enabling at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy and ensuring that the financial statements are prepared in accordance with IFRSSs and IFRSs as adopted by the European Union, comply with the Companies Act 2014 and as regards to the Group financial statements, Article 4 of the IAS Regulation and enable the financial statements to be audited.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group’s website www.kerrygroup.com. Irish legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland, the Directors are required to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group. The Directors are also required by applicable law and the Listing Rules issued by Euronext Dublin and the UK Listing Authority to prepare a Directors’ Report and reports relating to Directors’ remuneration and corporate governance.
Each of the Directors, whose names and functions are listed on page 88, confirms that, to the best of their knowledge and belief:

- the Consolidated Financial Statements for the year ended 31 December 2020 have been prepared in accordance with IFRSs and IFRSs as adopted by the European Union and give a true and fair view of the assets, liabilities, and financial position of the Group and the undertakings included in the consolidation, taken as a whole, as at that date and its profit for the year then ended;
- the Company financial statements, prepared in accordance with IFRSs and IFRSs as adopted by the European Union and as applied in accordance with the Companies Act 2014, give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020;
- the Financial and Business Reviews on pages 32-45 include a fair review of the development and performance of the business for the year ended 31 December 2020 and the position of the Company and the Group at the year end;
- the Risk Management Report provides a description of the principal risks and uncertainties which may impact the future performance of the Company and the Group at the year end; and
- the Annual Report and Consolidated Financial Statements, taken as a whole, provides the information necessary for shareholders to assess the Company's and Group's position and performance, business model and strategy and is fair, balanced and understandable.

**Accounting Records**

To ensure that proper accounting records are kept for the Company in accordance with section 281 to 285 of the Companies Act 2014, the Directors employ appropriately qualified accounting personnel and maintain appropriate accounting policies and systems.

The accounting records of the Company are maintained at the Company's registered office.

**Accountability and External Audit**

A statement relating to the Directors' responsibilities in respect of the preparation of the financial statements is set out on pages 91-92 with the responsibilities of the Company's external Auditors outlined on page 156.

The Consolidated Financial Statements on pages 158-230 have been audited by PricewaterhouseCoopers (PwC), Chartered Accountants.

The external Auditors, PwC who were appointed in March 2016, will continue in office in accordance with Section 383(2) of the Companies Act 2014. A resolution authorising the Directors to determine their remuneration will be proposed at the Annual General Meeting.

**Disclosure of Information to the External Auditors**

Each of the Directors, who were members of the Board at the date of approval of this Report of the Directors, confirms that:

- so far as they are aware there is no relevant audit information of which the Company's external auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's external auditors are aware of that information.

**Memorandum and Articles of Association**

The Company's Memorandum and Articles of Association set out the objects and powers of the Company. The Articles of Association of the Company may only be amended by way of special resolution approved by shareholders in a general meeting.

A copy of the Articles of Association can be obtained from the Company's website www.kerrygroup.com.

**Change of Control Provisions**

The Group's revolving credit facility includes a 'Change of Control' provision which requires the Group to notify the lending institutions of a change of control event occurring. Each lender has the option to withdraw their facilities in the event of a change of control occurring unless they agree otherwise in writing.
Certain public senior notes issued by the Group contain a provision that requires the Group to make an offer to repurchase the notes in the event that a change of control occurs which leads to a downgrading of the rating assigned to the notes below investment grade.

Other than the ‘Change of Control’ provisions in those arrangements, the Group is not a party to any other significant agreements which contain such a provision.

**Political Donations**
During the year, the Company made no political contributions which require disclosure under the Electoral Act, 1997.

**Group Entities**
The principal subsidiaries and associated undertakings are listed in note 35 to the financial statements.

**Financial Instruments**
The financial risk management objectives and policies, along with a description of the use of financial instruments are set out in note 23 to the financial statements.

**Information Required to be Disclosed by Listing Rule 6.1.77, Republic of Ireland Listing Authority**
For the purposes of Listing Rule 6.1.77, the information required to be disclosed can be found in the following locations:

<table>
<thead>
<tr>
<th>Section</th>
<th>Topic</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Interest capitalised</td>
<td>Statement of accounting policies</td>
</tr>
<tr>
<td>(2)</td>
<td>Publication of unaudited financial information</td>
<td>Supplementary information</td>
</tr>
<tr>
<td>(3)</td>
<td>Details of small related party transactions</td>
<td>Note 32 to the financial statements</td>
</tr>
<tr>
<td>(4)</td>
<td>Details of long-term incentive schemes</td>
<td>Remuneration Committee Report</td>
</tr>
<tr>
<td>(5) – (14)</td>
<td>Section 5 - 14 of Listing Rule 6.1.77</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

**Cross References**
All information cross referenced in this report forms part of the Report of the Directors.

Signed on behalf of the Board:

Philip Toomey  Edmond Scanlon
Chairman  Chief Executive Officer
15 February 2021  15 February 2021
Dear Shareholder,

I am pleased to present the Kerry Group Corporate Governance Report for the year ended 31 December 2020.

The Corporate Governance Report describes how we apply the main Principles of good governance as set out in the 2018 UK Corporate Governance Code and the Irish Annex (the Code). On behalf of the Board I can confirm that for the year under review the Group has complied with all relevant Provisions of the Code other than certain remuneration related Provisions which required structural changes to the existing Remuneration Policy. The required changes have been incorporated into a new Remuneration Policy that will be put to an advisory vote at the 2021 AGM. Further details are outlined in the Remuneration Committee Report on pages 120-122.

Following the declaration of the COVID-19 pandemic, additional Board meetings were held, as the Board focused on the impact of the pandemic and oversaw the Group’s response by providing critical guidance and support to Executive Management. Physical Board meetings became impossible due to the imposition of COVID-19 related restrictions with all Board meetings held via video conference from April onwards.

The Board sets the tone and shared values for the way in which the Group operates and recognises the importance of culture to the success of the business model. During 2020, the Board continued to assess and monitor the Group’s culture to ensure that it is aligned with the Group’s strategy and values and is adequately embedded across the Group.

As a Board, we recognise the benefits of understanding the views of all our stakeholders and we ensure that their interests are regarded in Board discussions and in our decision making. Details of stakeholder engagement activities during the year, including the work of the designated workforce engagement Director, are outlined on pages 98-101.

The Board, in conjunction with the Governance, Nomination and Sustainability Committee, ensures that there are robust plans in place to facilitate Board, executive and senior management succession. During 2020, the Board undertook a formal process to recruit two new non-Executive Directors both of whom bring skills and experience that will strengthen the Board. Details of the non-Executive Director and Committee changes that occurred during the year, are set out in the Governance, Nomination and Sustainability Committee Report on page 116.

I will have served nine years as a Director, including less than three years as Chairman, on 19 February 2021. The Governance, Nomination and Sustainability Committee is aware of the Provisions of the Code in respect of Chairman tenure and is undertaking a formal succession process which is being led by Ms. Joan Garahy as Senior Independent Director. The Board has recommended that I continue as Chairman until the AGM in 2022, to allow appropriate time to identify a successor and to enable an orderly succession to the role.

The Board recognises its role in providing guidance and strategic oversight to the Group in implementing its 2030 sustainability strategy, Beyond the Horizon which was officially launched in October 2020. Following the launch, the Board expanded the role of the Nomination Committee to reflect its additional responsibilities of sustainability oversight and approved updated Terms of Reference. The Nomination Committee was renamed the Governance, Nomination and Sustainability Committee.

Diversity at Board level has been a focus for the Governance, Nomination and Sustainability Committee for a number of years and also continues to be a key factor when considering Board refreshment. During 2020, the Governance, Nomination and Sustainability Committee also monitored the progress made against the diversity targets at senior management level to ensure the appropriate level of skills and diversity exists to support the delivery of the Group’s strategy and financial targets. Improving and monitoring diversity beyond gender and below Board level will continue to be a key area of focus for the Board and the Executive Management in 2021.

Each year the Board undertakes a formal evaluation of its effectiveness and that of its Committees. In 2020, this was an internal self-assessment which was conducted by the Chairman and the Senior Independent Director. The evaluation concluded that the Board and its Committees are performing effectively. Details of the process and the resulting actions from this review are outlined on page 105.

Details of the Group’s activities and the operations of the Board, contained in the following report, outline the manner in which the Group has achieved compliance with the Code through the activities and operations of the Board and its Committees during the year.

Philip Toomey
Chairman of the Board
Board Leadership and Company Purpose

Kerry Group Governance Framework

Kerry Group has a clear Governance Framework with defined responsibilities and accountabilities as outlined in the diagram below. This Governance Framework is designed to safeguard long-term shareholder value and ensure that the Group contributes to wider society.

Board Role and Operations

The Board currently comprises of 13 members, a non-Executive Chairman, Chief Executive Officer, Chief Financial Officer, one other Executive Director, and nine non-Executive Directors.

The Directors are of the opinion that the composition of the Board provides the extensive relevant business experience needed to oversee the effective operation of the Group's activities and that the individual Directors bring a diverse range of skills, knowledge and experience, including financial as well as industry and international experience, necessary to provide effective governance and oversight of the Group.

The Board's role is to promote the long-term sustainable success of the Company generating value for all its stakeholders, including shareholders, employees, customers, suppliers and the communities in which it operates, while developing and monitoring strategy, and managing the risks that face the organisation. It is also responsible for embedding the purpose, instilling the appropriate values and behaviours, together with monitoring and assessing culture throughout the organisation.

The Board oversaw the Group's response to COVID-19 providing critical guidance and support to Executive Management. A COVID-19 Taskforce comprising of key executives, supported by local management teams, co-ordinated the Group's response and were responsible for approving and directing the actions required to help mitigate the many challenges presented by the pandemic. The Board was provided with regular updates on progress, in relation to the health & safety of employees, support for customers and communities, continuity of supply both from suppliers and to customers, and the Group's financial and operational performance.

Details of the COVID-19 Taskforce and the Group's response to the risks posed by the pandemic are outlined in the Risk Management Report on pages 74-75.

The Board has a formal schedule of matters specifically reserved to it for decision as noted below and has delegated other responsibilities to management for day-to-day operations within the context of the Kerry Group Governance Framework as outlined above.

Schedule of Matters Reserved for the Board

- appointments to the Board;
- ensuring compliance with corporate governance, legal, statutory and regulatory requirements;
- approval of the overall Group strategic and operating plans;
- monitoring and reviewing risk management and internal control systems;
- monitoring and assessing culture;
- reviewing and assessing the adequacy of the Group's whistleblowing arrangements;
- approval of acquisitions and divestitures;
- approval of significant capital expenditure;
- approval of Treasury policy including changes to the Group's capital structure;
- approval of dividend policy and dividends;
- approval of annual budgets;
- approval of preliminary results, interim management statements and interim financial statements;
- assessment of the long-term viability of the Group and the going concern assumption; and
- the preparation of, and confirmation that, the annual report and financial statements present a fair, balanced and understandable assessment of the Company's position, performance and prospects.
Information Flow
The Chairman ensures that all Directors have full and timely access to such information as they require to discharge their responsibilities fully and effectively. Board papers are issued to each Director at least one week in advance of Board meetings and include the meeting agenda, minutes of the previous Board meeting and all papers relevant to the agenda. The Chairman, in conjunction with the Company Secretary, has primary responsibility for setting the agenda for each meeting. All Directors continually receive comprehensive reports and documentation on all matters for which they have responsibility to allow them to fully complete their duties as a Director. All Directors participate in discussing strategy, trading updates, financial performance, significant risks and operational activities in addition to the Group’s purpose, vision, values and culture. Board meetings are of sufficient duration to ensure that all agenda items and any other material non-agenda items that may arise are adequately addressed. In addition to formal meetings, the Chairman and Chief Executive Officer maintain regular contact with all Directors. The Chairman holds informal meetings or calls with non-Executive Directors without the Executive Directors to discuss issues affecting the Group.

All directors have access to the advice and services of the Company Secretary, who is responsible for advising the Board on all governance matters. In accordance with an agreed procedure, in the furtherance of their duties, each Director has the authority to engage independent professional advice at the Company’s expense.

Strategy
During 2020, as part of the annual strategy review, the Board received and considered presentations from Executive Directors on progress to date implementing the strategies for volume growth, margin expansion and return on investment that underpin the Group’s five year plan and its associated financial targets.

The Board approved the Group’s sustainability strategy Beyond the Horizon in October 2020 which underpins the Group’s growth strategy. Presentations were also received from the Company’s advisors on matters such as the mergers and acquisitions landscape, the ‘New Normal’ post COVID-19, corporate defence and shareholder activism throughout the year. Through these reviews and ongoing discussions on strategy the Board is confident that Kerry’s strategic priorities for growth will continue to be the key drivers of organic growth and acquisition investment in the future.

The Board ensures that the decisions it makes are aligned with the achievement of the Group’s strategy and are made in the long-term interest of the Group and its stakeholders. This is particularly the case when deciding how to prioritise the allocation of resources (human and financial capital) across competing research and development activities, acquisition opportunities and major capital expenditure projects.

During the year, the Board also reviewed the business model and how it is executed. The Board is satisfied that the business model is both sustainable in the long-term and optimally structured to enable delivery of the Group’s strategy. Details of the Group’s strategy are outlined in Strategy and Financial Targets on pages 26-28.

Purpose, Values and Culture
As the world leader in taste and nutrition, our Purpose Inspiring Food, Nourishing Life was approved by the Board in 2019.

The Group’s purpose is guided by the Group’s new Vision to be our customers’ most valued partner, creating a world of sustainable nutrition. The Board is satisfied that the strategies for the Taste & Nutrition and Consumer Foods businesses are aligned to the Group’s Purpose which is guided by our Values of Courage, Ownership, Inclusiveness, Open-mindedness and Enterprising Spirit. The Board is also led by the Group’s Purpose during its discussions and when making decisions on the matters that are reserved for its consideration. Further details of the Group’s purpose and values are outlined on pages 4-5.

The Group’s culture is based on a common understanding of our values, underpinned by our practices of Safety First, Quality Always and a robust risk management framework consisting of policies and procedures, including a Code of Conduct which defines business conduct standards for anyone working for, or on behalf of the Group.

The Board recognises the importance of its role in setting the tone of Kerry’s culture and embedding it throughout the Group. In addition to the Board, the executives have responsibility to ensure that the policies and behaviours set at Board level are effectively communicated and implemented throughout the Group. The Kerry Way framework articulates the Group’s purpose and values and the MyKerry intranet site provides a platform for employees to access the Group’s policies.

The Board monitors and assesses the culture of the Group through a number of mechanisms including compliance with Group policies, internal audit, formal and informal channels for employees to raise concerns including the Leader Pulse Check, OurVoice employee engagement survey and the Group’s whistleblowing arrangement and feedback from the designated workforce engagement Director. If the Board is concerned or dissatisfied with any behaviors or actions, it seeks assurance from the executives that corrective action is being taken.
Board Activities
The Board’s activities during the year included the items set out below:

Strategy
- reviewed the Group’s strategic priorities for growth and business model in light of COVID-19;
- reviewed and approved the Group’s strategy relating to mergers and acquisitions;
- approved the Group’s new vision statement;
- approved the Group’s refreshed corporate brand identity; and
- approved the Group’s 2030 sustainability strategy Beyond the Horizon.

Operational/Commercial
- received regular updates from Executive Directors on how COVID-19 was impacting the Group’s operations with a particular focus on employee health & safety;
- approved individual acquisitions and considered the learnings from completed acquisitions; and
- approved significant capital expenditure projects.

Financial
- received reports from the Chief Financial Officer at each meeting in respect of the Group’s financial performance including how it was impacted by COVID-19;
- received regular reports from the Chief Financial Officer on Investor Relations activities;
- considered the Group’s financial position and liquidity headroom in light of the COVID-19 pandemic;
- approved the Group’s Preliminary Results, Annual Report and Accounts, Interim Financial Statements and Interim Management Statements;
- approved the payment of an interim dividend and recommended the payment of a final dividend;
- approved the going concern basis of accounting and the long-term viability statement taking into consideration the impact of COVID-19;
- considered and agreed the treasury policy and approved significant treasury activities during the year including the issuance of €200m of new senior notes; and
- approved the Group Budget for the 2021 financial year.

Internal Controls and Risk Management
- received regular reports from the Chairman of the Audit Committee on its oversight of internal controls, risks and risk management;
- received regular reports from business and functional leaders on the Group’s key risks; and
- confirmed the effectiveness of the internal control and risk management framework.

Governance and Stakeholders
- received regular reports from the Chairman of the Governance, Nomination and Sustainability Committee on its activities;
- approved the appointment of Ms. Emer Gilvarry and Mr. Jinlong Wang as non-Executive Directors and changes to the composition of Board Committees;
- conducted an internally facilitated Board evaluation and considered its outcome;
- considered compliance with the 2018 UK Corporate Governance Code;
- approved the Board Diversity Policy;
- confirmed that appropriate arrangements and structures are in place to ensure material compliance with the relevant obligations under Section 225 of the Companies Act 2014;
- confirmed that appropriate structures are in place for the proportionate and independent investigation and follow-up of matters raised through the Group’s whistleblowing arrangements;
- approved the Shareholder Circular relating to CSD Migration and the associated changes to the Company’s Articles of Association; and
- received updates on a range of corporate governance and regulatory matters from external advisors.

People and Culture
- received regular reports from the Chairperson of the Remuneration Committee on its activities;
- approved the changes to the new Remuneration Policy to be put to an advisory vote at the 2021 AGM;
- reviewed the results of the OurVoice employee engagement survey and the Leader Pulse Checks conducted in 2020;
- received and considered reports from the designated workforce engagement Director on his activities during the year. Details are outlined in Governance in Action on page 101;
- received and considered presentations from the Chief Executive Officer and the Chief Human Resources Officer on talent and succession planning;
- attended the Kerry Global Leadership Forum along with 400 senior managers; and
- monitored and assessed the culture of the Group to ensure it promotes integrity and openness, values diversity and is responsive to the views of shareholders and wider stakeholders.
Stakeholder Engagement

While the Board's primary duty is to act in a way that promotes the long-term success of the Company for the benefit of the shareholders, the Directors also acknowledge the need to have regard to the interests of all other stakeholders in their discussions and decision making. Engagement with stakeholders enables better informed decision making, thereby increasing the likelihood of long-term successful outcomes. Similarly, the Board also recognises the need to maintain a reputation for high standards of business conduct in its actions and decisions. Following the declaration of the COVID-19 pandemic by the World Health Organisation in early 2020, balancing the needs and expectations of our stakeholders has never been more important and challenging. Details of our stakeholder engagement are set out below:

Shareholders

The Board ensures it has an effective channel of communication with existing and potential shareholders. The Investor Relations team and Executive Management maintain ongoing engagement with the investment community, through a variety of different mediums including investor meetings and conferences, investor events, ongoing investor calls and correspondence. During 2020, meetings were held with over 800 investors and Kerry’s management teams participated at 21 investor conferences. Kerry met investors in eight different cities and then engaged virtually from April onwards following the imposition of COVID-19 related restrictions.

In addition, a significant amount of published material including results releases, presentations, share price information and news releases are accessible to all shareholders on the Group's website www.kerrygroup.com.

Shareholder presentations are made at the time of release of the Group's full year and half year results and interim management statements, following which the Chief Executive Officer and Chief Financial Officer provide the Board with an update on feedback received. Regular updates are provided by the Chief Financial Officer to the Board on matters raised by shareholders and analysts as well as updates on the composition of the Group's share register.

The Company's Annual General Meeting (AGM) provides an opportunity for the Directors to deliver presentations and to answer questions of shareholders, both institutional and private. Whilst this was not possible in 2020 due to COVID-19 related restrictions, all shareholders were able to exercise their right to vote through the appointment of a proxy. Shareholders were also invited to join and listen to the business of the meeting via webcast which was accessed through the Company's website. The Company also provided a facility for shareholders to submit questions by email or by post in advance of the AGM.

Material Matters

Matters of importance to shareholders included the impact of COVID-19 on the Group’s performance and outlook. Other matters included strategic positioning, competitive landscape, mergers and acquisitions and Kerry's sustainability strategy.

Our Response

When necessary, the Board and Committee Chairs engage with shareholders on specific topics and where relevant provide feedback to the Directors. During the year, the Remuneration Committee Chairperson consulted with a number of large institutional shareholders on the proposed changes to the Remuneration Policy.

All the Committee Chairs attend the AGM in person. While this was not possible in 2020 due to COVID-19 related restrictions, all Committee Chairs were available throughout the year to engage with shareholders.

Employees

The Group undertakes regular two-way engagement activities with our 26,000+ employees including employee briefings and virtual Town Halls led by business leadership teams, and through the OurVoice employee engagement survey followed by team feedback sessions. During October 2020, 86% of employees participated in the OurVoice employee engagement survey. Interim Leader Pulse Checks were also conducted in March and July with senior management. The leader led Kerry Way workshops, to embed the Group’s purpose and refreshed values, which commenced in 2019 were completed in early 2020. Following the declaration of the COVID-19 pandemic, the Group established and maintained a dedicated information portal for all employees on the MyKerry intranet. The Chief Executive Officer, Executive Management and business leaders held virtual briefings and updates with their respective teams as the situation continued to evolve during the year.
**Employees (continued)**

**Our Engagement** (continued)

The designated workforce engagement Director Mr. Tom Moran engaged directly with business leadership teams and employees during 2020, initially in person, with subsequent activities moving to a virtual setting from March 2020 onwards. Details of the activities of the designated workforce engagement Director are outlined on page 101.

Board members, through their attendance at the Kerry Global Leadership Forum, held in October 2020, were provided with an opportunity to listen to over 400 senior managers across the organisation, where they discussed matters such as our refreshed brand identity and vision, the 2030 sustainability strategy, leadership competencies, culture and values.

**Material Matters**

Our annual employee engagement survey reinforced our core strengths in the areas of health & safety, employee wellbeing and customer focus. Areas identified for continued focus during 2021 include the role of senior leaders, simplification of organisational structures and investment in career development opportunities for all employees.

**Our Response**

The Board provided feedback on the global priorities and plans to address the matters raised by employees as part of the OurVoice employee engagement survey and the Leader Pulse Checks. The Board also received updates from the Chief Executive Officer on the action plans to safeguard the safety and wellbeing of employees during the COVID-19 pandemic.

Details of employee engagement activities are outlined in Our People on pages 14-19 and the Sustainability Review on pages 46-70. The Group's response to employees during the COVID-19 pandemic is outlined above and in the Sustainability Review on page 58.

**Customers & Consumers**

**Our Engagement**

Kerry operates a proven customer-centric business model that enables us to work side by side with customers as their co-creation partner. The Group interacts with customers on a daily basis at multiple levels from dedicated relationship and account managers to tailored innovation forums.

In response to the COVID-19 pandemic, the Group supported its customers by ensuring continuity of supply and helping them to innovate their product portfolios to meet changing consumer needs and preferences and the evolving operating environment. The Group engaged with its customers by introducing new innovative processes for virtual collaboration and via its dedicated COVID-19 web page. The Group also shared its COVID-19 safety playbook with customers to ensure their operations were not compromised.

During 2020, the Group conducted a global customer satisfaction survey with its major customers and continued to engage with customers on the Group's sustainability strategy.

Feedback from customer engagement activities was discussed at each Board meeting as part of the business updates provided by the Executive Directors. The Board also considers customer engagement matters as part of the overall Group sustainability strategy.

**Material Matters**

Matters of importance included the impact of the COVID-19 pandemic on, the end-to-end supply chain, changing consumer needs and preferences and the customers’ ability to operate.

Our customers are also responding to the acceleration of key trends in the food and beverage industry, with increased demand for health and immunity enhancement, plant protein options, and products addressing a diverse range of sustainability criteria.

**Our Response**

The Board approves the Group's significant investment in Research & Development activities and together with management ensures that this resource is focused on those projects that can best meet customers’ needs and thereby enable the Group to achieve its strategic objectives in relation to revenue growth, margin expansion, return on investment and enabling food production in a more environmentally sustainable manner. During 2020, the Board approved investments in areas such as developing immunity enhancing products, expanding the Group's Radicle™ portfolio of plant-based food ingredient solutions and developing innovative food delivery solutions. The Board also approved a number of acquisitions during the year which complement the Group's capabilities in areas such as proactive nutrition, taste and food protection solutions to meet the changing needs of customers and consumers. Further details are outlined in Our Business Model on pages 20-21, Strategy and Financial Targets on pages 26-28 and the Sustainability Review on pages 52-55.

As Kerry continues to meet the changing needs of both customers and consumers, the Board approved the 2030 sustainability strategy *Beyond the Horizon* along with a refreshed brand identity, reflecting the evolution of the business. This underpins Kerry's growth strategy as it continues to partner with its customers to create a world of sustainable nutrition.
## Suppliers

### Our Engagement
Kerry engages with suppliers on a daily basis to manage ongoing operational activities through a dedicated procurement function. In addition, the Group has identified key suppliers with whom we have more strategic relationships.

### Material Matters
Matters of importance to our suppliers include service levels, cost reduction programmes, availability of supply and responsible sourcing. During 2020, availability of supply during the COVID-19 pandemic impacted all suppliers. Also, the impact of Brexit on availability and cost of supply received particular attention in our Consumer Foods division.

### Our Response
Through the Group’s Sustainability Programme, the Board ensures that the organisation works with suppliers who provide raw materials to the required safety and quality standards, produced on a sustainable basis and with the proper regard for the fair treatment of workers across the supply chain.

The Board ensured that as part of the Group’s Brexit planning, contingency supply arrangements were put in place to limit any potential disruption in production. Similarly, the Board ensured that effective supply arrangements were put in place as part of the Group’s response to COVID-19.

Further details are outlined in the Sustainability Review on pages 55-58.

## Community

### Our Engagement
Kerry engages with community representative bodies, charities and leading non-governmental organisations in all regions in which it operates. The Group directly supports a range of community projects and encourages employees to participate in local initiatives through paid volunteer hours.

The Board considers our local community engagements as part of the overall Group sustainability strategy.

### Material Matters
Matters of importance include the impact of COVID-19 on the wider society, employment and local economic development, and access to nutrition and sustainable food production.

### Our Response
As a leader in the food and beverage industry, the Group continued to fulfill its role during the pandemic, ensuring a safe and consistent food supply despite the challenges faced by the industry.

In addition, the Board approved the Group’s MyCommunity initiative as part of its response to the COVID-19 pandemic. This initiative includes the provision of financial support, pledging of 26,000 employee volunteer days to assist community programmes, the supply of PPE to frontline workers, the production and donation of hand sanitiser and the delivery of food to vulnerable groups in society.

Details of the Group’s MyCommunity initiative and other community activities are outlined in the Sustainability Review on pages 60-61.
Consideration of Stakeholder Views in the Decision Making Process

By understanding the matters of importance to our stakeholders, the Board can consider their needs and concerns in its decision making. The Board ensures that material decisions, which could impact on stakeholder groups, are taken with due regard to their interests.

GOVERNANCE IN ACTION:
Designated Workforce Engagement Director – Activities and Feedback in 2020

A plan for 2020 was developed by the Group Human Resources Team, in conjunction with the designated workforce engagement Director Mr. Tom Moran, to ensure he had the opportunity to engage with or visit each of the Group's regions, meet with a range of employees in their day to day settings and attend a variety of employee events. While some in person events were completed in the first quarter of 2020, due to the COVID-19 pandemic, the plan was revised and moved to a totally virtual plan from March 2020 onwards. Details of the employee engagement activities undertaken by Mr. Tom Moran during 2020 are outlined below.

- visit to Kerry Foods manufacturing site in Coleraine, Northern Ireland;
- participation in our International Women's Day event in Naas, Ireland;
- participation in groupwide webinars hosted by the Chief Executive Officer;
- participation in leadership team meetings in Europe and Russia and LATAM regions;
- attendance at the virtual Kerry Global Leadership Forum. Further details are outlined on page 99;
- attendance at a global Town Hall event hosted by the Research, Development and Application team, for over 1,000 employees globally;
- 1:1 briefings with key leaders showcasing career development, diversity, inclusion and belonging and community activities across the Group;
- ongoing updates with key representatives from the Group Human Resources team to provide a first-hand view of Kerry's response to the COVID-19 pandemic, including measures taken to prioritise the health, safety and wellbeing of all employees whether working at home or continuing to work onsite and the preparations for their future return to the workplace; and
- ongoing updates on the results from the Leader Pulse Checks and the OurVoice employee engagement survey activities.

The global priorities for employee engagement during 2020 were as follows:
- integrating employee engagement as a key organisational measure to drive sustainable and successful business improvement activities;
- maintaining a continued focus on employee engagement activities during the COVID-19 pandemic and providing additional support to senior management in leading teams through uncertain times, managing a more dispersed workforce and dealing with prolonged disruption to day to day working practices;
- providing the right level of organisational support, to prioritise employees' safety, health and wellbeing needs, to partner effectively with customers, and to help our communities during the COVID-19 pandemic; and
- actively fostering diversity, inclusion and belonging in the workplace to ensure all employees felt valued, stayed connected, received relevant and timely updates as matters evolved and were able to connect their own roles and contribute fully to meaningful work aligned to our purpose.

Mr. Tom Moran held regular meetings with the Chief Human Resources Officer and the Group Human Resources Team to provide his feedback from the engagement activities. He also presented regular reports to the Board on the activities undertaken and shared his feedback and findings where applicable.

Mr. Tom Moran is satisfied that the employee engagement process is being successfully operated within the Group and, despite the pandemic constraints, has been very productive. He, and the officers leading the process, have kept the Board informed on its progress and on the views of the workforce.
Annual General Meeting
All Directors attend the AGM and are available to meet with shareholders and answer questions as required. Notice of the AGM, proxy statement and the Annual Report and financial statements are sent to shareholders at least 20 working days before the meeting. A separate resolution is proposed at the AGM on each substantially separate issue including a particular resolution relating to the adoption of the Directors’ and Auditors’ reports and the financial statements. Details of the proxy votes for and against each resolution, together with details of votes withheld are announced after the result of the votes by hand. These details are published on the Group’s website following the conclusion of the AGM. At the AGM held on 30 April 2020, there were no material votes cast against any resolutions.

Whistleblowing Arrangement
The Group’s whistleblowing arrangement includes an externally facilitated multi-lingual hotline ‘Express a Concern’ through which all employees and third parties can raise concerns in confidence about possible wrong doings in financial reporting and other matters, 24 hours a day by phone or online.

All whistleblowing incidents are reviewed by the Head of Internal Audit and formally investigated by the relevant functional heads depending on the nature of the concern raised.

In 2020, the Audit Committee reviewed the whistleblowing incidents and outcomes and provided updates to the Board which enabled the Board to assess the adequacy of the whistleblowing arrangements and to review the reports arising from its operation. The Board is satisfied that the Group's whistleblowing arrangements are operating effectively.

Division of Responsibilities

Chairman and Chief Executive Officer
The roles of the Chairman and Chief Executive Officer are separate and the division of duties between them is formally established, set out in writing and agreed by the Board. The Chairman is responsible for leadership of the Board and ensuring its effectiveness in all respects. The Executive Directors, led by the Chief Executive Officer, are responsible for the management of the Group’s business and the implementation of Group strategy and policy.

Senior Independent Director
The principal role of the Senior Independent Director (SID) is to provide a sounding board for the Chairman and to act as an intermediary for other Directors as required. The SID is responsible for the appraisal of the Chairman’s performance throughout the year. The SID is also responsible for leading a formal succession process for the role of Chairman. The SID is available to meet shareholders upon request, in particular if they have concerns that cannot be resolved through the Chairman or the Chief Executive Officer.

Non-Executive Directors
The non-Executive Directors’ main responsibilities are to review the performance of management and the Group’s financial information, assist in strategy development, and ensure that appropriate and effective systems of internal control and risk management are in place. The non-Executive Directors review the relationship with external auditors through the Audit Committee and monitor the remuneration structures and policy through the Remuneration Committee.

The non-Executive Directors provide a valuable breadth of experience and independent judgement to Board discussions.

Company Secretary
Each Director has access to the advice and services of the Company Secretary, whose responsibilities include ensuring that Board procedures are followed, assisting the Chairman in relation to corporate governance matters, ensuring the Company complies with its legal and regulatory obligations and facilitating appropriate quality information flows between the business and the Board.

Commitments
Under the terms of their appointment all Directors agreed to the time commitment schedule which requires them to allocate sufficient time to discharge their responsibilities effectively. This matter is considered by the Governance, Nomination and Sustainability Committee on an ongoing basis in accordance with its Terms of Reference.

All Directors must seek prior approval of the Board in advance of undertaking any additional external appointments. Before approving any additional external appointment, the Board considers the time commitment required for the role. Each proposed external appointment is reviewed independently.

Independence
The Board, as a whole, has assessed the non-Executive Directors’ independence and confirmed that, in its opinion, all non-Executive Directors are independent in accordance with the Code. The Board notes that Dr. Hugh Brady and Ms. Joan Garahy serve on the Board of ICON plc. The Board is satisfied that they are able to apply objective and independent judgement to act in the best interest of the Company.
Conflicts of Interest
Under the terms of their appointment all Directors have continuing obligations to update the Chairman as soon as they become aware of a situation that could give rise to a conflict or a potential conflict of interest.

Board Committees
The Board has three Committees, the Audit Committee, the Governance, Nomination and Sustainability Committee and the Remuneration Committee, which support the operation of the Board through their focus on specific areas of governance.

Each Committee is governed by its Terms of Reference, available from the Group's website www.kerrygroup.com or upon request, which sets out how it should operate including its role, membership, authority and duties. Reports on the activities of the individual Committees are presented to the Board by the respective Committee Chairs.

Further details on the duties, operation and activities of all Board Committees can be found in their respective reports on pages 107-149 and these reports form part of the Governance Report.

Meetings and Attendance
The Board meets sufficiently regularly to ensure that all its duties are discharged effectively. All Directors are expected to prepare for and attend meetings of the Board, the Committees of which they are members and the AGM. In the event that a Board member cannot attend or participate in the meeting, the Director may discuss and share opinions on agenda items with the Chairman, Chief Executive Officer, Senior Independent Director or Company Secretary in advance of the meeting.

During the year, additional Board meetings were convened to discuss the Group's response to the COVID-19 pandemic and to consider strategic acquisition opportunities. As a result, a total of 14 meetings were held in 2020, with all meetings held virtually from April onwards due to the imposition of COVID-19 related restrictions and to ensure that the health & safety of our Board and colleagues was protected. Individual attendance at the Board and Committee meetings is set out in the table below.

<table>
<thead>
<tr>
<th>Directors</th>
<th>Board</th>
<th>Audit Committee</th>
<th>Governance, Nomination and Sustainability Committee</th>
<th>Remuneration Committee</th>
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<tbody>
<tr>
<td>Philip Toomey</td>
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<td>6/6</td>
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<tr>
<td>Edmond Scanlon*</td>
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<tr>
<td>Marguerite Larkin*</td>
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<td>Gerry Behan*</td>
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<td>Hugh Brady</td>
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<tr>
<td>Gerard Culligan</td>
<td>12/14</td>
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<tr>
<td>Karin Dorrepaal</td>
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<td>Joan Garahy</td>
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<tr>
<td>Emer Gilvarry**</td>
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<tr>
<td>James C. Kenny***</td>
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<td>Tom Moran****</td>
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<td>Con Murphy</td>
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<tr>
<td>Christopher Rogers*****</td>
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<td>6/6</td>
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</tr>
</tbody>
</table>

*   Executive Directors
**  Ms. Emer Gilvarry was appointed to the Board on 1 November 2020 and was appointed to the Audit Committee on the same date.
*** Mr. James C. Kenny retired from the Board following the conclusion of the AGM on 30 April 2020.
**** Mr. Tom Moran stepped down from the Audit Committee on 1 November 2020 and was appointed to the Governance, Nomination and Sustainability Committee on the same date.
***** Mr. Christopher Rogers was appointed to the Remuneration Committee on 30 April 2020.

Attendance statistics represent: Total number of meetings attended by the Director/Total number of meetings held during the year which they were eligible to attend.
Composition, Succession and Evaluation

Board Induction and Development

On appointment to the Board, each new non-Executive Director undergoes a full formal induction programme. This induction includes an overview of their duties and responsibilities as a Director, presentations on the Group’s operations and results, meetings with Executive Management and an outline of the principal risks and uncertainties facing the Group. Details of the induction programme undertaken by Ms. Emer Gilvarry are outlined in the Governance in Action below.

GOVERNANCE IN ACTION:
New Director Induction
New non-Executive Director Ms. Emer Gilvarry was appointed to the Board on 1 November 2020.

Overview
The Chairman, supported by the Company Secretary, is responsible for ensuring that new Directors have an appropriate induction on joining the Board. Each Director undergoes a full formal induction programme which is tailored to meet their individual requirements.

The purpose of the induction programme is to enable Directors to gain a full understanding of the Group, governance related matters and directors’ duties and responsibilities.

Induction Activities
- provision of a detailed information pack including key corporate governance policies, board papers, financial and strategic documents and information on directors’ duties and responsibilities;
- meetings with the Executive Directors;
- meetings with the Chairman, the Senior Independent Director and Remuneration Committee Chairperson, and the Audit Committee Chairman;
- meetings with functional leaders on matters such as board and corporate governance, internal audit, strategy, investor relations, human resources and sustainability;
- meetings with business leaders of the Taste & Nutrition and the Consumer Foods businesses to obtain an overview of each business; and
- meetings with external Auditors and other advisors.

Future Induction Plans
- site visits to see first-hand the Group’s operations while engaging with employees and senior management. Timing of these visits has yet to be agreed due to the ongoing COVID-19 pandemic.

Mr. Jinlong Wang who was appointed to the Board with effect from 5 January 2021, will complete a full formal induction programme tailored to his requirements over the coming months.
Throughout the year, the Board as a whole engages in development through a series of consultations with subject matter experts on a range of topics including corporate governance and strategy. Presentations are also made by Executive Directors and senior management on various topics throughout the year in relation to their areas of responsibility.

On an annual basis, an ‘off-site’ Board meeting is scheduled at a Group location and is combined with a comprehensive schedule of activities over a week long period, to allow non-Executive Directors further develop their understanding of the Group’s activities and meet with local senior management and emerging talent. Due to the COVID-19 pandemic, the Board visit scheduled for June 2020 was cancelled.

The Board along with 400 senior managers attended a virtual three day Kerry Global Leadership Forum in October 2020 at which the Group’s new vision statement, brand identity and sustainability strategy were unveiled. It also provided the Board with an opportunity to listen to and obtain feedback from senior management across the Group on subject matters such as leadership competencies, culture and values.

As part of their personal development plans, individual non-Executive Directors were also afforded the opportunity to visit a number of the Group’s international facilities and operations. In 2020, Mr. Tom Moran, in his role as designated workforce engagement Director, visited two sites in Ireland: Kerry Foods in Coleraine and the Global Technology & Innovation Centre in Naas. Due to the COVID-19 pandemic, all other non-Executive Directors’ international site visits were cancelled.

Individual Board members training requirements are reviewed with the Chairman and Company Secretary and training is provided to address these needs.

**Board Performance Evaluation**

In accordance with provisions of the Code, a performance evaluation of the Board is carried out annually and facilitated externally every third year.

In 2020, the Board conducted an internal self-evaluation of the performance of the Board, Board Committees, the Chairman and individual Directors against a set of pre-defined key criteria. The review was led by the Chairman of the Board and the Senior Independent Director and was facilitated by the Company Secretary. The review was undertaken using Thinking Board, Independent Audit Limited’s governance self-assessment process. Independent Audit Limited, based in the UK, is recognised as a leading firm of board reviewers, and has no other connections to the Group.

Topics covered during the Board Performance Evaluation included Board composition and succession planning, board meetings and papers, strategy and business model, mergers and acquisitions, risk management and the response to COVID-19.

The Chairman appraised the performance of each of the non-Executive Directors by meeting each Director individually. The key areas reviewed were independence, contribution and attendance at Board meetings, interaction with Executive Directors, the Company Secretary and senior management, ability to communicate issues of importance and concern, their knowledge and effectiveness at meetings and the overall time and commitment to their role on the Board.

In addition, the Senior Independent Director formally appraised the performance of the Chairman. This appraisal was similar to the non-Executive Director evaluation process which included feedback from all Directors on the Chairman's performance during the year.

In December 2020, the non-Executive Directors met without the presence of the Executive Directors and, led by the Chairman, undertook a formal review of the performance of the individual Executive Directors.

To conclude on the appraisal of the non-Executive Directors, the Chairman and the Executive Directors, results are collated, summarised and presented to the Board. The appraisal process concluded that each Director is performing well and is committed to their role in terms of dedication of time and attendance at meetings.

At the December Board meeting, the Board considered the outcomes of the Board evaluation report (including the Board Committees). Overall, the Board concluded that no area of significant weakness had been identified and that it and its committees operated effectively throughout the period under review. A number of points for improvement were identified and action plans established to address them. The actions identified from the 2020 performance evaluation included recommendations relating to Board composition and succession planning, executive succession planning, structure and content of Board papers and the appropriate time allocation between strategic priorities and other matters at Board meetings.

Progress against recommendations from the previous evaluation were also considered and the Board is satisfied that improvements have been made which have enhanced the operation and effectiveness of both the Board and its Committees.

The Chairman, along with the Company Secretary, will ensure that areas for improvement identified from the 2020 evaluation report and areas for consideration arising from the Directors’ appraisal, where identified, will be considered during 2021.
Risk Management and Internal Controls
The internal control framework in Kerry Group encompasses the policies, processes, tasks and behaviours, which together facilitate the Group’s effective and efficient operation by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieve its business objectives.

The systems which operate in Kerry Group provide reasonable, but not absolute, assurance on:

- the safeguarding of assets against unauthorised use or disposition; and
- the maintenance of proper accounting records and the reliability of the financial information produced.

The Board has delegated certain duties to the Audit Committee in relation to the ongoing monitoring and review of risk management and internal control systems. The work performed by the Audit Committee is described in its report on pages 107-112.

Features of Internal Control in Relation to the Financial Reporting Process
The main features of the internal control and risk management systems of the Group in relation to the financial reporting process include:

- the Board review and approve a detailed annual budget and monitor performance against the budget through periodic Board reporting;
- prior to submission to the Board with a recommendation to approve, the Audit Committee review the Interim Management Statements, the Interim and Annual Consolidated Financial Statements and all formal announcements relating to these statements;
- adherence to the Group Code of Conduct and Group policies published on the Group’s intranet ensures the key controls in the internal control system are complied with;
- monthly reporting and financial review meetings are held to review performance at business level ensuring that significant variances between the budget and detailed management accounts are investigated and that remedial action is taken as necessary;
- the Group has a Financial Compliance function to establish compliance policies and monitor compliance across the countries in which the Group operates;
- the Group operates an internal control self-assessment process covering material finance, operational and compliance controls across the Group;
- a well-resourced and appropriately skilled Finance function is in place throughout the Group;
- completion of key account reconciliations at reporting unit and Group level;
- centralised Taxation and Treasury functions and regional Shared Service Centres established to facilitate appropriate segregation of duties;
- the Group Finance Committee has responsibility for raising finance, reviewing foreign currency risk, making decisions on foreign currency and interest rate hedging and managing the Group’s relationship with its finance providers;
- the Board, through the Audit Committee, completes an annual assessment of risks and controls;
- appropriate ICT security environment; and
- the Internal Audit function continually reviews the internal controls and systems and makes recommendations for improvement which are reported to the Audit Committee.

Fair, Balanced and Understandable
The Directors have concluded that the Annual Report and Consolidated Financial Statements, taken as a whole, provides the information necessary for shareholders to assess the Group’s and Company’s position and performance, business model and strategy and is fair, balanced and understandable. This assessment was completed by the Audit Committee and the activities undertaken in reaching this conclusion are outlined on page 109.
GOVERNANCE REPORT
Audit Committee Report

Dear Shareholder,

On behalf of the Audit Committee, I am pleased to present the report for the year ended 31 December 2020. The purpose of the report is to provide an overview of how we have carried out our responsibilities during the year.

The Committee supports the Board in assessing the principal and emerging risks facing the Group, including reviewing the Group’s risk management and internal control systems and overseeing the operation of the Group Internal Audit function. During 2020 this work was conducted against the backdrop of the COVID-19 pandemic and, whilst recognising the additional pressure and stress on the management and employees of the Group, our focus was on ensuring the ongoing robustness of the internal control and risk management systems and that the Group Internal Audit function continued to operate effectively. The work performed by the Committee in this regard, encompassing ongoing monitoring and the review of effectiveness is detailed on page 110.

The Committee is responsible for monitoring the integrity of the Group’s Financial Statements and any formal announcements relating to the Group’s financial performance. We reviewed the work completed by management in respect of the Going Concern and Viability Statements, including additional analysis to assess the impact, in the short to medium term, of the COVID-19 pandemic and concluded that there was no threat to the Group’s prospects or viability. Further details are set out on page 83. The Committee also assisted the Board in determining that the Annual Report and Consolidated Financial Statements, when taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group’s and the Company’s position, performance, business model and strategy. The work completed in this regard is set out on page 109.

The Committee was reassured by the actions management and PwC had taken, which ensured there was a minimal impact on the year end audit timetable. The Committee and the Board would like to thank the teams for responding to these challenges in such a positive manner.

The Committee oversees the relationship with the external auditor, including monitoring all matters associated with their appointment, remuneration, performance and independence and reviewing the scope and results of the audit and the effectiveness of the process. Further details with regard to the Committees work in this regard are set out on page 111.

As outlined on page 112, the Committee has considered the requirements of the Companies Act 2014 in relation to the Directors’ Compliance Statement and is satisfied that appropriate steps have been undertaken by the Company to ensure that it is materially compliant with its relevant obligations.

The Committee’s key priorities for the coming year include continued focus on ensuring recommendations from Group Internal Audit reviews are implemented and working with the Board and Group management on continuous improvement to risk and financial management controls across the Group, in particular taking account of the Group’s continuing growth and expanding geographical footprint.

I trust you will find this report useful in understanding the operation and activities of the Committee during the year and I welcome any comments from shareholders on my report.

Christopher Rogers
Chairman of the Audit Committee
Roles and Responsibilities

The main roles and responsibilities of the Committee, which reflect the UK Corporate Governance Code and the Irish Annex and the Guidance on Audit Committees, are set out in its written Terms of Reference which are available from the Group's website www.kerrygroup.com or upon request.

The primary responsibilities outlined in the terms of reference are included in the table below:

<table>
<thead>
<tr>
<th>Primary responsibilities of the Audit Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>- monitoring the integrity of the Group's financial statements, including reviewing significant financial reporting judgements contained in them;</td>
</tr>
<tr>
<td>- reviewing the Interim Management Statements, the Interim and Annual Consolidated Financial Statements and considering the appropriateness of accounting policies and practices;</td>
</tr>
<tr>
<td>- advising the Board on whether it believes there are any material uncertainties which may impact the Group's ability to continue as a going concern or the Group's long-term viability;</td>
</tr>
<tr>
<td>- advising the Board on whether the Annual Report and Consolidated Financial Statements, when taken as a whole is fair, balanced and understandable;</td>
</tr>
<tr>
<td>- assisting the Board in its responsibilities in regard to the assessment of the principal and emerging risks facing the company, the monitoring of risk management and internal control systems, including a review of effectiveness;</td>
</tr>
<tr>
<td>- reviewing the operation and effectiveness of the Group Internal Audit function;</td>
</tr>
<tr>
<td>- making recommendations to the Board in relation to the appointment, re-appointment and removal of the Group's external auditor as well as monitoring their effectiveness and independence;</td>
</tr>
<tr>
<td>- reviewing, on behalf of the Board, the Group's whistleblowing arrangements for its employees and third parties to raise concerns in confidence about possible wrongdoings in financial reporting or other matters; and</td>
</tr>
<tr>
<td>- advising the Board in relation to compliance with stock exchange and other legal or regulatory requirements.</td>
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Committee Membership

The Audit Committee currently comprises four independent non-Executive Directors; Dr. Hugh Brady, Ms. Joan Garahy, Ms. Emer Gilvarry and is chaired by Mr. Christopher Rogers.

Ms. Emer Gilvarry joined the Committee upon her appointment to the Board on 1 November 2020 replacing Mr. Tom Moran who stepped down from the Committee on the same date.

The Board is satisfied that both Mr. Christopher Rogers and Ms. Joan Garahy meet the specific requirements for recent and relevant financial experience as set out in the Code.

The Board is also satisfied that together, the members of the Committee, as set out in their biographical details on pages 85-87, bring a broad range of relevant skills, experience and expertise, from a wide variety of industries and backgrounds, and as a whole have competence relevant to the sectors in which the Group operates. The Company Secretary is the Secretary of the Committee.

Committee Meetings

Meetings are generally scheduled in line with key times in the Group's financial reporting calendar. The Committee met six times during the year and attendance at these meetings is outlined on page 103.

Typically, the Chief Executive Officer, the Chief Financial Officer, the Group Financial Controller, the Company Secretary and the Head of Internal Audit, as well as representatives of the external auditor are invited to attend meetings of the Committee. In addition, the Chairman of the Board attends meetings at the invitation of the Committee. When required, other key executives and senior management are invited to attend to present and provide deeper insight on various topics as are required by the Committee to discharge its duties.

The external auditor and the Head of Internal Audit have direct access to the Committee Chairman at all times and meet with the Committee, without other Executive Management being present, on a formal basis at least annually in order to provide additional opportunity for open dialogue and feedback.

After each Committee meeting, the Chairman of the Committee reports to the Board on the key issues which have been discussed.

Committee Evaluation

As outlined in detail on page 105, an internal evaluation of Board effectiveness included a review by the Committee of its own effectiveness. The output was discussed by the Committee and it was concluded that the Committee continued to operate effectively throughout the year as well as identifying ongoing areas of focus for the 2021 financial year.

Key Activities

Financial Reporting and Significant Financial Judgements

The Audit Committee reviewed the Interim Management Statements, the Interim and Annual Consolidated Financial Statements and all formal announcements relating to these statements before submitting them to the Board of Directors with a recommendation to approve. These reviews focused on, but were not limited to:

- the appropriateness and consistency of accounting policies and practices;
- the going concern assumption;
- compliance with applicable financial reporting standards and corporate governance requirements as well as the clarity and completeness of disclosures;
- the disclosures related to the impact of COVID-19 on both the current and projected performance and liquidity of the Group; and
- considering the significant areas of complexity, management judgement and estimation that had been applied in the preparation of the Consolidated Financial Statements in accordance with the accounting policies.
The Committee has, with the support of PwC as external auditor, reviewed the suitability of the accounting policies which have been adopted and whether management have made appropriate judgements and disclosures. The table below sets out the significant matters considered by the Committee in relation to the Consolidated Financial Statements for the year ended 31 December 2020.

### Significant Financial Reporting Judgements

<table>
<thead>
<tr>
<th>Significant Judgement</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Impairment of Goodwill and Indefinite Life Intangible Assets</strong></td>
<td>Goodwill and indefinite life intangible assets, as disclosed in note 12 to the Consolidated Financial Statements, represents the largest number on the Group balance sheet at €3.9 billion. The Committee considered the process to complete the annual impairment review of the Group's goodwill and indefinite life intangible assets and specifically the assumptions used for the future cash flows, discount rates, terminal values and growth rates. This included consideration of the impact of COVID-19 on such assessments and a consideration of the sensitivity analysis run by management. Following discussions with senior management and the external auditor, the Committee found that the methodology used for the above valuation and annual impairment review are appropriate and no impairment was identified.</td>
</tr>
<tr>
<td><strong>Going Concern and Viability Statement</strong></td>
<td>COVID-19 has impacted both the performance and cash flows of the Group and through the year management have undertaken detailed financial modelling exercises which have considered the impact on profit, growth, cash and working capital in a number of different scenarios. The Committee reviewed and challenged management's assumptions and modelling of projected cashflows and, in particular those related to the potential impact of COVID-19 on future trading performance. The Committee also considered the Group's financing facilities and future funding plans. Based on this, the Committee confirmed there were no material uncertainties that cast a significant doubt on the Group or the Company's ability to continue as a going concern and therefore the application of the going concern basis for the preparation of the financial statements continued to be appropriate and recommended the approval of the viability statement.</td>
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<tr>
<td><strong>Business Combinations</strong></td>
<td>The Group acquired three businesses during the financial year which were accounted for as business combinations. The Committee reviewed the methodology and assumptions applied in determining these provisionally estimated fair values and found the methodology and assumptions to be appropriate following discussion with senior management and the external auditor.</td>
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<tr>
<td><strong>Taxation</strong></td>
<td>Significant judgement and a high degree of estimation is required when arriving at the Group's tax charge and liability. The Committee, in conjunction with tax professionals, reviewed and discussed the basis for the judgments in relation to uncertain tax positions and challenged management on their assertions and also considered the outcome of the external auditors' review of the tax charge and liability. As a result, the Committee believes the impact of uncertain tax positions has been appropriately reflected in the tax charge and liability.</td>
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### Fair, Balanced and Understandable

At the request of the Board, the Audit Committee reviewed the content of the Annual Report and Consolidated Financial Statements to ensure that it is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's and the Company's position, performance, business model and strategy.

In fulfilling this responsibility, the Committee considered the following:

- the timetable for the co-ordination and preparation of the Annual Report and Consolidated Financial Statements, including key milestones as presented at the December Audit Committee meeting;
- the systematic approach to review and sign-off carried out by senior management with a focus on consistency and balance; and
- a detailed report from senior finance management outlining the process through which they assessed the narrative and financial sections of the 2020 Annual Report to ensure that the criteria of fair, balanced and understandable has been achieved.

Management ensured that the draft Annual Report and Consolidated Financial Statements were available to the Audit Committee in sufficient time for review in advance of the Committee meeting to facilitate adequate discussion at the meeting.

Having considered the above, in conjunction with the consistency of the various elements of the reports, the narrative reporting, the language used and disclosures in relation to COVID-19, the Committee confirmed to the Board that the Annual Report and Consolidated Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and the Company's position, performance, business model and strategy.

### Internal Control and Risk Management

The Audit Committee supports the Board in its duties to review and monitor, on an ongoing basis, the effectiveness of the Group's risk management and internal control systems. A detailed overview of the Group's risk management framework is set out in the Risk Management Report on pages 71-74.
Throughout the year, the Committee:

- reviewed and approved the assessment of the principal risks and uncertainties, including emerging risks, that could impact the achievement of the Group's strategic objectives as described on pages 76-82;
- received a presentation from the Head of Internal Audit on how the COVID-19 pandemic has impacted the Group's risk universe and the measures taken by the Group to mitigate the impact of the crisis. Further details are set out in the Risk Management Report on pages 74-75;
- received presentations from the Head of Internal Audit and management on an internal review of the Group's second line of defence structures; a number of enhancements which were identified were progressed in 2020 and will remain a focus in 2021;
- reviewed and approved an enhanced framework for the definition of risk appetite for each of the Group's principal risks and recommended the risk appetites as outlined for approval by the Board;
- received presentations on a selection of principal risks and discussed with senior management the material internal controls that exist to mitigate these to levels within the Group's risk appetite;
- reviewed quarterly reports from the Head of Internal Audit based on internal audits completed outlining non-compliances with Group controls and management's action plans to address them;
- considered reports from the Head of Internal Audit on fraud investigations or other significant control matters which occurred during the year and approved plans to address and remediate the issues identified;
- received updates on the review of financial controls which concluded that except for a limited number of changes required as a result of remote working, primarily in relation to the form of physical evidencing of approval, the ongoing operation of our financial controls is substantially unaffected by COVID-19 restrictions;
- received updates from the Group Financial Controller on any control weaknesses identified through monthly financial review meetings;
- considered the results of the Kerry Control Reporting System (the internal control self-assessment review of material finance, operational and compliance controls) and concluded that the controls are operating effectively;
- assessed the Group's risk management and internal control framework in line with the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting; and
- reviewed the report from the external auditor in respect of significant financial accounting and reporting issues, together with significant internal control weakness observations.

The Audit Committee, having assessed the above information, is satisfied that the internal control and risk management framework is operating effectively and has reported this opinion to the Board.

Internal Audit

The Audit Committee is responsible for monitoring and reviewing the operation and effectiveness of the Group Internal Audit function including its focus, plans, activities and resources. To fulfil these duties the Committee:

- reviewed and approved the Group Internal Audit function's strategy and annual plan, which was constructed using a risk-based approach;
- approved revisions to the annual plan resulting from the impact of COVID-19 and the need to adapt to the changing business environment;
- considered and were satisfied that the competencies, experience and level of resources within the Internal Audit team were adequate to achieve the proposed plan;
- considered the role and effectiveness of Internal Audit in the overall context of the Group's risk management framework and was satisfied that the function has appropriate standing within the Group;
- received quarterly updates from the Head of Internal Audit on progress against the agreed plan including the results of internal audit reports and management's actions to remediate issues identified;
- received updates on the nature and extent of non-audit activity performed by Internal Audit;
- held a meeting with the Head of Internal Audit without the presence of management;
- ensured that the Head of Internal Audit had regular meetings with the Chairman of the Audit Committee and had access to the Chairman of the Board if required; and
- ensured co-ordination between Group Internal Audit and the external auditor to maximise the benefits from clear communication and co-ordinated activities.

In order to comply with the Chartered Institute of Internal Auditors (CIIA) requirements, an External Quality Assessment (EQA) by an independent body is conducted at least every five years to confirm conformance with the International Professional Practice Framework (IPPF) of the CIIA. The most recent EQA was completed in 2017 and the next review will be completed in 2022. On an annual basis, to ensure ongoing compliance with the IPPF, the Group Internal Audit function has an internal Quality Assurance and Improvement Program (QAP) in place.

On the basis of the above, the Committee concluded that for 2020 the Group Internal Audit function operated effectively and is satisfied that the quality, experience and expertise of the function is appropriate for the Group.
External Auditor
On behalf of the Board, the Audit Committee has primary responsibility for overseeing the relationship with, and performance of, the external auditor. This includes making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, assessing their independence and effectiveness and approving the audit fee.

During the year, the Committee met with the external auditor without management present to discuss any issues that may have arisen during the audit of the Group's Consolidated Financial Statements.

Independence and Provision of Non-Audit Services
The Committee is responsible for ensuring that the external auditor is independent and for implementing appropriate safeguards where the external auditor also provides non-audit services to the Group.

PwC confirmed to the Audit Committee that they are independent from the Group under the requirements of the Irish Auditing and Accounting Supervisory Authority's Ethical Standards for Auditors. The audit lead engagement partner for the financial year ended 31 December 2020 is John McDonnell who was appointed in 2016. In order to ensure continued independence and objectivity he can only serve as lead engagement partner for a period of five years. He will therefore be replaced by Enda McDonagh for the financial year ended 31 December 2021 onwards.

In accordance with the Group's policy on the hiring of former employees of the current external auditor, the Committee reviews and approves any appointment of an individual, within three years of having previously been employed by the current external auditor, to a senior managerial position in the Group.

A formal policy governing the provision of non-audit services by the external auditor is in place and is reviewed and approved by the Audit Committee annually. This policy is in accordance with applicable laws and takes into account the relevant ethical guidance for auditors. This policy is designed to safeguard the objectivity and independence of the external auditor and to prevent the provision of services which could result in a potential conflict of auditor independence. The policy outlines the services which can be provided by the external auditor, the relevant approval process for these services, and those services which the external auditor is prohibited from providing.

In 2020, all non-audit services and fees were approved by the Audit Committee in line with policy. The Committee is satisfied that the non-audit fees paid to PwC, which were minimal, did not compromise their independence or objectivity. Full details of the fees paid to the external auditor during the year for non-audit services are outlined in note 3 to the financial statements. Having considered all of the above, the Committee concluded that the Group’s external auditor is independent.

Effectiveness
Post completion of the 2019 audit, in conjunction with PwC, review meetings were held with senior finance management across all regions and it was confirmed by both parties that no issues had arisen during the audit process.

At the November Audit Committee meeting, PwC outlined to the Committee in detail the 2020 external audit plan including process and technology changes which were implemented to facilitate conducting the audit remotely. The Committee discussed the significant audit risks and key audit matters, audit scope and materiality amongst other matters. The Audit Committee agreed that the plan and the materiality at which any misstatements should be reported by PwC to the Committee was appropriate.

Prior to the finalisation of the 2020 Consolidated Financial Statements, the Audit Committee received a detailed presentation and final report from PwC. The Committee also considered feedback from the lead partner and senior executives in concluding that PwC effectively delivered against the objectives of the agreed audit plan.

In assessing the effectiveness of the external auditor, the Audit Committee also considered the following:

– the quality of presentations to the Board and Audit Committee;
– the technical insights provided relevant to the Group;
– key audit findings, including their robustness and perceptiveness in handling of key accounting and audit judgements; and
– their demonstration of a clear understanding of the Group’s business and key risks.

On the basis of the above the Committee is satisfied with the effectiveness of the external auditors.

Appointment
PwC were appointed as external auditor in March 2016 following a comprehensive tender process which was overseen by the Audit Committee. On an annual basis, the Committee reviews the appointment of the external auditor, taking into account the auditor’s effectiveness and independence. On that basis, the Committee recommended to the Board that PwC should continue in office as the auditor to the Group in respect of the year ending 31 December 2021.

The Audit Committee approved the remuneration of the external auditor, details of which are set out in note 3 to the Consolidated Financial Statements.
Directors’ Compliance Statement
During the year, the Audit Committee reviewed the appropriateness of the Directors’ Compliance Policy Statement and also received a report from senior management on the review undertaken during the financial year of the compliance structures and arrangements in place to ensure the Company’s material compliance with its relevant obligations. On the basis of this review, the Committee confirmed to the Board that in its opinion the Company is in material compliance with its relevant obligations.

Whistleblowing and Fraud Arrangements
In accordance with the Provisions of the Code, the responsibility for overseeing whistleblowing is within the remit of the Board. During 2020, at the request of the Board, the Committee considered the Group’s whistleblowing arrangements and assisted the Board in its assessment of the adequacy of these arrangements. Details of the Group’s whistleblowing arrangements are outlined in the Corporate Governance Report on page 102.

The Committee also considered the Group’s procedures for fraud prevention and detection to ensure that these arrangements allow for the proportionate and independent investigation of such matters and appropriate follow up action. Following this review, the Audit Committee confirmed to the Board that it was satisfied that the Group’s fraud prevention procedures were adequate.
Dear Shareholder,

On behalf of the Governance, Nomination and Sustainability Committee, I am pleased to present our report for the year ended 31 December 2020. This report sets out the Committee’s key activities in 2020 as well as the Committee’s priorities for 2021.

The Governance, Nomination and Sustainability Committee is responsible for evaluating the structure, size, composition and successional needs of the Board and its Committees and making recommendations on same, with due regard for Board diversity. Additionally, the Committee is responsible for the review of the results of the annual Board evaluation process as it relates to the Board and Committee performance and composition. The role of the Committee was expanded during the year to provide guidance and oversight on the implementation of the Group’s sustainability strategy. The Terms of Reference were reviewed and updated accordingly.

During the year under review, the Committee continued to lead the Board refreshment process ensuring that the composition of the Board and its Committees has the correct balance of skills, knowledge, experience, diversity and independence. We engaged with executive recruitment consulting firms to conduct a search for new independent non-Executive Directors. Potential non-Executive Directors were considered by the Committee and a shortlist was interviewed after assessing their qualifications against the above criteria and their other time commitments. This culminated in the appointment of Ms. Emer Gilvarry and Mr. Jinlong Wang to the Board. Ms. Emer Gilvarry was appointed to the Board and the Audit Committee on 1 November 2020. She is a highly experienced professional who brings legal, business and corporate governance expertise to the Board. On the recommendation of the Committee, the Board also approved the appointment of Mr. Jinlong Wang as a non-Executive Director effective on 5 January 2021. His extensive knowledge of the Food & Beverage industry coupled with his in-depth understanding of Asian markets, brings a key set of skills and experience to the Board. The Committee also recommended changes to the composition of the Board Committees as outlined on page 116. The Committee continues to engage with executive recruitment consulting firms to identify an appropriate pipeline of candidates to join the Board as independent non-Executive Directors in the future.

Ms. Joan Garahy will not seek re-election at the 2021 AGM and will retire from the Board as Senior Independent Director and as Chair of the Remuneration Committee on 29 April 2021 having served nine years on the Board. She will be succeeded as Senior Independent Director by Dr. Hugh Brady and as Chair of the Remuneration Committee by Mr. Tom Moran. I will have served nine years as a Director, including less than three years as Chairman, on 19 February 2021. The Committee is aware of the Provisions of the Code in respect of Chairman tenure and is undertaking a formal succession process which is being led by Ms. Joan Garahy as Senior Independent Director. The Committee and the Board have recommended that I continue as Chairman until the AGM in 2022, to allow appropriate time to identify a successor and to enable an orderly succession to the role.

The Committee also reviewed senior management development and succession plans having regard to business growth and geographic expansion and taking account of diversity goals below Board level.

During 2020, the Committee reviewed the Company’s corporate governance policy and processes and monitored developments in corporate governance best practice.

An internal review of the effectiveness of the Board and its Committees was conducted during 2020 and the outcome of this review is that the Board and its Committees consider that they are operating effectively. Further details are outlined on page 105.

The Committee’s priorities for 2021 will focus on Board and Committee refreshment, taking account of all skill sets required, diversity (beyond gender) and planned retirements over the coming years. The Committee will ensure that senior management development and succession planning can support the delivery of Group strategy and will also continue to focus on diversity and inclusion in the wider workforce.

Philip Toomey
Chairman of the Governance, Nomination and Sustainability Committee
Roles and Responsibilities

The main roles and responsibilities of the Committee, which were reviewed and updated during 2020, are set out in written terms of reference which are available from the Group’s website www.kerrygroup.com or upon request.

The key responsibilities outlined in the Terms of Reference are included in the following table:

<table>
<thead>
<tr>
<th>Primary Responsibilities of the Governance, Nomination and Sustainability Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>– evaluating the balance of skills, experience, independence, knowledge and diversity of the Board to ensure optimum size and composition;</td>
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<tr>
<td>– ensuring an appropriate nomination process is in place for Board appointments;</td>
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<tr>
<td>– reviewing a candidate’s other commitments to ensure that on appointment, a candidate has sufficient time to undertake the role;</td>
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<tr>
<td>– making recommendations to the Board on the appointment and re-appointment of both Executive and non-Executive Directors;</td>
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<td>– ensuring a formal induction plan is in place for each new Director on appointment;</td>
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<td>– making recommendations to the Board concerning membership of Board Committees in consultation with the Chairs of the Committees;</td>
</tr>
<tr>
<td>– ensuring plans and processes are in place for succession planning for Directors, including the Chairman, Senior Independent Director, non-Executive Directors and senior management positions;</td>
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<tr>
<td>– reviewing the Board diversity policy;</td>
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<tr>
<td>– overseeing the conduct of the annual evaluation of the Board and its Committees;</td>
</tr>
<tr>
<td>– monitoring and reviewing developments in law, regulation and best practice relating to corporate governance and making recommendations to the Board and Committees on changes or additional actions as appropriate; and</td>
</tr>
<tr>
<td>– providing guidance and oversight on the implementation of the Group’s sustainability strategy.</td>
</tr>
</tbody>
</table>

Committee Meetings

The Committee met six times during the year and attendance at these meetings is outlined on page 103.

Board Refreshment Policy

On an ongoing basis, the Governance, Nomination and Sustainability Committee reviews and assesses the structure, size, composition, diversity and overall balance of the Board and makes recommendations to the Board with regard to refreshment.

Appointments to the Board are for a three year period, subject to shareholder approval and annual re-election, after consideration of annual performance evaluation and statutory provisions relating to the removal of a Director. The Board may appoint such Directors for a further term not exceeding three years and may consider an additional term if deemed appropriate.

During the year, the Chairman conducted a rigorous review of all other non-Executive Directors as part of the Board evaluation process, taking into account the need for progressive refreshment of the Board. The Board explains to shareholders, in the papers accompanying the resolutions to elect and re-elect the non-Executive Directors, why it believes the individual should be re-elected based on the results of the formal performance evaluation. Details of Board refreshment activities during the year are outlined on pages 117-118.

Nomination Process

There is a formal, rigorous and transparent procedure in appointing new Directors to the Board. Details of this process are outlined in the Governance in Action table.

The Committee also makes recommendations to the Board concerning the re-appointment of any non-Executive Director at the conclusion of their specified term and the re-election of all Directors who are the subject of annual rotation. The terms and conditions of appointment of non-Executive Directors are set out in formal letters of appointment, which are available for inspection at the Company’s registered office during normal office hours and at the AGM of the Company.

During 2020, the Committee continued to work with SpencerStuart and Korn Ferry, executive recruitment consulting firms, to assist with Board refreshment. SpencerStuart has no other connections to the Group and Korn Ferry has no other connections to the Group other than acting as the advisor to the Remuneration Committee.

Committee Membership

The Governance, Nomination and Sustainability Committee currently comprises three independent non-Executive Directors; Dr. Hugh Brady, Dr. Karin Dorrepaal, Mr. Tom Moran and is chaired by Mr. Philip Toomey. Mr. James C. Kenny retired from the Board and the Governance, Nomination and Sustainability Committee on 30 April 2020. Mr. Tom Moran joined the Governance, Nomination and Sustainability Committee on 1 November 2020. Biographical details for the members of the Committee are outlined on pages 85-87.

The quorum for Committee meetings is two and only Committee members are entitled to attend. The Governance, Nomination and Sustainability Committee may extend an invitation to other persons to attend meetings or to be present for particular agenda items as required. The Company Secretary acts as Secretary of the Committee.
Governance in Action

Non-Executive Director Appointment

Mr. Jinlong Wang was appointed to the Board with effect from 5 January 2021. The key stages of the nomination process are outlined below.

1. Assessment
   The Committee assessed the skill set, experience and diversity on the Board, the requirements to meet the Group’s future growth plans, together with the planned retirements from the Board over the coming years.

2. Requirement
   The Committee prepared a detailed role profile; identifying the need for a new non-Executive Director with international and Food & Beverage Industry experience and the capabilities to align with the Group’s purpose, value and culture. The Committee also considered the Board’s commitment to increase the representation of members with diverse backgrounds.

3. Search
   The Committee instructed SpencerStuart to conduct a search for appropriate candidates for appointment to the Board based on the profile and skillset agreed by the Committee.

4. Screening
   The Committee assessed the long list of candidates identified by SpencerStuart as having met the criteria.

5. Interview
   A shortlist of potential candidates was interviewed by the Chairman, Committee and the Chief Executive Officer.

6. Approval
   A formal recommendation was made by the Committee to the Board proposing the appointment of Mr. Jinlong Wang as a non-Executive Director. The Board approved the appointment of Mr. Jinlong Wang noting that he had a balance of skills, knowledge, experience and diversity that matched the requirements set. Appointment terms were drafted and agreed with him.

Succession Planning

The Governance, Nomination and Sustainability Committee reviews the succession plans for the Board and its Committees on an ongoing basis to ensure an orderly refreshment of membership, taking into account Group strategy, the challenges and opportunities facing the Group and the skills, knowledge and experience required.

The Committee also reviews succession plans for senior management, which form part of the Group’s overall annual approach to succession planning and agrees these with the Chief Executive Officer before being presented to the Board. The succession planning process includes defining success criteria for prioritised key roles, identifying and evaluating candidate pools and aligning successor development activities with individual and business needs to ensure leadership continuity and improve the depth of the leadership succession pipeline. This process is fully documented and monitored throughout the year in conjunction with the Committee. Details of succession planning activities during the year are outlined in Our People on page 18.

Diversity, Inclusion and Belonging Policy

Diversity, Inclusion and Belonging is fully embraced at Kerry and the Group is committed to having a work environment that is respectful of everyone. We recognise the value that different perspectives and cultures bring to the organisation. Valuing differences creates a work environment which is positive and productive, where people can and want to do their best and where each individual can bring something unique to contribute to the overall success of Kerry.

The Group’s Diversity, Inclusion and Belonging Policy is an integral part of the Group’s Code of Conduct ensuring that diversity and inclusion are embedded in Kerry Group’s core values. Within this, the Group seeks to recruit, hire and retain the best talent from a diverse mix of gender, background, nationality, ethnicity and other attributes with the skills and experiences to drive innovative thinking to enable a sustained competitive advantage.
The Board believes in the benefits of having a diverse Board and the value that it can bring to its effective operation. In accordance with the Board Diversity Policy, differences in background, gender, skills, experiences, nationality, ethnicity and other attributes are considered in determining the optimum composition of the Board with the aim to balance it appropriately. All Board appointments are made on merit, with due regard to diversity. The Board currently has a 31% female representation. In line with its diversity policy, and recommended best practice, the Board is committed to maintaining an appropriate gender balance and has an ambition to increase the representation of members with diverse backgrounds such as nationality, ethnicity and other attributes. In reviewing Board composition and agreeing a job specification for new non-Executive Director appointments, the Committee considers the benefits of all aspects of diversity including, but not limited to, those described above, in order to complement the range and balance of skills, knowledge and experience on the Board. As part of the identification process executive recruitment consultants are required to present a list of potential candidates, who meet the stated specification and requirements comprising candidates of diverse backgrounds, for consideration by the Committee.

In 2019, diversity goals were agreed for senior management succession pools with the Executive Directors and approved by the Board to improve the diversity profile of senior leadership teams and ensure internal candidate pools better reflect the broader cultural mix of people within the Group. The Committee reviews progress against these diversity goals each year, whilst taking account of business growth and geographic expansion within the organisation.

Further details of the Group’s approach to Diversity, Inclusion and Belonging, including our broader organisational goals focused on building an inclusive and diverse workplace are outlined in our Sustainability Report on page 59 and in Our People on page 17.

Sustainability

The role of the Committee was expanded to provide guidance and oversight on the implementation of the Group’s 2030 sustainability strategy Beyond the Horizon following its launch in October 2020. The Committee will be supported in this work by the Global Sustainability Council whose members will be invited to Committee meetings to share their views on a variety of sustainability topics and to update the Committee on the implementation of the sustainability strategy. Details of the Group’s sustainability performance, policies and programmes are outlined in the Sustainability Review on pages 46-70.

A summary of the Group’s current position relating to Board and senior management diversity is provided below:

Changes to the composition of the Board and its Committees for the year ended 31 December 2020

Mr. James C. Kenny
Retired from the Board, the Remuneration Committee and the Governance, Nomination and Sustainability Committee on 30 April 2020.

Mr. Christopher Rogers
Appointed to the Remuneration Committee on 30 April 2020.

Mr. Tom Moran
Stepped down from the Audit Committee and appointed to the Governance, Nomination and Sustainability Committee on 1 November 2020.

Ms. Emer Gilvarry
Appointed to the Board and the Audit Committee on 1 November 2020.

Mr. Jinlong Wang
Appointed to the Board with effect from 5 January 2021.
## Key Activities

The key activities of the Committee throughout the year are detailed below:

<table>
<thead>
<tr>
<th>Subject</th>
<th>Committee Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Size and Composition</td>
<td>In 2020, as part of its remit, the Committee considered the size and composition of the Board. At 31 December 2020, the Board comprised 12 members. The Board size reduced to 11 following the retirement of Mr. James C. Kenny on 30 April 2020 and increased to 12 following the appointment of Ms. Emer Gilvarry on 1 November 2020. The Board size increased further to 13 on 5 January 2021 following the appointment of Mr. Jinlong Wang. The Committee will continue to consider both Board size and composition during 2021.</td>
</tr>
<tr>
<td>Chairman Succession</td>
<td>During 2020, the Committee recommended to the Board that Mr. Philip Toomey continue as Chairman until the Annual General Meeting in 2022 which was formally approved by the Board. The Committee is undertaking a formal succession process which is currently being led by Ms. Joan Garahy as Senior Independent Director and will be continued by Joan’s successor as Senior Independent Director on her retirement at the conclusion of the 2021 AGM.</td>
</tr>
<tr>
<td>Senior Independent Director Succession</td>
<td>Ms. Joan Garahy will retire as Senior Independent Director and from the Board at the conclusion on the AGM to be held on 29 April 2021 having served nine years on the Board. The Governance, Nomination and Sustainability Committee has completed a formal process and has recommended to the Board the appointment of Dr. Hugh Brady as Senior Independent Director at the conclusion of the 2021 AGM.</td>
</tr>
<tr>
<td>Board Refreshment</td>
<td>Mr. James C. Kenny retired from the Board on 30 April 2020. New non-Executive Directors, Ms. Emer Gilvarry and Mr. Jinlong Wang were appointed to the Board on 1 November 2020 and 5 January 2021 respectively, following searches conducted by the Committee in conjunction with executive recruitment consulting firms. The Committee and the Board agreed that Ms. Emer Gilvarry and Mr. Jinlong Wang had a balance of skills, knowledge, experience and diversity that matched the requirements set.</td>
</tr>
<tr>
<td>Committee Refreshment</td>
<td>Mr. James C. Kenny retired from the Remuneration Committee and the Governance, Nomination and Sustainability Committee on 30 April 2020. Mr. Christopher Rogers was appointed to the Remuneration Committee on 30 April 2020; Mr. Tom Moran stepped down from the Audit Committee and was appointed to the Governance, Nomination and Sustainability Committee on 1 November 2020 and Ms. Emer Gilvarry was appointed to the Audit Committee on 1 November 2020 on the same date as her appointment to the Board. There were no other changes to the composition of the Board Committees during the year. The Committee will continue to consider Committee refreshment with a particular focus on the Audit and Remuneration Committees in 2021.</td>
</tr>
<tr>
<td>Remuneration Committee Chairperson</td>
<td>Ms. Joan Garahy will retire as Chairperson of the Remuneration Committee and from the Board at the conclusion on the AGM to be held on 29 April 2021 having served nine years on the Board. The Governance, Nomination and Sustainability Committee has completed a formal process and has recommended to the Board the appointment of Mr. Tom Moran as Chairman of the Remuneration Committee at the conclusion of the 2021 AGM.</td>
</tr>
</tbody>
</table>
### Key Activities (continued)

<table>
<thead>
<tr>
<th>Subject</th>
<th>Committee Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Re-appointment of non-Executive Directors</strong></td>
<td>During the year, Ms. Joan Garahy completed eight years as a non-Executive Director and Dr. Hugh Brady and Dr. Karin Dorrepaal each completed terms of six years as non-Executive Directors. Following a rigorous review of their skills, knowledge, experience and independence, the Board on the recommendation of the Committee, agreed that Dr. Hugh Brady, Dr. Karin Dorrepaal and Ms. Joan Garahy continue to be effective and independent and make a valuable contribution to the Board, and re-appointed them to serve additional terms. During the year, Mr. Gerard Culligan and Mr. Con Murphy each completed a three year term as non-Executive Directors. After detailed consideration, including a review of their performance and independence, the Board, upon the recommendation of the Committee, agreed that they would serve additional terms.</td>
</tr>
<tr>
<td><strong>Board and Committees Effectiveness Evaluation</strong></td>
<td>As outlined in detail on page 105, an internal evaluation of the Board and its Committees took place in 2020 in line with the provisions of the 2018 UK Corporate Governance Code and the Irish Annex. The Committee considered the outcome of this evaluation and identified the areas relevant to the Governance, Nomination and Sustainability Committee. Each recommendation was assessed, and an action plan was developed to address areas for potential improvement. These recommendations will be reviewed and considered by the Committee in 2021.</td>
</tr>
<tr>
<td><strong>Senior Management Development and Succession</strong></td>
<td>During the year, the Committee reviewed senior management development and succession plans having regard to agreed diversity goals to ensure the appropriate level of skills and diversity will exist to support the delivery of the Group’s strategy.</td>
</tr>
<tr>
<td><strong>Corporate Governance Review</strong></td>
<td>During 2020, the Committee reviewed the Company’s corporate governance policy in the context of the 2018 UK Corporate Governance Code and monitored developments in corporate governance best practice.</td>
</tr>
<tr>
<td><strong>Sustainability Strategy</strong></td>
<td>Following the launch of the Group’s sustainability strategy <em>Beyond the Horizon</em> in October 2020, the role of the Committee was expanded to provide guidance and oversight on the implementation of the sustainability strategy.</td>
</tr>
<tr>
<td><strong>Terms of Reference</strong></td>
<td>During the year, the Committee reviewed and updated its Terms of Reference. A copy of these terms is available on the Group website <a href="http://www.kerrygroup.com">www.kerrygroup.com</a>.</td>
</tr>
</tbody>
</table>
Section A: Chairperson’s Annual Statement

Dear Shareholder,

On behalf of the Remuneration Committee, I am pleased to present the Directors’ Remuneration Report for the year ended 31 December 2020 which contains:

– the proposed Directors’ Remuneration Policy, to be put to an advisory vote at the 2021 AGM; and
– the annual Remuneration Report, describing how the new policy will be implemented in 2021 and how our existing policy has been put into practice during 2020.

Impact of COVID-19

2020 was no doubt a dynamic and challenging year, and we have seen unprecedented variability and complexity across our industry. Kerry’s business has been resilient throughout the global COVID-19 pandemic due to the agility of our Executive Directors, our leadership teams and our people across the world in adapting to these changing conditions.

From the outset of the pandemic, we have put the safety and wellbeing of our people at the core of our coordinated global response, ensuring we could safely fulfil our critical role in the global food supply chain. Through our globally coordinated investments and efforts in 2020, we have kept all 149 manufacturing and R&D facilities operational to meet our customers’ and consumers’ needs, and have supported and enabled our customers through insights and innovation to adapt their offerings to rapidly changing consumer needs and behaviours.

The safety and wellbeing of our people has been at the core of our coordinated global response, and we have invested significantly in COVID-19 specific health & safety measures across all our operations, ensuring our site-based operations and R&D teams can work safely and securely on-site throughout the pandemic. We have facilitated homeworking for all other employees. We responded swiftly in early 2020 to adapt our global people policies to the new realities presented by COVID-19. Changes we made include a global self-isolation pay policy, a global employee assistance programme, introduction of agile working principles as well as a number of wellbeing and learning initiatives.

Against a challenging economic backdrop, we have worked to minimise the economic impact of COVID-19 on our people. We made a conscious decision in 2020 to retain basic pay for all salaried employees despite market movements, and where changing customer demand has impacted site manufacturing volumes, we have utilised all possible levers including reallocation, shift patterns and leave management to avoid COVID-19 related redundancies. These efforts have resulted in approximately 100 COVID-19 related redundancies globally and very limited use of temporary layoffs/furloughing. In achieving the above, Kerry chose not to benefit from COVID-19 related government support (including in respect of employees furloughed) in any of our key geographies.

The Group delivered for its shareholders through sustained dividend payments and share price performance throughout 2020 and there was no requirement to raise share capital.

As a solidarity gesture, in light of the COVID-19 crisis and those impacted, the Group’s Executive Directors, Chairman and non-Executive Directors volunteered a 25% reduction in their 2020 basic salary/fees for a three-month period.
Remuneration Policy Review

During 2020, consistent with our three-year review cycle, the Committee completed an extensive review of the Group’s Directors’ Remuneration Policy in conjunction with our external advisors Korn Ferry. Arising from this review a new policy will be put to an advisory vote at the 2021 AGM.

Proposed Remuneration Policy

Our current policy was implemented in 2018 and received a high level of support from shareholders at the 2018 AGM, with a 97.7% vote in favour. Since then, in line with our growth strategy, the Group has increased substantially in size and complexity, consistently delivering significant and sustained value to shareholders. As at 31 December 2020 our market capitalisation was €20.9bn which for context, would have placed Kerry Group plc within the 30 largest companies included in the FTSE 100 Index.

Key Developments Since Last Policy Review

<table>
<thead>
<tr>
<th>Improvement</th>
<th>% Change</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Market capitalisation</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>New manufacturing</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>+2,050</td>
<td></td>
</tr>
<tr>
<td>TSR growth of</td>
<td>29%</td>
<td></td>
</tr>
</tbody>
</table>

1. Calculated versus 2017, the year the last policy review was completed
2. Based on share price as at 31 December 2020

The executive team is well established, with the CEO in position since 2017, CFO since 2018 and CEO T&N since 2008, and has performed exceptionally well in leading the growth detailed above. In 2020 the executive team demonstrated exceptional leadership through a challenging and unprecedented global pandemic, delivered sustained shareholder return and robust recovery from the impact of COVID-19 through the second half of the year. During the year, we also made significant progress on our sustainability agenda, culminating in the launch of our 2030 sustainability strategy Beyond the Horizon.

This year’s review provided the Committee with the opportunity to ensure our Directors’ Remuneration Policy reflects the current size and scale of Kerry, and that it is appropriately aligned with our strategic objectives and sustainability ambitions. To inform the review, the Committee considered evolving shareholder expectations regarding executive pay, pay practices in comparable companies, and recent developments in corporate governance requirements (including the updates in the 2018 UK Corporate Governance Code and the EU Shareholders’ Rights Directive, which was transposed into Irish law during 2020).

Kerry’s Remuneration Principles

Delivery of Group Purpose, Values and Strategy

The Group’s Executive Director short and long-term remuneration philosophy is to ensure that executive remuneration is aligned to the Group’s purpose and values, supports strategy and promotes the long-term success of the Company.

Creating Sustainable, Long-Term Performance

Remuneration includes performance related elements designed to align Directors’ interests with those of shareholders and to promote long-term sustainable growth and performance at the highest levels in line with the Group’s strategy.

Attract, Motivate and Retain Talent

Market-competitive total remuneration is structured to attract, motivate and retain individuals of the highest quality on an international basis.

Shareholder Interests

By incorporating a high proportion of Executive Directors’ potential remuneration to short-term and long-term performance metrics with robust share ownership requirements, the Remuneration Committee believes that the interest and risk appetite of the Executive Directors is properly aligned with the interests of the shareholders and other stakeholders.

Pay for Performance

The Committee ensures alignment with shareholders’ long-term interests by aligning remuneration metrics with the Group’s business model and strategic objectives.

Pay for Performance

Consistent with our approach in previous policy reviews, the Committee’s pay reference group comprised nineteen FTSE, seven US and five European peer companies with comparable market capitalisation, size, geographical spread and complexity of business.

Following detailed review, the Committee concluded that the core substance of our existing policy continues to be aligned with our business strategy and priorities and this was endorsed by our shareholders during consultation. As such, whilst there are no substantive changes proposed to the pay model approved in 2018, we are proposing a number of policy adjustments with effect from 2021 that reflect Kerry’s growth in size and complexity since the last policy review as well as the evolution of our strategy and shareholder expectations regarding executive pay.

Full details of the proposed changes to our Remuneration Policy are provided on pages 126-128, with the key changes summarised as follows:

- implementing a phased increase to remuneration quantum through our short-term incentive plan ’STIP’ and long-term incentive plan ’LTIP’ to take account of our growth in size and complexity;
- toughening the approach to target setting within the STIP through reducing the target bonus opportunity to 50% of the maximum (from 70%), with no softening of expected performance levels;
- increasing the proportion of the STIP subject to strategic objectives from 10% to 20%, to ensure focus on the achievement of long-term strategic priorities;
- reflecting the launch of our 2030 sustainability strategy Beyond the Horizon goals, through incorporating medium-term sustainability targets in our LTIP;
- toughening the total shareholder return target setting in the LTIP through a reduction of the proportion of this part of the award that vests (from 30% to 25%) on meeting the threshold performance level;
- simplification of the vesting schedules that apply to our LTIP EPS and ROACE performance metrics, with straight line vesting from threshold to maximum;
- enhancing the long-term focus in our policy through increased deferral of both STIP and LTIP awards;
- strengthening the recovery and withholding (malus and clawback) provisions in both the STIP and LTIP rules along with enhanced Committee discretion;
- implementing higher in-service shareholding requirements and introducing post-employment shareholding guidelines to further enhance the long-term focus in our revised policy; and
- committing to a reduction of incumbent Executive Director pension contributions to align them with the contribution rate of Kerry’s Irish general workforce (10%) with effect from the end of 2022.

The Committee is conscious of the need to apply restraint in Executive Remuneration at all times but recognises the particular sensitivity at the current time. As a result, the Committee is phasing part of the increases to quantum over two years and has structured the policy changes detailed above such that all variable pay is subject to meeting or exceeding robust performance requirements consistent with our ambitious growth strategy.

The Committee is satisfied that the new Remuneration Policy rewards the Executive Directors for their significant contribution and growth in roles and results in a total remuneration level consistent with the median for the pay reference group.

New LTIP and All Employee Share Plan
The Group’s existing LTIP is due to come to the end of its ten-year life in 2023. To align with the proposed Directors’ Remuneration Policy, the Remuneration Committee has also decided to seek shareholder support at the 2021 AGM for a new LTIP which will enable the above policy to be implemented throughout the policy period.

The Committee will also seek shareholder approval for an All Employee Share Plan which at a later date will allow for the grant of various share-based awards to all employees across the Group once implemented. The Committee wishes to ensure that all Kerry employees have the ability (subject to local tax and securities laws) to become shareholders in the Company and benefit from the future success of the Group.

Shareholder Consultation
On behalf of the Remuneration Committee, I had the opportunity to consult during the year with our major shareholders, along with shareholder representative bodies and proxy voting agencies, as we considered our proposals for the latest Directors’ Remuneration Policy. I would like to take this opportunity to thank all those who met with me and for the valuable comments, perspectives, and specific feedback provided which have been very helpful and constructive in shaping the final policy approved by the Committee. Shareholder feedback informed our decision to implement a phased approach to remuneration quantum increases within the context of the current environment driven by the COVID-19 pandemic. Shareholders’ input and advice also helped us to finetune the sustainability metrics that will be included in our new LTIP.

The proposed Directors’ Remuneration Policy will be put to an advisory vote at the 2021 AGM and I would be grateful for your support in ensuring we have a policy that supports achievement of our growth and sustainability ambitions over the next three years, whilst meeting the highest standards of corporate governance.

Remuneration Policy Implementation 2021

<table>
<thead>
<tr>
<th>TSR Growth</th>
<th>Enterprise value (€’billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>€13.3bn</td>
</tr>
<tr>
<td>2017</td>
<td>€17.8bn</td>
</tr>
<tr>
<td>2018</td>
<td>€16.9bn</td>
</tr>
<tr>
<td>2019</td>
<td>€21.5bn</td>
</tr>
<tr>
<td>2020</td>
<td>€22.9bn</td>
</tr>
</tbody>
</table>

5 Year Growth

Beyond the Horizon

Enterprise Growth €9.6bn/72%

Basic Salary
For 2021, no substantive increases are proposed, and the basic salaries of the Executive Directors will be increased as normal in line with increases applied to the general workforce (i.e. a range of 2.5%-3%) in Ireland and the US respectively.

Pension Alignment
As detailed on page 127 Executive Directors’ pension contribution rates will be aligned to those of Kerry’s general workforce in Ireland with effect from 31 December 2022. Existing arrangements will apply for 2021.
**2021 Short-Term Incentive Plan**

A review of the STIP design and metrics was completed to ensure that they are aligned to strategy, consistent with best practice, and that the targets are appropriately stretching. The 2021 STIP will continue to operate on a similar basis to 2020 but will be updated to reflect an increased weighting on the strategic element (from 10% to 20%) with a proportionate reweighting of the other metrics which remain unchanged. A proposed increase to quantum will also be implemented in 2021 with the CEO's maximum STIP opportunity increasing to 200% of basic salary (from 150%) and the CFO’s and CEO Taste & Nutrition’s maximum STIP opportunity increasing to 175% of basic salary (from 125%). In consideration of the higher maximum opportunity, as well as wider market practice, target STIP opportunity for all three Executive Directors will be reduced from the current 70% of maximum opportunity to 50% of maximum opportunity (with no softening of expected performance levels). In addition, the portion of STIP deferred into shares/options will be increased to 33% (from 25%).

Full details of all proposed changes in the new STIP policy are outlined in the Remuneration Policy on page 127.

**2021 Long-Term Incentive Plan**

A review of the LTIP design and metrics was also completed in 2020. Consistent with the launch of our 2030 sustainability strategy *Beyond the Horizon* in October 2020, a new sustainability element, will be included in the LTIP, with a weighting of 20%. Other metrics will remain unchanged and will be proportionately reweighted. The maximum LTIP opportunity for 2021 will be increased to 250% of basic salary for the CEO (from 200%) and to 225% of basic salary for the CFO (from 180%) and CEO Taste & Nutrition (from 200%). In line with current best practice and the UK Corporate Governance Code requirements, the two-year holding period will apply to 100% (previously 50%) of future vested long-term incentive awards that are awarded from 2021 onwards.

Full details of changes proposed in the new LTIP policy, are outlined in the Remuneration Policy on page 127.

**Pay for Performance**

Kerry has a strong track record of demonstrating appropriate rigour and discipline when setting stretching targets as illustrated by the following chart.

The Committee is satisfied that the targets set for the 2021 STIP and LTIP awards are appropriately stretching given the current challenging environment, overall market growth rates and the level of capital expenditure required to support future growth ambitions.

**Non-Executive Director Fees for 2021**

Non-Executive Director fees were last reviewed in 2017 and increases were made effective from 1 January 2018. The fees have not been increased since then and have not been subject to increases for annual inflation.

The Chairman and non-Executive Directors’ fees were reviewed as part of the overall policy review. Following the review, and having consulted with shareholders, the Chairman’s fee is being increased by €27,500 to €385,000 and the basic non-Executive Directors’ fee is being increased by €6,000 to €84,000. These increases represent the equivalent of an annual 2.5% increase since the last review, in line with the annual increase applied to the general workforce in Ireland over the same three-year period. Following the adjustment, the Chairman’s fee and the non-Executive Director fees remain within the market median range. The allowance for non-Executive Directors based outside of Europe will also be increased to reflect the extra time commitment required to travel to our Board meetings. All proposed changes are outlined in the Remuneration Policy on page 128.

**Remuneration Policy Outturn 2020**

In determining the Executive Director’s remuneration outturns for the financial year, the Committee maintained a clear and rigorous focus on aligning pay with performance in the context of a very challenging year.

In 2020, despite the impact of COVID-19, our market capitalisation and Total Shareholder Return increased. The Total Shareholder Return graph at the top of the next page shows that Kerry has generated a 60% return for shareholders (including reinvestment of dividends) over the last 5 years, outperforming its market indices.

**2020 Short-Term Incentive Plan Outturn**

As a direct result of the COVID-19 related restrictions, and their impact on business performance in the first half of 2020 in particular, the threshold performance level for the financial metrics in the STIP were not achieved.

<table>
<thead>
<tr>
<th>Year</th>
<th>STIP % of Target Achieved</th>
<th>STIP % of Max Achieved</th>
<th>LTIP % of Max Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>81% 57% 62%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>90% 63% 29%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>108% 75% 62%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>85% 59% 64%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>104% 73% 63%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>94% 65% 56%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Committee carefully assessed the performance of the Executive Directors against their individual Personal and Strategic objectives in line with normal practice. This assessment determined that an above target performance was achieved by all three Executive Directors, as detailed on pages 138-140. However, in light of the overall performance, and following a request from the Executive Directors not to be considered for any element of their annual bonus in respect of 2020, the Committee agreed that no award should be granted under this element of the STIP.

As a result of the financial performance and downward discretion applied in respect of the Personal and Strategic objectives, there was no payout under the 2020 STIP to Executive Directors.

**Long-Term Incentive Plan 2018-2020 Outturn**

The three year performance period in respect of the 2018-2020 LTIP award ended on 31 December 2020. The 2018 LTIP award was subject to Adjusted Earnings per Share (EPS), Total Shareholder Return (TSR) and Return on Average Capital Employed (ROACE) performance metrics.

Good performance was achieved against our TSR and ROACE performance metrics over the three year period. However, the COVID-19 pandemic had a significant impact on the EPS metric in 2020 (-9.4%), which effectively negated the strong EPS growth achieved in 2018 (+8.6%) and 2019 (+8.3%). As a result, the threshold level for this metric, weighted at 50% of the overall award, was not achieved.

The Committee, having considered the current environment, and following consultation with major shareholders and proxy voting agencies, decided not to amend the formulaic outcome. This is despite some compelling arguments in support of an inflight adjustment to recognise the anomalous conditions created by the global pandemic and the impact specifically of a negative EPS outturn in 2020 negating the growth already achieved in 2018 and 2019. While the decision was made not to exercise discretion for the 2018 LTIP, the Committee would like to emphasise its appreciation of the strong executive leadership over the three year performance period (and especially in 2020), as well as the resilience of the Kerry business and sustained shareholder return against the backdrop of the COVID-19 pandemic.

The final outcome of the 2018-2020 LTIP award was 32.5% of maximum opportunity as outlined in further detail on page 142.

**Discretion**

The Committee is satisfied, in reviewing the remuneration for 2020 against performance, that there has been an appropriate link between reward and performance. In assessing performance, the Committee also considered relevant environmental, social and governance (ESG) matters when reviewing the remuneration outturns.

**Other Matters**

**EU Shareholders’ Rights Directive**

During 2020, the Committee implemented the new requirements under the EU Shareholders’ Rights Directive which came into law in Ireland during 2020. The required enhanced disclosures have been reflected in this report.

**Conclusion**

As noted earlier the new Remuneration Policy for the period 2021 to 2023 and the implementation of the existing policy in 2020 will be put to shareholders as two separate advisory votes at this year’s AGM. Last year almost 97% of our shareholders who voted, voted in favour of the Directors’ Remuneration Report. I would like to express again my appreciation to those shareholders who engaged with us as part of the 2021 Remuneration Policy review. I believe what we have proposed, and refined based on shareholder feedback, reflects a continuation and improvement of the policy implemented in 2018 and will help drive Kerry’s future growth and continued success.

As this is my last report as the Chairperson of the Remuneration Committee, I would like to take this opportunity to thank the members of the Remuneration Committee, the wider Board, and all our shareholders for their support during my years as Chairperson of the Committee, it has been a real pleasure to be part of the journey with Kerry Group plc.

Joan Garahy  
Chairperson of the Remuneration Committee
Section B: Remuneration Committee and Key Activities

Committee Membership
During 2020, the Remuneration Committee comprised four independent non-Executive Directors: Dr. Karin Dorrepaal, Mr. Tom Moran, Mr. Christopher Rogers and was chaired by Ms. Joan Garahy. Following James C. Kenny’s retirement from the Board and the Committee in April, Christopher Rogers was appointed to the Committee. Details of the skills and experience of the Directors are contained in the Directors’ biographies on pages 85-87.

Role and Responsibilities
On behalf of the Board, the Remuneration Committee is responsible for determining the Remuneration Policy for the CEO, other Executive Directors and senior management on an annual basis. The CEO is invited to attend Remuneration Committee meetings but does not attend Committee meetings when his own remuneration is discussed. The Committee also has access to internal and external professional advice as required. The Committee follows an annual and tri-annual calendar with matters scheduled and planned well in advance. Decisions are made within agreed reference terms, with additional meetings held as required. In considering the agenda, the Committee gives due regard to overall business strategy, the interests of shareholders, employees and the performance of the Group. The main responsibilities of the Committee, which were reviewed during 2020, are set out in written terms of reference which are available from the Group’s website www.kerrygroup.com or upon request.

Remuneration Committee Meetings and Activities 2020
The Committee held four scheduled meetings and two additional meetings during 2020. The additional meetings were required due to the significant amount of work associated with the policy review that was completed during the year. Attendance at these meetings is outlined on page 103.

The key activities undertaken by the Committee in discharging its duties during 2020 are set out below:

<table>
<thead>
<tr>
<th>Subject</th>
<th>Remuneration Committee Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration Report</td>
<td>A review of best practice remuneration reporting was completed during 2020 to ensure compliance with relevant legislation and reporting requirements while also ensuring the delivery of a report which is transparent and understandable for all shareholders. As part of this review, the Committee considered the recent updates and guidance issued by the main shareholder representative bodies and proxy agencies, together with the 2014 Irish Companies Act, the EU Shareholders’ Rights Directive (which has now been transposed into Irish law), the 2018 UK Corporate Governance Code and the UK Companies (Miscellaneous Reporting) Regulations 2018.</td>
</tr>
<tr>
<td>Remuneration Policy Review</td>
<td>In line with the normal three-year cycle the Committee completed a review of the existing Remuneration Policy during 2020 and arising from this review a new policy will be put to an advisory vote at the 2021 AGM. See Remuneration Policy Review and Implementation sections for proposed changes.</td>
</tr>
<tr>
<td>Impact of COVID-19 on pay and conditions for the general workforce and on inflight STIP and LTIP awards</td>
<td>The Committee considered the impact of COVID-19 on the pay and conditions for the general workforce and on inflight STIP and LTIP awards. See Implementation section on pages 134-136 for details on the outcome of the review and proposed changes.</td>
</tr>
</tbody>
</table>
Subject | Remuneration Committee Activity
--- | ---
**Senior Management** | In accordance with the terms of the Code the Committee set the remuneration arrangements for senior management and the Company Secretary.

**Workforce Remuneration and Related Policies** | During the year, the Committee was provided with information on pay policies and procedures for the wider workforce to consider and review fairness and alignment with Group strategy and the Executive Directors’ Remuneration Policy, as well as to inform its decision making in relation to Executive Director remuneration.

This included an update on the impact which COVID-19 had on the pay and conditions for the wider workforce, an update on the implementation of the findings from the Total Reward Review that was conducted in 2019, a review of gender pay and an overview of the approach for the annual pay reviews in all the countries in which the Group operates, as well as the structure and annual cost of the STIP and LTIP awards below Board level.

See Implementation Section on pages 134-136 for details on the outcome of the review and proposed changes.

**New LTIP and All Employee Share Plan** | During the year the Committee agreed to implement a new LTIP and an All Employee Share Plan. Shareholder approval for the new LTIP plan will be sought at the 2021 AGM and subsequent approval will be sought at a later date for the All Employee Share Plan.

**Shareholder Consultation** | The Committee reviewed the results of the shareholder vote on the Remuneration Report at the 2020 AGM noting that 96.6% of shareholders supported the Report. The Committee also reviewed the additional feedback received from the shareholder proxy agencies.

In late 2020, the Chairperson of the Committee consulted with a number of the Company’s major institutional shareholders and with proxy agencies regarding the proposed 2021 Remuneration Policy and the impact of COVID-19 on inflight LTIP awards. The Committee welcomed the engagement and the shareholders consulted were supportive of the proposals put forward and provided important input and commentary which was considered by the Committee. These inputs, together with inputs from shareholder representative bodies and governance groups, informed the final Remuneration Policy and the Committee's decision in relation to inflight LTIP awards.

**Committee Evaluation** | As outlined on page 105 an internal review of the Board and its Committees took place in 2020. The outcome of the review is that the Remuneration Committee is operating effectively.

**Terms of Reference** | During the year, the Committee reviewed and updated its Terms of Reference. A copy of these terms is available on the Group website www.kerrygroup.com.

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**Work of the Committee in Determining Executive Director Remuneration**

The Committee considers the appropriateness of the Executive Directors’ remuneration not only in the context of overall business performance and environmental, social and governance (ESG) matters but also in the context of wider workforce pay conditions (taking into account workforce policies and practices) and external market data to ensure that it is fair and appropriate for the role, experience of the individual, responsibilities and performance delivered.

The Committee is satisfied in reviewing the remuneration for 2020 against performance, that there has been an appropriate link between reward and performance in relation to the outturn for the STIP and LTIP.

**Remuneration Committee Advisors**

The Remuneration Committee is authorised by the Board to appoint external advisors and Korn Ferry is the advisor to the Remuneration Committee. Korn Ferry has also provided other human capital related services to the Group during the year through a separate part of the business. The Committee is comfortable that the controls in place at Korn Ferry do not result in the potential for any conflicts of interest to arise.

The fees incurred with Korn Ferry for advising the Committee in 2020 were **€217,584** (2019: €45,400).
Section C: Remuneration Policy

Remuneration Principles

The Group’s Executive Director remuneration philosophy is to ensure that executive remuneration is aligned to the Group’s purpose and values, supports strategy, promotes the long-term success of the company, properly reflects the duties and responsibilities of the Executives, and is structured to attract, retain and motivate individuals of the highest quality on an international basis. Remuneration includes performance related elements designed to align Directors’ interests with those of shareholders and to promote long-term sustainable growth and performance at the highest levels in line with the Group’s strategy.

A high proportion of Executive Directors’ potential remuneration is based on short-term and long-term performance related incentive programmes. By incorporating these elements, the Remuneration Committee believes that the interest and risk appetite of the Executive Directors is properly aligned with the interests of the shareholders and other stakeholders. When authorising remuneration outcomes, the Committee exercises independent judgement and discretion, taking account of Group and individual performance as well as the investor experience, environmental, governance and social matters and wider workforce pay conditions to ensure that it is fair and appropriate for the role, experience of the individual, responsibilities and performance delivered.

Remuneration Policy Review

Under the Shareholders’ Rights Directive, which was transposed into Irish Law in March 2020, Kerry is not obliged to submit its Remuneration Policy to shareholders for a non-binding advisory vote until the 2022 Annual General Meeting. However consistent with the Group’s commitment to comply with best corporate governance practice and our existing three year cycle, a new policy will be brought to shareholders at the 2021 AGM.

As an Irish incorporated company Kerry Group plc is not obliged to comply with the UK legislation which requires UK companies to submit their remuneration policies to a binding shareholder vote every three years or earlier if changes are required prior to this.

Similarly, Kerry Group plc is not required to comply with the remuneration reporting regulation contained in the UK Companies (Miscellaneous Reporting) Regulations 2018 but follows the requirements as a matter of best practice unless they conflict with Irish or other legal requirements or there are other reasons where it is considered not practicable to do so.

In designing the Remuneration Policy, the Committee considered the best practice features detailed in the 2018 UK Corporate Governance Code as follows:

<table>
<thead>
<tr>
<th>Matters</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarity</td>
<td>The policy is clear, uncomplicated and well understood by the Executive Directors. It has been clearly communicated to shareholders and proxy agencies. Our Chief Human Resources Officer’s (CHRO) role has direct responsibility for engaging with our employees and collaborates closely with Mr. Tom Moran, our designated workforce engagement Director. The Committee monitors the effectiveness of engagement with the wider workforce through updates provided by the CHRO and the designated workforce engagement Director. The Board is comfortable that our Remuneration Policy is clearly understandable by employees.</td>
</tr>
<tr>
<td>Simplicity</td>
<td>The Committee considers that the new Remuneration Policy is simple and easy to understand. The Remuneration Policy is aligned with the strategy and business model of the Group. The Committee has purposefully avoided any complex structures which have the potential to be misunderstood and deliver unintended outcomes.</td>
</tr>
<tr>
<td>Risk</td>
<td>The Remuneration Policy is designed to discourage inappropriate risk taking and to ensure that it is not rewarded. This is achieved by (i) the balanced use of both short-term and long-term incentive plans which employ a blend of financial, non-financial and shareholder return targets (ii) the significant role played by equity in our incentive plans together with shareholding requirements and (iii) malus and clawback provisions and (iv) the ability of the Committee to utilise discretion to adjust formulaic outcomes to ensure outcomes are aligned to, and are reflective of, the underlying business performance of the Group.</td>
</tr>
<tr>
<td>Predictability</td>
<td>Executive Directors’ remuneration is subject to individual participation caps, with our share-based plans also subject to market standard dilution limits. The scenario charts on page 133 illustrate how the rewards potentially receivable by our Executive Directors vary based on performance delivered and share price growth.</td>
</tr>
<tr>
<td>Proportionality</td>
<td>There is a clear link between individual rewards, delivery of strategy and long-term performance. In addition, the significant role played by STIP and LTIP/at risk’ pay, together with the structure of the Executive Directors service contracts, ensures that poor performance is not rewarded.</td>
</tr>
<tr>
<td>Alignment to Culture</td>
<td>Kerry has a relentless focus on delivering for our shareholders and other stakeholders and this is fully aligned with our Remuneration Policy in that employee personal success is directly linked to the success of the Group through the short-term and long-term incentive plans and targets we operate. The Committee is satisfied the Remuneration Policy is fully aligned with the Group’s diverse, entrepreneurial and results focused culture which is underpinned by our Values of Courage, Ownership, Inclusiveness, Open-mindedness and Enterprising Spirit.</td>
</tr>
</tbody>
</table>
The overall design of the new policy was informed by a combination of reviewing the current policy against best practice features as noted above, considering the evolution of the Company’s size and strategy, and taking feedback from our shareholders during the review process. Following consideration of these factors, the Committee concluded on the policy changes detailed below.

**Remuneration Policy – Summary of Proposed Changes**

The table below summarises the key changes, arising from the policy review conducted during the year, which have been embedded in the new Remuneration Policy to apply for the three years 2021 to 2023.

### Fixed Pay (comprising basic salary, benefits and pension)

<table>
<thead>
<tr>
<th>Element</th>
<th>Current Policy</th>
<th>Proposed Policy</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension</td>
<td>Current employer contribution rate is 18% of basic salary for the CEO and CFO</td>
<td>Align incumbent Executive Directors pensions contribution rates to Kerry’s Irish general workforce rate (10%) with effect from 31 December 2022</td>
<td>Reflects market best practice as well as compliance with the UK Corporate Governance Code requirements with effect from 2023</td>
</tr>
<tr>
<td></td>
<td>The contribution rate for the CEO T&amp;N is currently 28%</td>
<td>Pensions contribution rates for new Executive Directors aligned to workforce rate on appointment</td>
<td></td>
</tr>
</tbody>
</table>

### Short-Term Incentive Plan (STIP)

<table>
<thead>
<tr>
<th>Element</th>
<th>Current Policy</th>
<th>Proposed Policy</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Opportunity (% of basic)</td>
<td>CEO: 150% of basic salary (target: 105%). CFO and CEO T&amp;N: 125% of basic salary (target: 87.5%)</td>
<td>Increase maximum STIP opportunity and reduce target opportunity to 50% of maximum with no softening of expected performance levels</td>
<td>Proposed target and maximum opportunity consistent with the increased growth and complexity of the Group, driven by the same stretching targets. Change to proportion of bonuses payable at target performance reflects current investor expectations</td>
</tr>
<tr>
<td></td>
<td>Target opportunity currently 70% of maximum</td>
<td>CEO: 200% of basic salary (target: 100%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>CFO and CEO T&amp;N: 175% of basic salary (target: 87.5%)</td>
<td></td>
</tr>
<tr>
<td>STIP Deferral</td>
<td>25% of vested award deferred into shares/options for two years</td>
<td>Portion of vested award deferred into shares/options for two years increased to 33%</td>
<td>Stronger long-term focus and reflects market best practice</td>
</tr>
<tr>
<td>Performance Measures</td>
<td>Volume Growth (40%); Margin Expansion (30%); Cash Conversion (20%); Strategic Objectives (10%)</td>
<td>Volume Growth (35%); Margin Expansion (27%); Cash Conversion (18%); Strategic Objectives (20%)</td>
<td>Enhanced focus on strategic objectives which have a direct impact on financial metrics and individual actions that drive long-term sustainable performance</td>
</tr>
</tbody>
</table>

### Long-Term Incentive Plan (LTIP)

<table>
<thead>
<tr>
<th>Element</th>
<th>Current Policy</th>
<th>Proposed Policy</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Opportunity (% of basic)</td>
<td>CEO: 200% of basic salary CFO: 180% of basic salary CEO T&amp;N: 200% of basic salary</td>
<td>Increase maximum LTIP opportunity on a phased basis over two years as follows:</td>
<td>Increase in quantum consistent with the increased size and complexity of the Group and promotes long-term sustainable performance</td>
</tr>
<tr>
<td></td>
<td>CEO: 250% in 2021, 300% in 2022 CFO: 225% in 2021, 250% in 2022 CEO T&amp;N: 225% in 2021, 250% in 2022</td>
<td>CFO: 225% in 2021, 250% in 2022 CEO T&amp;N: 225% in 2021, 250% in 2022</td>
<td></td>
</tr>
<tr>
<td>LTIP Deferral</td>
<td>50% of vested award deferred for two years</td>
<td>Deferral increased to 100% of vested award</td>
<td>Stronger alignment with shareholders and ensures long-term focus</td>
</tr>
<tr>
<td>Performance Measures</td>
<td>50% EPS; 30% TSR; 20% ROACE</td>
<td>40% EPS; 25% TSR; 15% ROACE; 20% Sustainability metrics</td>
<td>Introduction of sustainability measure fully aligned to our purpose and strategic direction (including new sustainability strategy)</td>
</tr>
<tr>
<td></td>
<td>Threshold vesting 25% (30% for TSR) of maximum; target vesting 50% of maximum</td>
<td>Removal of target vesting point for EPS and ROACE with straight line vesting from threshold to maximum</td>
<td>Vesting schedule aligned to market practice and consistency across all measures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reduce TSR threshold vesting to 25% of maximum while retaining current stretching goals</td>
<td></td>
</tr>
<tr>
<td>Peer Group</td>
<td>The peer group consists of Kerry and 19 companies listed on page 141</td>
<td>Aryzta will be replaced by Ingredion for awards granted in 2021 and subsequent years</td>
<td>Ingredion’s business profile more closely aligns to that of Kerry Taste &amp; Nutrition</td>
</tr>
</tbody>
</table>

The peer group consists of Kerry and 19 companies listed on page 141

Aryzta will be replaced by Ingredion for awards granted in 2021 and subsequent years

Ingredion’s business profile more closely aligns to that of Kerry Taste & Nutrition
### Other

<table>
<thead>
<tr>
<th>Element</th>
<th>Current Policy</th>
<th>Proposed Policy</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Share Ownership Requirements</strong></td>
<td>CEO (200%), CFO (180%), CEO T&amp;N (200%)</td>
<td>Increase in-service shareholding requirement (CEO 300%; Other Executive Directors 250%)</td>
<td>Stronger long-term focus and alignment with shareholder interests, as well as compliance with the UK Corporate Governance Code requirements</td>
</tr>
<tr>
<td></td>
<td>No post-employment shareholding requirement</td>
<td>Introduction of post-employment shareholding requirement for a period of two years</td>
<td></td>
</tr>
<tr>
<td><strong>Malus and Clawback</strong></td>
<td>Trigger events include material misstatement and serious wrongdoing which require a restatement of accounts</td>
<td>Additional trigger events included: payment made on basis of erroneous data, gross misconduct, material misstatement of accounts, serious reputational damage, corporate failure No requirement for restatement of accounts</td>
<td>Alignment with the UK Corporate Governance Code requirements and market best practice</td>
</tr>
<tr>
<td><strong>Discretion</strong></td>
<td>Discretion available</td>
<td>Enhanced Committee discretion to apply a general incentive over-ride that will enable the Committee to sense check and adjust formula-based incentive outcomes up and down</td>
<td>Aligns with UK Corporate Governance Code and best practice</td>
</tr>
<tr>
<td><strong>Recruitment Policy – Buyout Awards</strong></td>
<td>Current payment to compensate new hires for remuneration forfeited is capped at 12 months target remuneration</td>
<td>Remove cap of 12 months target remuneration for buyout awards with the ability to compensate for remuneration forfeited on joining to be provided but the quantum and structure of any buyout set to reflect the quantum, structure and timing of the remuneration forfeited and also to take into account any performance requirements in relation to awards forfeited</td>
<td>Ensure sufficient flexibility to compensate future recruits for awards forfeited</td>
</tr>
<tr>
<td><strong>Non-Executive Director Fees</strong></td>
<td>Fees reviewed on a triennial basis</td>
<td>For 2021 Chairman’s fee increased to €385,000 (from €357,500)</td>
<td>Reflects increase in the size and complexity of the Group</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For 2021 basic non-Executive Director fee increased to €84,000 (from €78,000)</td>
<td>Equivalent to the annual increase available to the general workforce over three year period 2017-2020 (2.5% p.a.)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Allowance for non-European based non-Executive Director increased to €30,000 (from €19,000)</td>
<td>Compensate for additional time and travel commitment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No changes to other fees</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Propose to review fees annually going forward in line with general workforce adjustments</td>
<td></td>
</tr>
</tbody>
</table>
Remuneration Policy Table

The following table details the Remuneration Policy for the Executive Directors for the three year period 2021 to 2023.

<table>
<thead>
<tr>
<th>Purpose and Link to Strategy</th>
<th>Operation</th>
<th>Opportunity</th>
<th>Performance Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic Salary</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reflects the value of the individual, their skills and experience</td>
<td>Remuneration Committee sets the basic salary and benefits of each Executive Director</td>
<td>Set at a level to attract, retain and motivate Executive Directors</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Competitive salaries are set to promote the long-term success of the Company and attract, retain and motivate Executive Directors to deliver strong performance for the Group in line with the Group's strategic objectives</td>
<td>Determined after taking into account a number of elements including the Executive Directors' performance, experience and level of responsibility</td>
<td>Reviewed annually</td>
<td>Full review undertaken every three years</td>
</tr>
<tr>
<td></td>
<td>Paid monthly in Ireland and bi-weekly in the US</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Salary is referenced to job responsibility and internal/external market data</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To provide a competitive benefit package aligned with the role and responsibilities of Executive Directors</td>
<td>These benefits primarily relate to the use of a company car or a car allowance</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td><strong>Pension</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To provide competitive retirement benefits to attract and retain Executive Directors</td>
<td>Pension arrangements may vary based on the Executive Director's location</td>
<td>Pension values currently vary based on local practice</td>
<td>Not applicable</td>
</tr>
<tr>
<td></td>
<td>Irish resident Executive Directors participate in the general employee defined contribution pension scheme or receive a contribution to an after-tax savings scheme (where the lifetime earnings cap has been reached) or receive a taxable cash alternative based on a percentage of basic salary</td>
<td>The pension contribution rates for incumbent Executive Directors will be reduced to 10% of basic salary, in line with Kerry's Irish general workforce rate, with effect from 31 December 2022</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The existing Executive Director in the US participates in the Group's defined benefit and defined contribution pension schemes. The normal retirement age under the defined benefit scheme is 65 years of age. Early retirement is possible from age 55 onwards</td>
<td>The maximum company pension contribution rate for new Executive Director appointments is aligned to that of the general workforce rate</td>
<td></td>
</tr>
<tr>
<td><strong>Short-Term Incentive Plan (STIP)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To incentivise the achievement, on an annual basis, of key performance metrics and short-term goals beneficial to the Group and the delivery of the Group's strategy</td>
<td>Achievement of predetermined performance targets set by the Remuneration Committee</td>
<td>Maximum opportunity is 175%-200% of basic salary</td>
<td>For FY 2021</td>
</tr>
<tr>
<td>One third of the award is deferred in shares/options providing a two year retention element and aligns Executive Directors' interests with shareholders' interests</td>
<td>Performance targets aligned to the Group's published strategic targets with the targets and weightings for financial metrics subject to annual review</td>
<td>Target opportunity is 50% of maximum opportunity for on-target performance</td>
<td>Volume Growth</td>
</tr>
<tr>
<td></td>
<td>Two thirds of the award is payable in cash</td>
<td>Threshold performance results in a bonus payable at 0% of maximum</td>
<td>Margin Expansion</td>
</tr>
<tr>
<td></td>
<td>One third of the award is awarded by way of shares/options to be issued two years after vesting following a deferral period</td>
<td></td>
<td>Cash Conversion</td>
</tr>
<tr>
<td></td>
<td>Malus and clawback provisions are in place for awards under the STIP (see page 131)</td>
<td></td>
<td>Strategic Objectives</td>
</tr>
<tr>
<td>Purpose and Link to Strategy</td>
<td>Operation</td>
<td>Opportunity</td>
<td>Performance Metrics</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-----------</td>
<td>-------------</td>
<td>---------------------</td>
</tr>
<tr>
<td><strong>Long-Term Incentive Plan (LTIP)</strong></td>
<td>- The awards vest depending on a number of performance metrics being met over a three year performance period</td>
<td>- Maximum opportunity is 250%-300% of basic salary</td>
<td>For FY 2021</td>
</tr>
<tr>
<td></td>
<td>- Conditional awards over shares or share options</td>
<td></td>
<td>- Adjusted Earnings Per Share 'EPS'</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Total Shareholder Return 'TSR'</td>
</tr>
<tr>
<td></td>
<td>- Following vesting, 100% of the earned award is deferred for a period of two years (i.e. giving a combined performance period and deferral period of five years)</td>
<td></td>
<td>- Return on Average Capital Employed ‘ROACE’</td>
</tr>
<tr>
<td></td>
<td>- Malus and clawback provisions are in place for awards under LTIP (see page 131)</td>
<td></td>
<td>- Sustainability metrics</td>
</tr>
<tr>
<td><strong>Shareholding Requirement</strong></td>
<td>- Executive Directors are required to build and to hold shares in the Company to a minimum level of 250%-300% of their basic salary</td>
<td>- 250%-300% of basic salary</td>
<td>- Not applicable</td>
</tr>
<tr>
<td></td>
<td>- Shareholding requirement to be satisfied through retention of a minimum of 50% of vested annual bonus and LTIP shares (excluding the sale of shares to cover tax on vesting), until the shareholding requirement is met</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- A post-employment shareholding requirement obliges Executive Directors to hold the lower of (i) their actual shareholding and (ii) their in-service shareholding requirement for two years post-employment. Applies to shares acquired from new awards and does not apply to own purchased shares</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Selection of performance targets

#### STIP

Financial performance targets under the STIP are set by the Remuneration Committee with reference to the prior year, current year budget and medium-term financial targets. They align with the Group’s strategic objectives while also ensuring the long-term operational and financial stability of the Group. Targets are set at appropriately stretching levels to achieve threshold, target and maximum payout levels. Performance targets are based predominately on the financial metrics of Volume Growth, Margin Expansion and Cash Conversion (amounting to 80% of maximum opportunity).

Volume Growth and Margin Expansion are key performance metrics as they are the main drivers of Adjusted EPS Growth. Cash Conversion is key to ensuring there are sufficient funds available for reinvestment or for return to shareholders.

Strategic objectives (amounting to 20% of maximum opportunity) are relevant to each Executive Director’s specific area of responsibility and are key in ensuring focus on the strategic and functional priorities of the business.

Due to their commercial sensitivity, the Committee is of the view that it would be detrimental to the Company to disclose the targets in advance of or during the relevant performance period. The Committee will disclose the targets and performance against them in next year’s Remuneration Report.

#### LTIP

The performance targets under the LTIP are set to reflect the Group’s longer-term growth objectives and at a level where maximum opportunity genuinely represents outperformance. The performance measures are currently based on Adjusted EPS Growth, TSR, ROACE and Sustainability metrics.

Adjusted EPS Growth is a key performance metric encompassing all the components of growth important to the Group’s stakeholders. EPS Growth is driven by the STIP metrics, Volume Growth and Margin Expansion. TSR is an important indicator of how successful the Group has been in terms of shareholder value creation. ROACE represents a good perspective on the Group’s internal rate of return and financial added value for shareholders. ROACE supports the strategic focus on growth and margins through ensuring cash is reinvested to generate appropriate returns. Sustainability metrics are core to maintaining our strategy and long-term sustainable performance and are reviewed at the time of each award.
How Remuneration Links with Strategy

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>Strategic Priority</th>
<th>Incentive Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume growth</td>
<td>Key driver of revenue growth</td>
<td>STIP</td>
</tr>
<tr>
<td>Margin expansion</td>
<td>Key driver of profit growth</td>
<td>STIP</td>
</tr>
<tr>
<td>Cash conversion</td>
<td>Cash generation for reinvestment or return to shareholders</td>
<td>STIP</td>
</tr>
<tr>
<td>Strategic objectives</td>
<td>Development and execution of business strategies</td>
<td>STIP</td>
</tr>
<tr>
<td>Adjusted EPS growth</td>
<td>Delivery of the Group's long-term growth strategy</td>
<td>LTIP</td>
</tr>
<tr>
<td>TSR</td>
<td>Delivery of shareholder value</td>
<td>LTIP</td>
</tr>
<tr>
<td>ROACE</td>
<td>Balance growth and return</td>
<td>LTIP</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Core to our strategy and long-term sustainable performance</td>
<td>LTIP</td>
</tr>
</tbody>
</table>

Malus/Clawback
The Committee has the discretion to reduce or impose further conditions on the STIP and LTIP awards prior to vesting (malus). The Committee further has the discretion to recover incentives paid within a period of two years from vesting (clawback).

The key trigger events for the use of malus and clawback provisions include material misstatement of the Company's audited financial results, serious wrongdoing, payment made on the basis of erroneous data, gross misconduct, serious reputational damage and corporate failure.

Any recalculation of the award shall be effected in such manner and subject to such procedures as the Group determines to be measured and appropriate, including repayment of any excess incentive or offset against any amounts due or potentially due to the participant under any vested or unvested incentive awards.

The Company retains the right to apply the malus and clawback provisions to former directors STIP and LTIP awards. Other elements of remuneration are not subject to malus or clawback provisions.

Committee Discretion
The Committee has discretion to adjust the formulaic outcomes under STIP and LTIP to ensure outcomes are aligned to and are reflective of the underlying business performance of the Group.

In line with plan rules, the Committee may, at its discretion, amend or vary the performance metrics of the STIP and LTIP related incentives, the calculation methodology for those performance metrics and the composition of the TSR peer group when appropriate, in the interest of alignment and fairness.

Service Contracts
The CEO and Executive Directors have service contracts in place which can be terminated by either party giving 12 months notice. In addition, all service contracts include pay in lieu of notice, non-compete and non-solicitation provisions of up to 12 months post departure, in order to protect the Group's customer base, employees and intellectual property.

No ex-gratia severance payments are provided for in respect of the CEO or Executive Directors.

Remuneration Policy for Recruitment of New Executive Directors
The Remuneration Committee will determine the contractual terms for new Executive Directors, subject to appropriate professional advice to ensure that these reflect best practice and are subject to the limits specified in the Group's approved policy as set out in this report.

Salary levels for new Executive Directors will take into account the experience and calibre of the individual and his/her remuneration expectations. Where it is appropriate to offer a lower salary initially, a series of increases to the desired salary positioning may be made over subsequent years, subject to individual performance and development in the role.

Pension and benefits will be provided in line with the approved policy, with relocation, travel or other expenses provided if necessary.
The structure of the variable pay element will be in accordance with and subject to the limits set out in the Group's approved policy detailed above. Different performance measures may be set initially for STIP in the year an Executive Director joins the Group taking into account the responsibilities of the individual and the point in the financial year that he/she joins the Board. Subject to the rules of the scheme, an LTIP award may be granted after joining the Group.

If it is necessary to buyout incentive pay or benefit arrangements (which would be forfeited on leaving the previous employer) in the case of an external appointment, this would be provided for taking into account the form (cash or shares), timing and expected value (i.e. likelihood of meeting any existing performance criteria) of the remuneration being forfeited. The general policy is that payment should be no more than the Committee considers is required to provide reasonable compensation for remuneration being forfeited. The Group’s policy is that the period of notice for new Executive Directors should not exceed 12 months and should include pay in lieu of notice, non-compete and non-solicitation provisions to protect the Group.

The Committee will ensure that any arrangements agreed will be in the best interests of the Group and shareholders.

Payments for Loss of Office

In the event of a Director’s departure, the Group’s policy on termination is as follows:

- the Group will pay any amounts it is required to make in accordance with or in settlement of a Director’s statutory employment rights and in line with their employment agreement;
- the Group will seek to ensure that no more is paid than is warranted in each individual case;
- STIP and LTIP awards will be paid out in line with plan rules on exit (i.e. for good leavers as defined in the LTIP rules), with awards prorated to normal vesting date, subject to performance and a two year holding requirement and prorated to reflect the proportion of the performance period that has elapsed on the date of cessation; and
- other payments, such as legal or other professional fees, repatriation or relocation costs and/or outplacement fees, may be paid if it is considered appropriate and at the discretion of the Committee.

A Director’s service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, on the occurrence of certain events such as gross misconduct.

Change of Control

Outstanding STIP and LTIP awards/options would normally vest and become exercisable on a change of control, subject to plan rules, including the satisfaction of any performance conditions and pro-rating. The Committee may exercise its discretion to vary the level of vesting having regard to the circumstances and reasons for the events giving rise to the change of control.

Alignment with Workforce Pay and Policies

The Remuneration Policy provides an overview of the structure that operates for the Group’s Executive Directors and senior management. Differences in quantum will depend on size of the role and responsibility, the location of the role and local market practice.

When setting the Remuneration Policy for Executive Directors, the Committee considers the pay policies and procedures for the wider workforce. The key difference is that, overall, Remuneration Policy for the Executive Directors is more heavily weighted towards variable pay compared to other employees.

Basic salaries are operated under the same policy as detailed in the Remuneration Policy table with comparator groups used as a reference point. The Committee considers the basic salary increase for the broader workforce when determining the annual salary review for the Executive Directors.

Senior management are invited to participate in both the STIP and LTIP to incentivise performance through the achievement of short-term and long-term objectives and through the holding of shares in the Group.

The Committee will also seek shareholder approval at a later date for an All Employee Share Plan which will allow for the grant of various share-based awards to employees across the Kerry Group once implemented (subject to local tax and securities laws).

Consultation with Employees

While the Committee currently does not consult directly with employees when setting remuneration for Executive Directors, it does take into account the remuneration structures, policies and practices in the Group as a whole, the feedback from employee engagement activities and the information provided by our external advisors. In addition, matters relating to remuneration which come to the attention of Mr. Tom Moran, in his capacity as the designated workforce engagement Director, are reported to the Committee. The Group has a number of different channels for engagement and the Committee will consider how it can engage more effectively with the wider workforce to explain broader pay policies and practices and the alignment to the Executive Directors’ Remuneration Policy.
Consultation with Shareholders

The Committee considers the guidelines issued by the major institutional shareholders and the bodies representing them and the feedback provided by such proxy agencies and shareholders, when completing its annual and triennial review of the Group’s Executive Remuneration policies and practices. During 2020, the Committee Chairperson engaged with a number of major institutional shareholders and proxy agencies on the changes proposed under the 2021 Remuneration Policy Review and on the treatment of inflight LTIP awards impacted by COVID-19. Changes were made to Remuneration Policy proposals as a result of the feedback received, for example quantum increases will be phased over two years and the sustainability metrics to be included in the new LTIP were further finetuned based on shareholder input. Following consultation, the Committee also decided not to amend the formulaic outcome of the 2018 LTIP award. This is despite the strong executive leadership over the three year performance period (and especially in 2020) as well as the resilience of the Kerry business and sustained shareholder return against the backdrop of the COVID-19 pandemic.

The Committee is committed to continued consultation with shareholders regarding its Remuneration Policy.

Non-Executive Directors’ Remuneration Policy

Non-Executive Directors’ fees, which are determined by the Executive Directors, fairly reflect the responsibilities and time spent by the non-Executive Directors on the Group’s affairs. In determining the fees, which are set within the limits approved by shareholders, consideration is given to both the complexity of the Group and the level of fees paid to non-Executive Directors in comparable companies. Fees are reviewed on an annual basis, and a detailed benchmark review is carried out on a three year basis and any recommendations are presented to the Executive Directors for approval. Non-Executive Directors do not participate in the Group’s incentive plans, pension arrangements or other elements of remuneration provided to the Executive Directors. Non-Executive Directors are reimbursed for travel and accommodation expenses (and any personal tax that may be due on those expenses). Non-Executive Directors are encouraged to build up a shareholding in the Company.

Illustration of Remuneration Policy

The following diagrams show the minimum, target, maximum and maximum +50% share appreciation, composition balance between the fixed and variable remuneration components for each Executive Director effective for 2021. For illustration purposes target performance for LTIP is reflected as 50% of maximum opportunity. The inner most circle represents the minimum potential scenario for remuneration, with the 2nd circle representing target, the 3rd circle representing maximum potential and the outer circle representing maximum potential plus 50% increase in the LTIP share value.

The charts above exclude the effect of any Company share price appreciation except in the ‘maximum +50%’ scenario.
Section D: Remuneration Policy Implementation

Part I: Remuneration Policy Implementation 2021

This part of the report sets out how the proposed Remuneration Policy as described on pages 126-128 will operate in 2021.

Basic Salary and Benefits

The salaries of the Executive Directors effective for the year commencing on 1 February 2021, together with the comparative figures, are as follows:

<table>
<thead>
<tr>
<th>Directors</th>
<th>2021 €000</th>
<th>2020 €000</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edmond Scanlon</td>
<td>1,219</td>
<td>1,189</td>
<td>2.5%</td>
</tr>
<tr>
<td>Marguerite Larkin</td>
<td>754</td>
<td>735</td>
<td>2.5%</td>
</tr>
<tr>
<td>Gerry Behan</td>
<td>987</td>
<td>958</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

The increases in salaries for the Executive Directors are in line with increases for the general workforce in Ireland 2.5% and the US 3.0%.

Benefits relate primarily to the use of a company car/car allowance. Any travel arrangements or travel costs required for business purposes will also be met by the Group, on a net of tax basis.

Pensions

The Group CEO participates in the general employee Irish defined contribution scheme and the CFO receives a taxable cash allowance based on a percentage of basic salary, in lieu of pension. The CEO Taste & Nutrition participates in a US defined contribution scheme and a US defined benefit pension scheme.

Following the Remuneration Policy review carried out in 2020 pension contribution rates will continue as is for 2021. The pension contribution rate for Executive Directors will be aligned to that of Kerry’s general workforce in Ireland (currently a rate of 10%) with effect from 31 December 2022.

Short-Term Incentive Plan (STIP)

As part of the policy review, a review of the STIP design and metrics was completed in 2020 to ensure that they remain appropriate, are linked to strategy, consistent with best practice and that the targets are appropriately calibrated. The Committee concluded that while no changes are required to the performance metrics, a number of other changes are required to reflect the increase in the size and complexity of the Group and to ensure that the STIP continues to support the Group’s long-term sustainable growth and forward looking strategy as well as attracting, motivating and retaining executives of the highest quality internationally.

The changes proposed to be implemented from 2021 onwards for STIP are outlined on page 127, with the main changes being:

- the maximum STIP opportunity for 2021 will increase from 150% to 200% of basic salary for the CEO and from 125% to 175% of basic salary for the CFO and CEO Taste & Nutrition;
- toughening the approach to target setting within the STIP through reducing the target bonus opportunity to 50% of maximum (from 70%), with no softening of expected performance levels;
- increase to the weighting on the strategic element (from 10% to 20%) with a proportionate reweighting of the other metrics which remain unchanged; and
- increase to 33% (from 25%) the proportion of STIP delivered in shares/options following a two year deferral period.
2021 STIP – Performance Metrics and Weightings

<table>
<thead>
<tr>
<th>Group Metrics</th>
<th>CEO % of award</th>
<th>CFO % of award</th>
<th>CEO T&amp;N % of award</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Target</td>
<td>Max</td>
<td>Target</td>
</tr>
<tr>
<td>Volume growth*</td>
<td>17.5%</td>
<td>35%</td>
<td>17.5%</td>
</tr>
<tr>
<td>Margin expansion*</td>
<td>13.5%</td>
<td>27%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Cash conversion</td>
<td>9%</td>
<td>18%</td>
<td>9%</td>
</tr>
<tr>
<td>Strategic Objectives</td>
<td>10%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>50%</td>
<td>100%</td>
<td>50%</td>
</tr>
</tbody>
</table>

* The above metrics are measured at a Group level for the CEO and CFO and at a Taste & Nutrition level for the CEO of Taste & Nutrition.

Due to the commercial sensitivity of the financial metrics and strategic objectives, the Committee is of the view that it would be detrimental to the Company to disclose the targets in advance of, or during the relevant performance period. The Committee will disclose the targets and performance against them in next year’s Remuneration Report.

Long-Term Incentive Plan (LTIP)

A review of the LTIP metrics was completed in 2020 to ensure that they remain appropriate, linked to strategy and that targets are appropriately stretching. The changes included in the new policy are required to reflect the increase in the size and complexity of the Group and ensure that the LTIP continues to support the Group’s long-term sustainable growth ambitions as well as attracting, motivating and retaining executives of the highest quality internationally.

Subject to shareholder approval, the 2021 LTIP award will be granted under a new 2021 LTIP which replaces the current LTIP approved by shareholders in 2013. The changes proposed to be implemented from 2021 onwards for LTIP awards are outlined on page 127, with the main changes being:

- the maximum LTIP opportunity will increase from 200% of basic salary for the CEO to 250% in 2021. For the CFO and CEO Taste & Nutrition, the maximum LTIP opportunity will increase from 180%/200% of basic salary to 225% in 2021;
- consistent with the launch of our 2030 sustainability strategy Beyond the Horizon in October 2020, a new sustainability element will be included in the LTIP, with a weighting of 20% and a proportionate reweighting of the other metrics which remain unchanged;
- in line with current best practice and the UK Corporate Governance Code requirements, for LTIP awards granted from 2021 onwards, the two-year deferral period will apply to 100% (previously 50%) of the award that vests;
- the payout % at threshold vesting level is being reduced for TSR from 30% to 25%, while retaining the current stretching threshold and maximum levels; and
- the vesting schedules that apply to the EPS and ROACE performance metrics have also been simplified, with straight line vesting from threshold to maximum.
LTIP Award Year

<table>
<thead>
<tr>
<th>Performance Metrics</th>
<th>Threshold</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EPS (40% weighting)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EPS growth per annum</td>
<td>6%</td>
<td>12%</td>
</tr>
<tr>
<td>% of award which vests</td>
<td>25%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>ROACE (15% weighting)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROACE return achieved</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>% of award which vests</td>
<td>25%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Relative TSR (25% weighting)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Position of Kerry in TSR peer group**</td>
<td>Median</td>
<td>Greater than 75th%</td>
</tr>
<tr>
<td>% of award which vests</td>
<td>25%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Sustainability (20% weighting)</strong>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nutrition Reach Goal</td>
<td>1.11bn</td>
<td>1.27bn</td>
</tr>
<tr>
<td>Carbon Reduction</td>
<td>19%</td>
<td>23%</td>
</tr>
<tr>
<td>Food Waste Reduction</td>
<td>14%</td>
<td>22%</td>
</tr>
<tr>
<td>% of award which vests</td>
<td>25%</td>
<td>100%</td>
</tr>
</tbody>
</table>

* Adjusted EPS growth is measured on a constant currency basis.
** The TSR Peer Group companies are listed on page 141. For LTIP awards granted in 2021 and subsequent years Aryzta is being replaced with Ingredion.
*** Please see pages 30-31 for further details in relation to sustainability metrics.

The Committee is satisfied that the target ranges above are appropriately stretching particularly given the current challenging trading environment, overall market growth rates, the level of capital expenditure required to support future growth ambitions and performance achieved against the previous targets set (see pages 30 and 31).

Each Executive Director will be awarded their maximum LTIP opportunity in 2021 as follows, CEO 250% of basic salary, CFO 200% of basic salary and CEO Taste & Nutrition 200% of basic salary.

See Group Key Performance Indicators (KPIs) on pages 30 and 31 for more information on the link between the performance metrics used for incentive purposes and the Group's Strategic Plan.

Non-Executive Director Remuneration Review

Non-Executive Director fees were last reviewed in 2017 and increases were made effective from 1 January 2018. The fees have not been increased since then and have not been subject to increases for annual inflation.

In line with the three year review cycle the Chairman and non-Executive Directors fees were reviewed and benchmarked during 2020. Following the review, the following increases are being applied effective 1 January 2021.

<table>
<thead>
<tr>
<th>Fee Type*</th>
<th>2021 Fees €</th>
<th>2020 Fees €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman fee</td>
<td>385,000</td>
<td>357,500</td>
</tr>
<tr>
<td>Non-Executive Director basic fee</td>
<td>84,000</td>
<td>78,000</td>
</tr>
<tr>
<td>Non-European allowance</td>
<td>30,000</td>
<td>19,000</td>
</tr>
</tbody>
</table>

* There are no changes to the Committee member and Chair fees.

The increases represent the equivalent of an annual 2.5% increase since the last review, which is in line with the annual increase available to the general workforce in Ireland over the same three-year period. Following the adjustment, the Chairman’s fee and the non-Executive Director fees remain within the market median range. The allowance for non-Executive Directors based outside of Europe has been increased to take account of the extra time commitment required to travel to Board meetings.
Part II: Remuneration Policy Outturn 2020

Disclosures regarding Directors’ remuneration have been drawn up on an individual Director basis in accordance with the requirements of the 2014 Irish Companies Act, the EU Shareholders’ Rights Directive, the UK Corporate Governance Code, the Irish Annex, the Euronext Dublin Stock Exchange and the UK Listing Authority.

The information in the tables 1, 4, 5, 6 and 7 below including relevant footnotes (identified as audited) forms an integral part of the audited consolidated financial statements as described in the basis of preparation on page 166. All other information in the Remuneration Report is additional disclosure and does not form an integral part of the audited consolidated financial statements.

Executive Directors’ Remuneration

Table 1: Individual Remuneration for the year ended 31 December 2020 (Audited)

<table>
<thead>
<tr>
<th></th>
<th>Irish Based Directors</th>
<th>US Based Director</th>
<th>US Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Edmond Scanlon</td>
<td>Marguerite Larkin</td>
<td>Gerry Behan</td>
</tr>
<tr>
<td></td>
<td>CEO</td>
<td>CFO</td>
<td>CEO T&amp;N</td>
</tr>
<tr>
<td>2020</td>
<td>€’000</td>
<td>€’000</td>
<td>€’000</td>
</tr>
<tr>
<td>2019</td>
<td>€’000</td>
<td>€’000</td>
<td>€’000</td>
</tr>
<tr>
<td>Basic Salary1</td>
<td>1,113</td>
<td>1,151</td>
<td>895</td>
</tr>
<tr>
<td>Benefits</td>
<td>45</td>
<td>39</td>
<td>72</td>
</tr>
<tr>
<td>Pensions2</td>
<td>214</td>
<td>207</td>
<td>273</td>
</tr>
<tr>
<td>Total Fixed Remuneration</td>
<td>1,372</td>
<td>1,397</td>
<td>1,240</td>
</tr>
<tr>
<td>% Fixed v Total</td>
<td>59%</td>
<td>35%</td>
<td>62%</td>
</tr>
<tr>
<td>STIP3</td>
<td>-</td>
<td>1,312</td>
<td>-</td>
</tr>
<tr>
<td>LTIP4</td>
<td>951</td>
<td>1,282</td>
<td>751</td>
</tr>
<tr>
<td>Total Variable Remuneration</td>
<td>951</td>
<td>2,594</td>
<td>751</td>
</tr>
<tr>
<td>% Variable v Total</td>
<td>41%</td>
<td>65%</td>
<td>38%</td>
</tr>
<tr>
<td>Total Remuneration</td>
<td>2,323</td>
<td>3,991</td>
<td>1,991</td>
</tr>
</tbody>
</table>

Note 1: As a solidarity gesture in light of COVID-19 and those impacted, the Executive Directors volunteered a 25% reduction in their basic salary for a three month period.

Note 2: The pension figure for Edmond Scanlon relates to Irish defined contribution pension benefits. Marguerite Larkin received a taxable cash payment in lieu of pension benefits. The employer pension contribution for both Edmond and Marguerite remained at 18% of their basic salaries before the 25% temporary voluntary reduction referred to above. The pension figure for Gerry Behan includes both defined benefit and defined contribution retirement benefits and similarly his employer pension contribution was not impacted by the voluntary basic salary reduction applied during the year.

Note 3: No STIP was payable for 2020 due to performance not meeting the thresholds levels set for each of the financial metrics and discretion being applied not to pay out on personal and strategic objectives. The 2019 STIP amount represents 75% delivered in cash with 25% delivered by way of shares/share options which are deferred for two years.

Note 4: The share price used to calculate the value of the LTIP is the average share price for the three months up to the end of the year being reported. A positive share price movement versus that applicable at the date the conditional awards were granted has increased the valuation of the awards (that will vest in 2021) over the three years by €268,082 for Edmond Scanlon, €56,076 for Marguerite Larkin and by €187,359 for Gerry Behan. The LTIP included in this table was awarded in 2018. Marguerite Larkin was appointed to the Board part way through 2018 and the level of her award reflects this.

Note 5: The table shows the Executive Director’s pay in the currency of payment to ensure clarity in reflecting the year-on-year payment comparisons.

Note 6: The total remuneration for Executive Directors was €5,200k (2019: €8,878k) using a US dollar exchange rate of 1.13 (2019: 1.12).

Basic Salary Increases

Edmond Scanlon’s basic salary as Group CEO was increased by 2.5% and the basic salaries of Marguerite Larkin and Gerry Behan were increased by 2.5% and 3% respectively effective from 1 February 2020 in line with increases for the general workforce in Ireland and the US respectively. However as noted above, the Executive Directors took a voluntary 25% basic salary reduction for a three month period as a solidarity gesture in light of COVID-19 and those impacted.
**Annual Incentive Outcomes (STIP)**

**Table 2: Annual Bonus Achievement Against Targets**

Financial Metrics (CEO, CFO, and CEO T&N – 90% weighting)

<table>
<thead>
<tr>
<th>Metric</th>
<th>1. Volume Growth* (40% weighting)</th>
<th>2. Margin Expansion* (30% weighting)</th>
<th>3. Cash Conversion (20% weighting)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group</td>
<td>Taste &amp; Nutrition</td>
<td>Group</td>
</tr>
<tr>
<td>Targets</td>
<td>Threshold</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Target</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td>Max</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Actual performance</td>
<td>-2.9%</td>
<td>-3%</td>
<td>-100bps</td>
</tr>
<tr>
<td>Bonus outcome</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Link to strategy</td>
<td>Volume Growth is a key performance metric as it is one of the main drivers of Adjusted EPS Growth</td>
<td>Margin Expansion is a key performance metric as it is another main driver of Adjusted EPS Growth</td>
<td>Cash Conversion is key to ensuring there are sufficient funds available for reinvestment or for return to shareholders</td>
</tr>
</tbody>
</table>

* The above metrics are measured at Group level for the CEO and CFO and at Taste & Nutrition level for the CEO of Taste & Nutrition.

When setting the targets above the Committee considered them to be appropriate as they are aligned with the Group’s strategic plan, were reflective of overall market conditions pre COVID-19, and take account of planned investments (both capital and operational) that the Group is making to enable the achievement of its strategic priorities for growth and margin expansion as well as necessary working capital investments to mitigate the Brexit and KerryConnect risks.

**Personal and Strategic Objectives – 10% weighting**

The table below sets out the performance outcome for the personal and strategic element of the STIP.

<table>
<thead>
<tr>
<th>Metric</th>
<th>4. Personal and Strategic (All – 10% weighting)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CEO</td>
</tr>
<tr>
<td>Targets</td>
<td>Threshold</td>
</tr>
<tr>
<td></td>
<td>Target</td>
</tr>
<tr>
<td></td>
<td>Max</td>
</tr>
<tr>
<td>Actual performance</td>
<td>8</td>
</tr>
<tr>
<td>Bonus outcome (after discretion, see page 140)</td>
<td>0%</td>
</tr>
<tr>
<td>Link to strategy</td>
<td>Specific to the Executive Directors responsibility linked to strategic plan implementation and talent management</td>
</tr>
</tbody>
</table>

**Details of Personal and Strategic Objectives**

The Executive Directors are also measured against Personal and Strategic objectives. Performance against these objectives is determined by the Committee by reference to key targets agreed with the Executives at the start of the year.
<table>
<thead>
<tr>
<th>Objective</th>
<th>Achievement</th>
<th>Outturn</th>
</tr>
</thead>
</table>
| **CEO**                         | **Sustainability**  
- Led the development and launch of Kerry's 2030 sustainability strategy *Beyond the Horizon* bringing sustainability to the core of the Group's strategy. Led tangible and public commitments for 2025 to 2030 across all ESG dimensions; people, society and planet.  
- Successfully launched the revitalised Kerry brand, vision, purpose and values bringing The Kerry Way to life externally and further embedding it internally.  

**Operating Model**  
- Continued to drive operating model improvements, strengthening and simplifying the commercial organisation globally to further enhance Kerry's customer experience.  
- Further strengthened Kerry's global Taste and Applied Health & Nutrition capabilities.  

**Technology Portfolio**  
- Further strengthened the Group's strategic focus on Authentic Taste, Nutrition, Foodservice and Developing Markets.  
- Identified, initiated and executed M&A transactions to further enhance and optimise the Group's leading technology portfolio and presence in key strategic markets.  

**Leadership, Talent & Succession**  
- Continued to ensure rigour in executive succession planning and development. Global leadership team further strengthened through key internal promotions and external appointments.  
- Demonstrated excellent leadership in shaping the Group's response to the COVID-19 pandemic; prioritised around our people, our customers and our communities, ensuring the Group could safely fulfil its critical role in the global food supply chain. Significant personal investment in engagement with all key stakeholders on the Group's response throughout the year.  

**CFO**                         | **Sustainability**  
- Co-led the development and launch of Kerry's 2030 sustainability strategy *Beyond the Horizon*. Identified key performance measures across all ESG dimensions and implemented effective measurement methodology and governance to drive and monitor progress.  
- Proactive and effective engagement with shareholders ensuring comprehensive understanding of the Group's sustainability strategy, performance and ongoing response to the challenges presented by COVID-19.  

**Operating Model**  
- Continued to align and strengthen the commercial arm of the global finance organisation, consistent with operating model developments in commercial, Taste & Nutrition.  
- Ensured strong finance leadership and agile decision making throughout the COVID-19 pandemic, ensuring continuity of supply and focused innovation investment in response to changing consumer needs.  

**Technology Portfolio**  
- Further strengthened the Group's strategic focus on Authentic Taste, Nutrition, Foodservice and Developing Markets.  
- Identified, initiated and executed M&A transactions to further enhance and optimise the Group's leading technology portfolio and presence in key strategic markets.  

**Leadership, Talent & Succession**  
- Continued to build a high-performing Finance leadership team, further simplifying the global finance leadership organisation. Ensured seamless succession and transition to a number of finance leadership roles.  
- Actively championed and sponsored talent and succession initiatives across the Group, focused on strengthening overall leadership talent pipeline. | 8%      |
Objective | Achievement | Outturn
--- | --- | ---
CEO T&N | Co-led the development and launch of Kerry's 2030 sustainability strategy *Beyond the Horizon* ensuring alignment and capability of the Taste & Nutrition (T&N) organisation for their execution. | 8%
 | Ensured a quality launch of the revitalised Kerry brand with key customers and other stakeholders across T&N globally. | 

**Sustainability**
- Continued to drive operating model improvements, strengthening and simplifying the commercial organisation globally to further enhance Kerry's customer experience. Further strengthened Kerry's global Taste and Applied Health & Nutrition capabilities.
- Sponsored further simplification and alignment of regional organisations behind Group strategy and portfolio.
- Played a key leadership role throughout the COVID-19 pandemic in ensuring all manufacturing plants and R&D centres safely operated throughout 2020 to meet customer needs. Ensured effective partnerships with key customers, driving innovation and alignment of product portfolios to changing consumer needs.

**Operating Model**
- Identified, initiated and executed M&A transactions to further enhance and optimise the Group's leading technology portfolio and presence in key strategic markets.

**Technology Portfolio**
- Continued to ensure rigour in T&N executive succession planning and development, strengthening leadership teams across all regions and further aligning capabilities behind strategic priorities.
- Further strengthened the global T&N leadership through Chief Commercial Officer and Global Head of Taste appointments.

**Leadership, Talent & Succession**

**Discretion**

The Committee carefully assessed the performance of the Executive Directors against their individual Personal and Strategic objectives in line with normal practice and concluded that an above target performance was achieved by all three Executive Directors. However, in light of the overall performance, and following a request from the Executive Directors not to be considered for any element of their annual bonus in respect of 2020, the Committee agreed that there should be no award under this element of the STIP.

**Final Outturn for 2020**

Despite the Executive Directors unrelenting commitment to the business and strong individual performances during the year, they will receive no annual bonus payments under the STIP for 2020.

**Long-Term Incentive Plan (LTIP)**

**2013 LTIP**

The terms and conditions of the plan were approved by shareholders at the 2013 AGM. The Remuneration Committee approves the terms, conditions and allocation of conditional awards under the Group's LTIP to Executive Directors and senior management. Under this plan, Executive Directors and senior management are invited to participate in conditional awards over shares or share options in the Company.

Subject to performance metrics being met over a three year performance period, the LTIP award will vest on the third anniversary of the date of grant. 50% of the award is delivered at the vesting date with the remaining 50% of the award being delivered following a two year deferral period. This provides for a combined performance period and deferral period of five years for half of the award that vests.

The first conditional awards under this scheme were made to Executive Directors in 2013. The maximum award that can be made to an individual Executive Director under the LTIP over a 12 month period is equivalent to 180%-200% of basic salary for that period.

An award may lapse if a participant ceases to be employed within the Group before the vesting date. The market price of the shares on the date of each award outlined above is disclosed in note 27 to the financial statements.

The proportion of each conditional award which vests will depend on the Adjusted EPS Growth, TSR and ROACE performance of the Group during the relevant three year performance period.
2018 LTIP Awards
Set out below is the performance against targets for the 2018 LTIP award where the three year performance period ended on 31 December 2020 and the award vests in 2021.

EPS Performance Test
50% of the award vests according to the Group’s average adjusted EPS growth (‘EPS metric’) over the performance period. This measurement is determined by reference to the growth in the Group’s adjusted EPS calculated on a constant currency basis in each of the three financial years in the performance period in accordance with the vesting schedule outlined in the following table:

<table>
<thead>
<tr>
<th>Average Adjusted EPS Growth</th>
<th>Percentage of the Award Which Vests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threshold</td>
<td>6%</td>
</tr>
<tr>
<td>Target</td>
<td>10%</td>
</tr>
<tr>
<td>Maximum</td>
<td>12%</td>
</tr>
</tbody>
</table>

Below 6% none of the award vests. Vesting between target points is on a straight line basis.

The COVID-19 pandemic had a particular impact on the EPS metric in 2020 (-9.4%), which negated the strong EPS growth achieved in 2018 (+8.6%) and 2019 (+8.3%). As a result, the threshold level for this metric was not achieved resulting in an award outcome of 0% out of a possible maximum of 50%.

TSR Performance Test
30% of the award vests according to the Group’s TSR performance over the period measured against the TSR performance of a peer group of listed companies over the same three year performance period. The peer group consists of Kerry and the following companies:

<table>
<thead>
<tr>
<th>Chr. Hansen</th>
<th>Givaudan</th>
<th>Kellogg’s</th>
<th>Sensient Technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barry Callebaut</td>
<td>Glanbia</td>
<td>McCormick &amp; Co.</td>
<td>Symrise</td>
</tr>
<tr>
<td>Corbion</td>
<td>Greencore</td>
<td>Nestlé</td>
<td>Tate &amp; Lyle</td>
</tr>
<tr>
<td>Aryzta*</td>
<td>Danone</td>
<td>Novozymes</td>
<td>Unilever</td>
</tr>
<tr>
<td>General Mills</td>
<td>IFF</td>
<td>Premier Foods</td>
<td></td>
</tr>
</tbody>
</table>

* Aryzta will be replaced by Ingredion for awards granted in 2021 and subsequent years.

When assessing whether the performance hurdle has been met, this measurement is determined by reference to the ranking of Kerry’s TSR over the three-year performance period, in comparison with the TSR performance of the companies in the peer group. The awards vest in line with the following table:

<table>
<thead>
<tr>
<th>Position of Kerry in the Peer Group</th>
<th>Percentage of the Award Which Vests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below median</td>
<td>0%</td>
</tr>
<tr>
<td>Median</td>
<td>30%</td>
</tr>
<tr>
<td>Between median and 75th percentile</td>
<td>Straight line between 30% and 100%</td>
</tr>
<tr>
<td>Greater than 75th percentile</td>
<td>100%</td>
</tr>
</tbody>
</table>

The performance graph below shows Kerry’s TSR compared to the peer companies over the three year performance period from 1 January 2018 to 31 December 2020 for the LTIP awards which issued in 2018. These awards have a vesting date on or before 30 April 2021.
3 Year TSR: Kerry and Comparator 1 January 2018 - 31 December 2020
See chart on page 146, which illustrates the Group’s TSR performance from 2010 to 2020

Vesting Level for TSR Metric
The outcome of the measurement of the TSR condition in relation to the 2018 awards is in the 2nd quartile, resulting in an award outcome of 24.5% out of a possible maximum of 30%.

ROACE Performance Test
20% of the award vests according to the Group’s ROACE over the performance period. ROACE represents a good perspective on the Group’s internal rate of return and financial added value for shareholders. ROACE supports the strategic focus on growth and margins through ensuring cash is reinvested to generate appropriate returns.

This measurement is determined by reference to the ROACE in each of the three financial years included in the performance period:

<table>
<thead>
<tr>
<th>Threshold</th>
<th>Target</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>25%</td>
<td>50%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Below 10% none of the award vests. Vesting between target points is on a straight line basis.

Vesting Level for ROACE Metric
The outcome of the measurement of the ROACE condition in relation to the 2018 award is a ROACE of 11.2% resulting in a reward outcome of 8% out of a maximum of 20%.

Table 3: Overall Outcome of the 2018 LTIP Award Vesting in 2021

<table>
<thead>
<tr>
<th>LTIP Metric*</th>
<th>Weighting %</th>
<th>Actual Vesting %</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td>TSR</td>
<td>30%</td>
<td>24.5%</td>
</tr>
<tr>
<td>ROACE</td>
<td>20%</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

32.5%  

* See TSR, EPS and ROACE tables above for details of performance metrics.
Summary of outstanding LTIP awards

The following table shows the Executive Directors’ and Company Secretary’s interests under the LTIP. Conditional awards at 1 January 2020 relate to awards made in 2017, 2018 and 2019 which have a three year performance period. The 2017 awards vested in 2020. The 2018 and 2019 awards will potentially vest in 2021 and 2022 respectively. The market price of the shares on the date of each award is disclosed in note 27 to the financial statements.

Executive Directors’ and Company Secretary’s Interests in Long-Term Incentive Plan

Table 4: Individual Interest in LTIP (Audited)

<table>
<thead>
<tr>
<th>LTIP Scheme</th>
<th>Share Option Awards at 1 January 2020</th>
<th>Share Option Awards Vested During the Year</th>
<th>Share/Option Awards Lapsed During the Year</th>
<th>Conditional Awards Made During the Year</th>
<th>Conditional Awards at 31 December 2020</th>
<th>Share Price at Date of Conditional Award Made During the Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Edmond Scanlon</td>
<td>2013 77,446</td>
<td>–</td>
<td>(11,524)</td>
<td>(6,827)</td>
<td>21,821</td>
<td>80,916</td>
</tr>
<tr>
<td>Marguerite Larkin</td>
<td>2013 20,569</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>12,145</td>
<td>32,714</td>
</tr>
<tr>
<td>Gerry Behan</td>
<td>2013 57,405 (13,906)</td>
<td>–</td>
<td>(8,238)</td>
<td>15,354</td>
<td>50,615</td>
<td></td>
</tr>
<tr>
<td>Company Secretary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ronan Deasy</td>
<td>2013 13,014</td>
<td>–</td>
<td>(2,212)</td>
<td>(1,311)</td>
<td>2,628</td>
<td>12,119</td>
</tr>
</tbody>
</table>

Conditional LTIP awards made on 9 March 2020 have a three year performance period and will potentially vest in March 2023. 50% of the shares/share options which potentially vest under the LTIP, are issued immediately upon vesting. The remaining 50% of the award is issued to participants following a two year deferral period in March 2025.

The following table shows the share options which are held by the Executive Directors and the Company Secretary under the STIP and LTIP:

Table 5: Share Options Held Under the STIP and LTIP (Audited)

<table>
<thead>
<tr>
<th></th>
<th>Share Options Outstanding at 1 January 2020</th>
<th>Share Options Exercised During the Year</th>
<th>Share Options Vested During the Year</th>
<th>Share Options Outstanding at 31 December 2020</th>
<th>Exercise Price Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Edmond Scanlon¹</td>
<td>15,823</td>
<td>–</td>
<td>14,532</td>
<td>30,355</td>
<td>€0.125</td>
</tr>
<tr>
<td>Marguerite Larkin¹</td>
<td>696</td>
<td>–</td>
<td>1,560</td>
<td>2,256</td>
<td>€0.125</td>
</tr>
<tr>
<td>Company Secretary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ronan Deasy</td>
<td>3,413</td>
<td>(2,078)</td>
<td>2,212</td>
<td>3,547</td>
<td>€0.125</td>
</tr>
</tbody>
</table>

Note 1: Share Options which vested in March 2020 related to 2017 LTIP awards and 25% of the 2019 STIP (paid in March 2020). 50% of share options vested under the LTIP are subject to a two year deferral period and 25% of the STIP payments which are delivered in share options are subject to a two year deferral period.

Once vested, share options under the LTIP can be exercised for up to seven years before they lapse. For share options subject to the two year deferral period, they can be exercised for up to five years following the end of the two year deferral period, before they lapse i.e. seven years following the vest date.
Executive Directors’ Pensions
The pension benefits under defined benefit pension plans for Gerry Behan during the year are outlined in the following table.

Table 6: Defined Benefit – Pensions Individual Summary (Audited)

<table>
<thead>
<tr>
<th></th>
<th>Accrued Benefits on Leaving Service at End of Year (Excluding Inflation) $'000</th>
<th>Service at End of Year Accumulated Total at End of Year $'000</th>
<th>Transfer Value of Increase in Accumulated Accrued Benefits $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gerry Behan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>31</td>
<td>583</td>
<td>451</td>
</tr>
<tr>
<td>2019</td>
<td>25</td>
<td>552</td>
<td>321</td>
</tr>
</tbody>
</table>

Note: The table shows the Executive Director’s pension in the currency of payment to ensure clarity in reflecting the year on year payment comparisons.

Note: Contributions were made to an Irish defined contribution plan in respect of Edmond Scanlon. Marguerite Larkin receives a taxable cash payment in lieu of pension benefits. These contributions are reflected in the single figure table (table 1) on page 137.

Payments to Former Directors
No payments were made to former Directors during 2020 (2019: €nil) in respect of their duties as Directors.

Vested 2015 LTIP awards and vested 2017 STIP awards, which were subject to a two year deferral period and delivered in 2020 in respect of former Executive Directors, were disclosed in previous annual reports when earned and therefore are not disclosed separately.

Payment for Loss of Office
There were no payments for loss of office in 2020 (2019: €nil).

Non-Executive Director Remuneration
Table 7: Remuneration paid to non-Executive Directors in 2020 (Audited)

<table>
<thead>
<tr>
<th></th>
<th>Fees 2020(^1) €</th>
<th>Fees 2019 €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hugh Brady</td>
<td>91,875</td>
<td>98,000</td>
</tr>
<tr>
<td>Gerard Culligan</td>
<td>73,125</td>
<td>78,000</td>
</tr>
<tr>
<td>Karin Dorrepaal</td>
<td>91,875</td>
<td>98,000</td>
</tr>
<tr>
<td>Joan Garahy</td>
<td>120,000</td>
<td>128,000</td>
</tr>
<tr>
<td>Emer Gilvarry*</td>
<td>14,666</td>
<td>-</td>
</tr>
<tr>
<td>James C. Kenny**</td>
<td>39,000</td>
<td>117,000</td>
</tr>
<tr>
<td>Tom Moran</td>
<td>103,125</td>
<td>105,000</td>
</tr>
<tr>
<td>Con Murphy</td>
<td>73,125</td>
<td>78,000</td>
</tr>
<tr>
<td>Christopher Rogers</td>
<td>102,037</td>
<td>103,000</td>
</tr>
<tr>
<td>Philip Toomey</td>
<td>335,156</td>
<td>357,500</td>
</tr>
<tr>
<td></td>
<td>1,043,984</td>
<td>1,162,500</td>
</tr>
</tbody>
</table>

Note 1: As a solidarity gesture in light of COVID-19 and those impacted, the Chairman and non-Executive Directors volunteered a 25% reduction in their fees for a three month period.

* Emer Gilvarry was appointed to the Board on 1 November 2020.

** James Kenny retired from the Board on 30 April 2020.

Non-Executive Directors are reimbursed for travel and accommodation expenses and any personal tax that may be due on those expenses. The gross amount of these expenses that were deemed to be taxable is €1,528.
Directors’ and Company Secretary’s Interests

There have been no contracts or arrangements with the Company or any subsidiary during the year, in which a Director of the Company was materially interested, and which were significant in relation to the Group’s business. The interests of the Directors and the Company Secretary of the Company and their spouses and minor children in the share capital of the Company, all of which were beneficial unless otherwise indicated, are shown below:

Table 8: Directors’ and Company Secretary Shareholdings

<table>
<thead>
<tr>
<th></th>
<th>31 December 2020 Ordinary Shares Number</th>
<th>31 December 2020 Share Options Number</th>
<th>31 December 2020 Total Number</th>
<th>31 December 2019 Ordinary Shares Number</th>
<th>31 December 2019 Share Options Number</th>
<th>31 December 2019 Total Number</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gerry Behan</td>
<td>55,581</td>
<td>-</td>
<td>55,581</td>
<td>47,830</td>
<td>-</td>
<td>47,830</td>
</tr>
<tr>
<td>- Deferred¹</td>
<td>16,071</td>
<td>-</td>
<td>16,071</td>
<td>17,074</td>
<td>-</td>
<td>17,074</td>
</tr>
<tr>
<td>Hugh Brady</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,250</td>
<td>-</td>
<td>1,250</td>
</tr>
<tr>
<td>Gerard Culligan</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Karin Dorrepaal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Joan Garahy</td>
<td>1,050</td>
<td>-</td>
<td>1,050</td>
<td>1,050</td>
<td>-</td>
<td>1,050</td>
</tr>
<tr>
<td>Emer Gilvarry</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>James C. Kenny</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Marguerite Larkin</td>
<td>1,500</td>
<td>-</td>
<td>1,500</td>
<td>1,500</td>
<td>-</td>
<td>1,500</td>
</tr>
<tr>
<td>- Deferred¹</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tom Moran</td>
<td>539</td>
<td>-</td>
<td>539</td>
<td>696</td>
<td>-</td>
<td>696</td>
</tr>
<tr>
<td>Con Murphy</td>
<td>7,721</td>
<td>-</td>
<td>7,721</td>
<td>7,721</td>
<td>-</td>
<td>7,721</td>
</tr>
<tr>
<td>Christopher Rogers</td>
<td>640</td>
<td>-</td>
<td>640</td>
<td>640</td>
<td>-</td>
<td>640</td>
</tr>
<tr>
<td>Edmond Scanlon</td>
<td>9,611</td>
<td>17,199</td>
<td>26,810</td>
<td>8,195</td>
<td>17,806</td>
<td></td>
</tr>
<tr>
<td>- Deferred¹</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philip Toomey</td>
<td>6,000</td>
<td>-</td>
<td>6,000</td>
<td>6,000</td>
<td>-</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>Company Secretary</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ronan Deasy</td>
<td>3,230</td>
<td>1,106</td>
<td>4,336</td>
<td>3,230</td>
<td>998</td>
<td>4,228</td>
</tr>
<tr>
<td>- Deferred¹</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 1: The deferred shares and share options above, relate to 25% of the Executive Directors 2018 and 2019 STIP awards and 50% of the 2016 and 2017 LTIP award (vested in March 2019 and 2020 respectively). These awards are subject to a two year deferral period and will be delivered in shares/share options in March 2021 and March 2022 respectively.

Shareholding Guidelines

The table below sets out the Executive Directors’ shareholding at 31 December 2020 shown as a multiple of basic salary. Refer to the Remuneration Policy Table on page 130 in Section C for details of the Executive Director shareholding requirements.

Table 9: Individual Shareholding as a Multiple of Basic Salary

<table>
<thead>
<tr>
<th>Executive Director</th>
<th>As a Multiple of Basic Salary¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edmond Scanlon</td>
<td>4.0x</td>
</tr>
<tr>
<td>Marguerite Larkin²</td>
<td>0.6x</td>
</tr>
<tr>
<td>Gerry Behan</td>
<td>10.0x</td>
</tr>
</tbody>
</table>

Note 1: The share price used to calculate the above is the share price as at 31 December 2020 and the shareholding is based on all shares held and vested option awards (including deferred) reflected in table 8 above.

Note 2: Marguerite Larkin, in line with the proposed new policy, has to increase her shareholding to at least the minimum 2.5x basic salary through the retention of 50% of vested annual bonus and LTIP shares/options (after sales to meet taxes).
TSR Performance and Chief Executive Officer Remuneration

The graph below illustrates the TSR performance of the Group over the past ten years showing the increase in value of €100 invested in Group’s shares from 31 December 2010 to 31 December 2020. Also outlined in the table on page 147, the remuneration of the Chief Executive Officer is calculated in line with the methodology captured under legislation which was enacted for UK incorporated companies.

10 Year Total Shareholder Return
( Value of €100 Invested on 31/12/2010)

![Graph showing TSR performance](image)

Table 10: Remuneration Paid to the CEO 2011–2020

The Committee believes that the Policy and the supporting reward structure provide a clear alignment with the strategic objectives and performance of the Group. To maintain this relationship, the Committee regularly reviews the business priorities and the environment in which the Group operates. The table below shows the Group CEO’s total remuneration over the last 10 years and the achieved annual variable and long-term incentive pay awards as a percentage of the plan maximum.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total remuneration €'000</th>
<th>Annual incentive payout as a % of maximum</th>
<th>LTIP achieved as a % of maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>3,283</td>
<td>73%</td>
<td>100%</td>
</tr>
<tr>
<td>2012</td>
<td>3,538</td>
<td>74%</td>
<td>100%</td>
</tr>
<tr>
<td>2013</td>
<td>3,592</td>
<td>70%</td>
<td>100%</td>
</tr>
<tr>
<td>2014</td>
<td>3,283</td>
<td>57%</td>
<td>91.9%</td>
</tr>
<tr>
<td>2015</td>
<td>4,161</td>
<td>58%</td>
<td>61.8%</td>
</tr>
<tr>
<td>2016</td>
<td>3,625</td>
<td>62%</td>
<td>29.4%</td>
</tr>
<tr>
<td>2017</td>
<td>5,285</td>
<td>75%</td>
<td>62.3%</td>
</tr>
</tbody>
</table>

CEO – Edmond Scanlon

<table>
<thead>
<tr>
<th>Year</th>
<th>Total remuneration €'000</th>
<th>Annual incentive payout as a % of maximum</th>
<th>LTIP achieved as a % of maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>808</td>
<td>75%</td>
<td>62.3%</td>
</tr>
<tr>
<td>2018</td>
<td>2,577</td>
<td>60%</td>
<td>63.7%</td>
</tr>
<tr>
<td>2019</td>
<td>3,991</td>
<td>76%</td>
<td>62.8%</td>
</tr>
<tr>
<td>2020</td>
<td>2,323</td>
<td>0%</td>
<td>32.5%</td>
</tr>
</tbody>
</table>

Note 1: Edmond Scanlon was appointed CEO and to the Board on 1 October 2017 and his remuneration reflected in the table above relates to remuneration from that date.
Table 11: Annual change in pay for Directors and all employees

In line with the implementation of Articles 9a and 9b of European Directive 2017/828/EC1 (commonly known as the Revised Shareholder Rights Directive or SRDII) into the Irish Companies Act 2014, the table below shows the percentage change in each Director's total remuneration and the global average total remuneration of an employee from the year ended 31 December 2019 to the year ended 31 December 2020.

<table>
<thead>
<tr>
<th>Year-on-year change in pay for Directors compared to the global average employee¹</th>
<th>2020 €</th>
<th>2019 €</th>
<th>YoY Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive Directors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Edmond Scanlon</td>
<td>2,323,000</td>
<td>3,991,000</td>
<td>(41.8%)</td>
</tr>
<tr>
<td>Marguerite Larkin</td>
<td>1,115,000</td>
<td>1,558,000</td>
<td>(28.4%)</td>
</tr>
<tr>
<td>Gerry Behan</td>
<td>1,762,000</td>
<td>3,329,000</td>
<td>(47.1%)</td>
</tr>
<tr>
<td><strong>Non-Executive Directors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hugh Brady</td>
<td>91,875</td>
<td>98,000</td>
<td>(6.3%)</td>
</tr>
<tr>
<td>Gerard Culligan</td>
<td>73,125</td>
<td>78,000</td>
<td>(6.3%)</td>
</tr>
<tr>
<td>Karin Dorrepaal</td>
<td>91,875</td>
<td>98,000</td>
<td>(6.3%)</td>
</tr>
<tr>
<td>Joan Garahy</td>
<td>120,000</td>
<td>128,000</td>
<td>(6.3%)</td>
</tr>
<tr>
<td>Emer Gilvarry*</td>
<td>14,666</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>James C. Kenny**</td>
<td>39,000</td>
<td>117,000</td>
<td>(66.7%)</td>
</tr>
<tr>
<td>Tom Moran***</td>
<td>103,125</td>
<td>105,000</td>
<td>(1.8%)</td>
</tr>
<tr>
<td>Con Murphy</td>
<td>73,125</td>
<td>78,000</td>
<td>(6.3%)</td>
</tr>
<tr>
<td>Christopher Rogers***</td>
<td>102,037</td>
<td>103,000</td>
<td>(0.9%)</td>
</tr>
<tr>
<td>Philip Toomey</td>
<td>335,156</td>
<td>357,500</td>
<td>(6.3%)</td>
</tr>
<tr>
<td><strong>All Group Employees</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>46,389</td>
<td>45,824</td>
<td>1.2%</td>
</tr>
<tr>
<td><strong>TSR Performance²</strong></td>
<td></td>
<td></td>
<td>7.4%</td>
</tr>
</tbody>
</table>

**Note 1:** Calculated by dividing the aggregate payroll costs of employees in 2020 (excluding social welfare costs and costs related to Executive Directors) by the average number of employees in 2020, as disclosed in note 4 to the consolidated financial statements.

**Note 2:** TSR performance for the period from 31 December 2019 to 31 December 2020.

* Emer Gilvarry joined the Board on 1 November 2020.

** James Kenny retired from the Board on 30 April 2020.

*** Christopher Rogers was appointed to the Remuneration Committee in 2020 and received an additional Committee membership fee as a result and Tom Moran received a full year fee for his role as the designated employee engagement Director following his appointment to that role in June 2019 which are the reasons why their % decreases are not in line with those for the other Directors.

Performance of the Company: 5 Year Total Shareholder Return
Relative Importance of Spend on Pay

The total amount spent on Executive Director remuneration (including Long-Term Incentive Plan) and overall employee pay is outlined below in relation to retained profit, dividends paid and taxation paid.

Dilution

The Group offers Executive Directors and senior management the opportunity to participate in share-based schemes as part of the Group’s Remuneration Policy. In line with best practice guidelines, the Company ensures that the level of share awards granted under all share schemes does not exceed 10% of the Group’s share capital over a rolling ten year period, with a further limitation of 5% in any ten year period in respect of discretionary schemes. The dilution resulting from all vested share awards/share options for the ten year period to 31 December 2020 is 0.9%. This level of dilution is well below the maximum dilution level recommended for executive share-based incentive plans.

The potential future dilution level from unvested share awards/share options as a result of these schemes is a further 0.7%.

Table 12: CEO Ratio

The UK Companies (Miscellaneous Reporting) Regulations 2018 require certain UK incorporated companies to publish the ratio of CEO remuneration to UK staff pay. Although not a requirement for Irish incorporated companies, the ratio of the CEO’s total remuneration to that of the median Irish employee is disclosed in the table below, in line with the Group’s commitment to ensure that its remuneration policies, practices and reporting reflect best corporate governance practices.

In providing the CEO ratio we have used Method C as set out in the regulations but have applied the principles of Method A.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer: Total remuneration</td>
<td>€2,323,000</td>
<td>€3,991,000</td>
</tr>
<tr>
<td>Median Irish Employee: Total remuneration</td>
<td>€42,137</td>
<td>€40,592</td>
</tr>
<tr>
<td>Median Irish Employee: Salary only</td>
<td>€39,654</td>
<td>€37,823</td>
</tr>
<tr>
<td>Median Pay Ratio – Total remuneration</td>
<td>55x</td>
<td>98x</td>
</tr>
<tr>
<td>Median Pay Ratio – Excluding all variable short and long-term incentives</td>
<td>33x</td>
<td>34x</td>
</tr>
</tbody>
</table>

The Committee believes that our senior executives should have a significant proportion of their pay directly linked to Group performance in order to drive alignment with shareholders. A significant portion of the Chief Executive Officer’s remuneration is therefore delivered through the Group’s short-term and long-term incentive plans where awards are linked to Group performance and share price movements over time. This means that ratios will depend significantly on short-term and long-term incentive outturns and may fluctuate from year to year as a result.

The CEO pay ratio based on total remuneration has reduced year on year. Performance outturns in 2019 were strong under both the short-term and long-term incentive plans with both outturns exceeding target. In 2020, as reported in previous sections, there was no STIP payout and the LTIP award for the three-year period ended 31 December 2020 had a lower vesting outturn compared to prior years. As a result, the total remuneration for the Chief Executive Officer has reduced in 2020 as compared to 2019. In addition, the single figure amount for the CEO reflects a 25% voluntary reduction in basic salary for three months in 2020 in light of the COVID-19 pandemic.

In comparison the remuneration earned by the median Irish employee has increased year on year due to annual pay increases with basic pay levels maintained despite COVID-19. As the median Irish employee does not participate in the Group’s short-term or long-term performance related incentive plans, the Committee has provided the median pay ratio excluding these variable pay elements again in 2020 and this ratio has also reduced year on year.
Statement on Shareholder Voting
Below is an overview of the voting which took place at the most recent AGMs to approve the Directors’ Remuneration Policy and the Directors’ Remuneration Report.

Table 13: Votes on Remuneration

<table>
<thead>
<tr>
<th>Total Votes Cast</th>
<th>Votes For</th>
<th>Votes Against</th>
<th>Votes Withheld/Abstained</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Directors’ Remuneration Policy (2018 AGM)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100,762,070</td>
<td>98,418,376</td>
<td>2,343,694</td>
<td>261,701</td>
</tr>
<tr>
<td></td>
<td>97.7%</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Directors’ Remuneration Report (2020 AGM)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>111,061,320</td>
<td>107,298,741</td>
<td>3,762,579</td>
<td>1,368,712</td>
</tr>
<tr>
<td></td>
<td>96.6%</td>
<td>3.4%</td>
<td></td>
</tr>
</tbody>
</table>

The Committee appreciates the level of support shown by the shareholders for the Remuneration Report and is committed to continued consultation with shareholders with regard to the Remuneration Policy.