GOVERNANCE REPORT

Remuneration Committee Report

Joan Garahy
Chairperson of the
Remuneration Committee

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[1]

9%	Revenue increased by 9%	27%[2]	Market capitalisation increased by 27%[2]
19	New manufacturing plants	24	Acquisitions completed
+2,050	Employees	29%	TSR growth of 29%

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

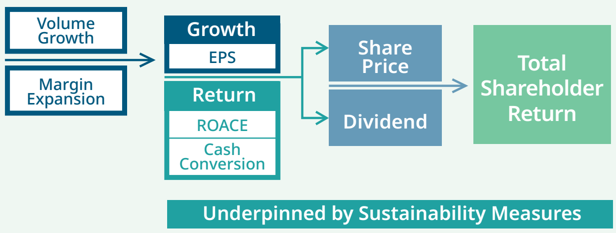
Delivery of Group Purpose, Values and Strategy
The Group's Executive Director short and long-term remuneration philosophy is to ensure that executive remuneration is aligned to the Group's purpose and values, supports strategy and promotes the long-term success of the Company.

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.



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

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.

	STIP		LTIP
Year	% of Target Achieved	% of Max Achieved	% of Max Achieved
2015	81%	57%	62%
2016	90%	63%	29%
2017	108%	75%	62%
2018	85%	59%	64%
2019	104%	73%	63%
Average	**94%**	**65%**	**56%**

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

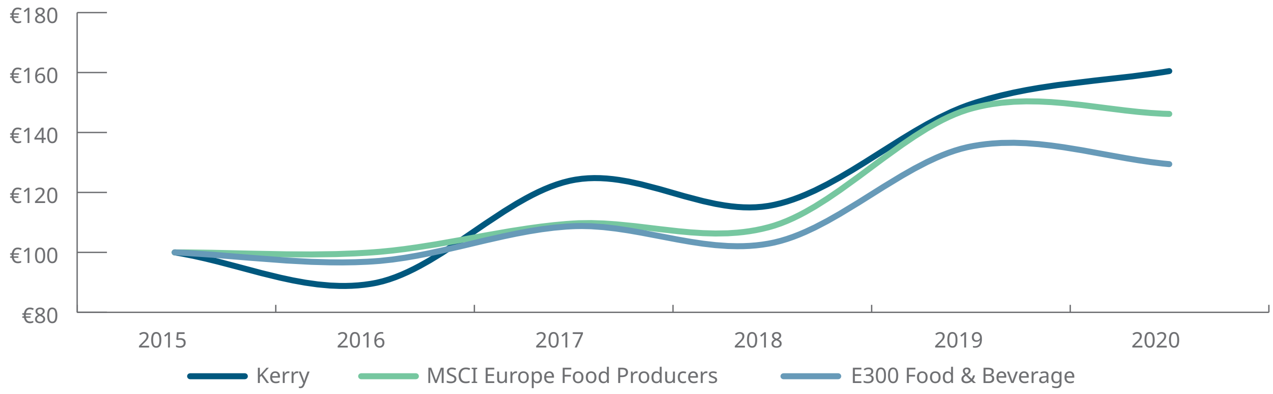
In determining the Executive Director's remuneration outturns for the financial year, the Committee maintained a clear and rigorous focus on aligning pay with performance in the context of a very challenging year.

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.

5 Year Total Shareholder Return (Value of €100 Invested on 31/12/2015)



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

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.

Primary Responsibilities of the Remuneration Committee

- To determine the Remuneration Policy for, and set the remuneration of the CEO, Executive Directors and senior management;
- To review the remuneration of the Chairman;
- To receive the recommendations of the CEO and set the salaries and overall remuneration of senior management;
- To review and approve incentive plan structures and targets;
- To agree the design of all share incentive plans for approval by the shareholders;
- To ensure alignment of incentives and rewards with strategy, values and culture;
- To ensure the contractual terms of Executive Directors and senior management are deemed fair and reasonable;
- To place before shareholders at each AGM, a Directors' Remuneration Report setting out the Group's policy and disclosures on remuneration;
- To arrange where appropriate, external benchmarking of overall remuneration levels and the effectiveness of incentive schemes;
- To review annually its own performance and terms of reference to ensure it is operating effectively;
- To engage with the workforce to explain how executive remuneration aligns with the wider company pay policy;
- To review workforce remuneration and related policies and the alignment of incentives and rewards with the Group's culture, and take these into account when setting the policy for executives; and
- To consider appropriate application and use of clawback and malus provisions as well as discretion to adjust the formulaic outturns for performance related pay.

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:

Subject	Remuneration Committee Activity
Remuneration Report	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.
Remuneration Policy Review	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.
Impact of COVID-19 on pay and conditions for the general workforce and on inflight STIP and LTIP awards	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.

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.

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:

Matters	Examples
Clarity	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.
Simplicity	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.
Risk	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.
Predictability	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.
Proportionality	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.
Alignment to Culture	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.

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

Short-Term Incentive Plan (STIP)			
Element	**Current Policy**	**Proposed Policy**	**Rationale**
Maximum Opportunity (% of basic)	CEO: 150% of basic salary (target: 105%). CFO and CEO T&N: 125% of basic salary (target: 87.5%) Target opportunity currently 70% of maximum	Increase maximum STIP opportunity and reduce target opportunity to 50% of maximum with no softening of expected performance levels CEO: 200% of basic salary (target: 100%) CFO and CEO T&N: 175% of basic salary (target: 87.5%)	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
STIP Deferral	25% of vested award deferred into shares/ options for two years	Portion of vested award deferred into shares/options for two years increased to 33%	Stronger long-term focus and reflects market best practice
Performance Measures	Volume Growth (40%); Margin Expansion (30%); Cash Conversion (20%); Strategic Objectives (10%)	Volume Growth (35%); Margin Expansion (27%); Cash Conversion (18%); Strategic Objectives (20%)	Enhanced focus on strategic objectives which have a direct impact on financial metrics and individual actions that drive long-term sustainable performance

Long-Term Incentive Plan (LTIP)			
Element	**Current Policy**	**Proposed Policy**	**Rationale**
Maximum Opportunity (% of basic)	CEO: 200% of basic salary CFO: 180% of basic salary CEO T&N: 200% of basic salary	Increase maximum LTIP opportunity on a phased basis over two years as follows: CEO: 250% in 2021, 300% in 2022 CFO: 225% in 2021, 250% in 2022 CEO T&N: 225% in 2021, 250% in 2022	Increase in quantum consistent with the increased size and complexity of the Group and promotes long-term sustainable performance
LTIP Deferral	50% of vested award deferred for two years	Deferral increased to 100% of vested award	Stronger alignment with shareholders and ensures long-term focus
Performance Measures	50% EPS; 30% TSR; 20% ROACE Threshold vesting 25% (30% for TSR) of maximum; target vesting 50% of maximum	40% EPS; 25% TSR; 15% ROACE; 20% Sustainability metrics Removal of target vesting point for EPS and ROACE with straight line vesting from threshold to maximum Reduce TSR threshold vesting to 25% of maximum while retaining current stretching goals	Introduction of sustainability measure fully aligned to our purpose and strategic direction (including new sustainability strategy) Vesting schedule aligned to market practice and consistency across all measures
Peer Group	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			
Element	**Current Policy**	**Proposed Policy**	**Rationale**
Share Ownership Requirements	CEO (200%), CFO (180%), CEO T&N (200%) No post-employment shareholding requirement	Increase in-service shareholding requirement (CEO 300%; Other Executive Directors 250%) Introduction of post-employment shareholding requirement for a period of two years	Stronger long-term focus and alignment with shareholder interests, as well as compliance with the UK Corporate Governance Code requirements
Malus and Clawback	Trigger events include material misstatement and serious wrongdoing which require a restatement of accounts	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	Alignment with the UK Corporate Governance Code requirements and market best practice
Discretion	Discretion available	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	Aligns with UK Corporate Governance Code and best practice
Recruitment Policy – Buyout Awards	Current payment to compensate new hires for remuneration forfeited is capped at 12 months target remuneration	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	Ensure sufficient flexibility to compensate future recruits for awards forfeited
Non-Executive Director Fees	Fees reviewed on a triennial basis	For 2021 Chairman's fee increased to €385,000 (from €357,500) For 2021 basic non-Executive Director fee increased to €84,000 (from €78,000) Allowance for non-European based non-Executive Director increased to €30,000 (from €19,000) No changes to other fees Propose to review fees annually going forward in line with general workforce adjustments	Reflects increase in the size and complexity of the Group Equivalent to the annual increase available to the general workforce over three year period 2017-2020 (2.5% p.a.) Compensate for additional time and travel commitment

Remuneration Policy Table

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

Purpose and Link to Strategy	Operation	Opportunity	Performance Metrics
Basic Salary			
Reflects the value of the individual, their skills and experience 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	– Remuneration Committee sets the basic salary and benefits of each Executive Director – Determined after taking into account a number of elements including the Executive Directors' performance, experience and level of responsibility – Paid monthly in Ireland and bi-weekly in the US – Salary is referenced to job responsibility and internal/external market data	– Set at a level to attract, retain and motivate Executive Directors – Reviewed annually – Full review undertaken every three years	– Not applicable
Benefits			
To provide a competitive benefit package aligned with the role and responsibilities of Executive Directors	– These benefits primarily relate to the use of a company car or a car allowance	– Not applicable	– Not applicable
Pension			
To provide competitive retirement benefits to attract and retain Executive Directors	– Pension arrangements may vary based on the Executive Director's location – 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 – 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	– Pension values currently vary based on local practice – 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 – The maximum company pension contribution rate for new Executive Director appointments is aligned to that of the general workforce rate	– Not applicable
Short-Term Incentive Plan (STIP)			
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 One third of the award is deferred in shares/options providing a two year retention element and aligns Executive Directors' interests with shareholders' interests	– Achievement of predetermined performance targets set by the Remuneration Committee – Performance targets aligned to the Group's published strategic targets with the targets and weightings for financial metrics subject to annual review – Two thirds of the award is payable in cash – One third of the award is awarded by way of shares/options to be issued two years after vesting following a deferral period – Malus and clawback provisions are in place for awards under the STIP (see page 131)	– Maximum opportunity is 175%-200% of basic salary – Target opportunity is 50% of maximum opportunity for on-target performance – Threshold performance results in a bonus payable at 0% of maximum	For FY 2021 – Volume Growth – Margin Expansion – Cash Conversion – Strategic Objectives

Purpose and Link to Strategy	Operation	Opportunity	Performance Metrics
Long-Term Incentive Plan (LTIP)			
Retention of key personnel and incentivisation of sustained performance against key Group strategic metrics over a longer period of time Share-based to provide alignment with shareholder interests A two year post vesting deferral requirement aligns Executive Directors' interests with shareholders' interests	– The awards vest depending on a number of performance metrics being met over a three year performance period – Conditional awards over shares or share options – 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) – Malus and clawback provisions are in place for awards under LTIP (see page 131)	– Maximum opportunity is 250%-300% of basic salary	For FY 2021 – Adjusted Earnings Per Share 'EPS' – Total Shareholder Return 'TSR' – Return on Average Capital Employed 'ROACE' – Sustainability metrics
Shareholding Requirement			
Maintain alignment of the interests of the shareholders and the Executive Directors and commitment over the long-term	– Executive Directors are required to build and to hold shares in the Company to a minimum level of 250%-300% of their basic salary – 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 – 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	– 250%-300% of basic salary	– Not applicable

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

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

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.

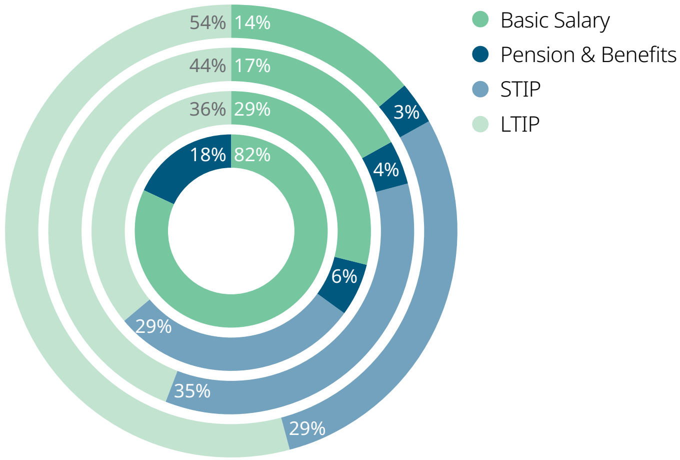
Non-Executive Directors' Remuneration Policy

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.

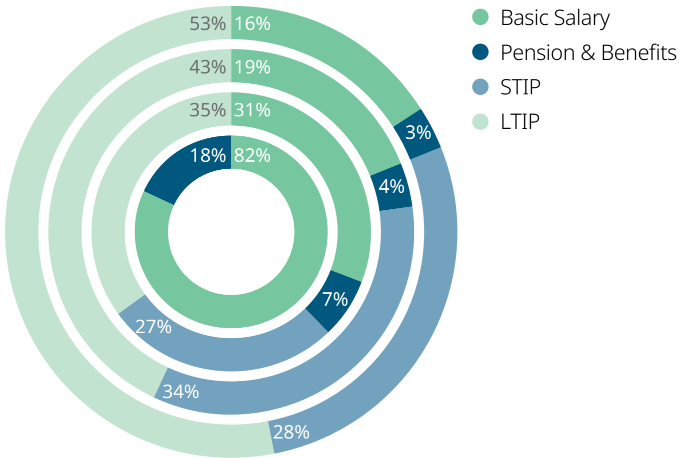
Illustration of Remuneration Policy

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.

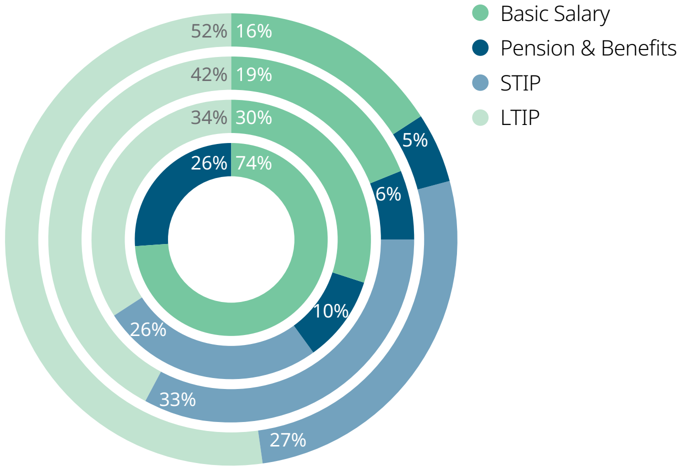
Edmond Scanlon



Marguerite Larkin



Gerry Behan



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:

Directors	2021 €'000	2020 €'000	% Increase
Edmond Scanlon	1,219	1,189	2.5%
Marguerite Larkin	754	735	2.5%
	$'000	**$'000**	**% Increase**
Gerry Behan	987	958	3.0%

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						
	CEO % of award		CFO % of award		CEO T&N % of award	
Group Metrics	**Target**	**Max**	**Target**	**Max**	**Target**	**Max**
Volume growth*	17.5%	35%	17.5%	35%	17.5%	35%
Margin expansion*	13.5%	27%	13.5%	27%	13.5%	27%
Cash conversion	9%	18%	9%	18%	9%	18%
Strategic Objectives	10%	20%	10%	20%	10%	20%
Total	50%	100%	50%	100%	50%	100%

* 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	2021	
Performance Metrics	**Threshold**	**Maximum**
EPS (40% weighting)*		
Adjusted EPS growth per annum	6%	12%
% of award which vests	25%	100%
ROACE (15% weighting)		
ROACE return achieved	10%	14%
% of award which vests	25%	100%
Relative TSR (25% weighting)		
Position of Kerry in TSR peer group**	Median	Greater than 75th%
% of award which vests	25%	100%
Sustainability (20% weighting)***		
Nutrition Reach Goal	1.11bn	1.27bn
Carbon Reduction	19%	23%
Food Waste Reduction	14%	22%
% of award which vests	25%	100%

* 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.

Fee Type*	2021 Fees €	2020 Fees €
Chairman fee	385,000	357,500
Non-Executive Director basic fee	84,000	78,000
Non-European allowance	30,000	19,000

* 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)

	Irish Based Directors Euros				US Based Director US Dollars	
	Edmond Scanlon CEO		Marguerite Larkin CFO		Gerry Behan[5] CEO T&N	
	2020 €'000	2019 €'000	**2020 €'000**	2019 €'000	**2020 $'000**	2019 $'000
Basic Salary[1]	**1,113**	1,151	**688**	716	**895**	928
Benefits	**45**	39	**34**	33	**72**	80
Pensions[2]	**214**	207	**132**	129	**273**	217
Total Fixed Remuneration	**1,372**	1,397	**854**	878	**1,240**	1,225
% Fixed v Total	**59%**	35%	**77%**	56%	**62%**	33%
STIP[3]	**-**	1,312	**-**	680	**-**	766
LTIP[4]	**951**	1,282	**261**	-	**751**	1,737
Total Variable Remuneration	**951**	2,594	**261**	680	**751**	2,503
% Variable v Total	**41%**	65%	**23%**	44%	**38%**	67%
Total Remuneration	**2,323**	3,991	**1,115**	1,558	**1,991**	3,728
					€'000	€'000
					1,762	3,329

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)

Metric		1. Volume Growth* (40% weighing)		2. Margin Expansion* (30% weighting)		3. Cash Conversion (20% weighting)
		Group	Taste & Nutrition	Group	Taste & Nutrition	Group
Targets	Threshold	0%	0%	0bps	0bps	70%
	Target	3%	4%	+30bps	+30bps	80%
	Max	5%	6%	+40bps	+ 40bps	90%
Actual performance		-2.9%	-3%	-100bps	-110bps	67%
Bonus outcome		0%	0%	0%	0%	0%
Link to strategy		Volume Growth is a key performance metric as it is one of the main drivers of Adjusted EPS Growth		Margin Expansion is a key performance metrics as it is another main driver of Adjusted EPS Growth		Cash Conversion is key to ensuring there are sufficient funds available for reinvestment or for return to shareholders

* 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.

Metric		4. Personal and Strategic (All – 10% weighting)		
		CEO	CFO	CEO T&N
Targets	Threshold	0	0	0
	Target	7	7	7
Max		10	10	10
Actual performance		8	8	8
Bonus outcome (after discretion, see page 140)		0%	0%	0%
Link to strategy		Specific to the Executive Directors responsibility linked to strategic plan implementation and talent management		

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.

Objective	Achievement	Outturn
CEO		**8%**
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		**8%**
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.	

Objective	Achievement	Outturn
CEO T&N		**8%**
Sustainability	– 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. – Ensured a quality launch of the revitalised Kerry brand with key customers and other stakeholders across T&N globally.	
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. – 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.	
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 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.	

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:

	Average Adjusted EPS Growth	Percentage of the Award Which Vests
Threshold	6%	25%
Target	10%	50%
Maximum	12%	100%

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:

Chr. Hansen	Givaudan	Kellogg's	Sensient Technologies
Barry Callebaut	Glanbia	McCormick & Co.	Symrise
Corbion	Greencore	Nestlé	Tate & Lyle
Aryzta*	Danone	Novozymes	Unilever
General Mills	IFF	Premier Foods	

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

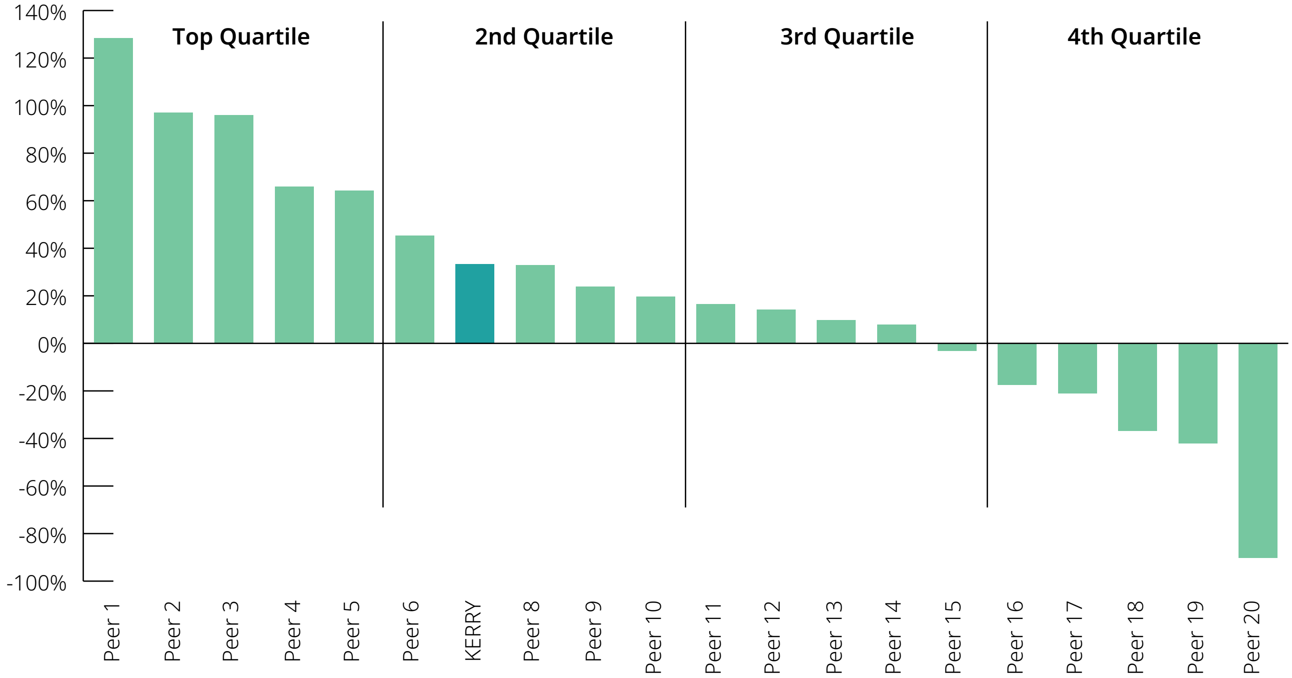
When assessing whether the performance hurdle has been met, this measurement is determined by reference to the ranking of Kerry's TSR over the three-year performance period, in comparison with the TSR performance of the companies in the peer group. The awards vest in line with the following table:

Position of Kerry in the Peer Group	Percentage of the Award Which Vests
Below median	0%
Median	30%
Between median and 75th percentile	Straight line between 30% and 100%
Greater than 75th percentile	100%

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:

	Return on Average Capital Employed	Percentage of the Award Which Vests
Threshold	10%	25%
Target	12%	50%
Maximum	14%	100%

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

LTIP Metric*	Weighting %	Actual Vesting %
EPS	50%	0%
TSR	30%	24.5 %
ROACE	20%	8.0%
		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)

LTIP Vesting and Conditional Awards								
	LTIP Scheme	Conditional Awards at 1 January 2020	Share Awards Vested During the Year	Share Option Awards Vested During the Year	Share/Option Awards Lapsed During the Year	Conditional Awards Made During the Year	Conditional Awards at 31 December 2020	Share Price at Date of Conditional Award Made During the Year
Directors								
Edmond Scanlon	2013	77,446	–	**(11,524)**	**(6,827)**	**21,821**	**80,916**	**€109**
Marguerite Larkin	2013	20,569	–	–	–	**12,145**	**32,714**	**€109**
Gerry Behan	2013	57,405	**(13,906)**	–	**(8,238)**	**15,354**	**50,615**	**€109**
Company Secretary								
Ronan Deasy	2013	13,014	–	**(2,212)**	**(1,311)**	**2,628**	**12,119**	**€109**

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)

	Share Options Outstanding at 1 January 2020	Share Options Exercised During the Year	Share Options Vested During the Year	Share Options Outstanding at 31 December 2020	Exercise Price Per Share
Directors					
Edmond Scanlon[1]	15,823	–	**14,532**	**30,355**	**€0.125**
Marguerite Larkin[1]	696	–	**1,560**	**2,256**	**€0.125**
Company Secretary					
Ronan Deasy	3,413	**(2,078)**	**2,212**	**3,547**	**€0.125**

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)

	Accrued Benefits on Leaving Service at End of Year		
	Increase During the Year (Excluding Inflation) $'000	Accumulated Total at End of Year $'000	Transfer Value of Increase in Accumulated Accrued Benefits $'000
Gerry Behan			
2020	**31**	**583**	**451**
2019	25	552	321

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)

	Fees 2020[1] €	Fees 2019 €
Hugh Brady	**91,875**	98,000
Gerard Culligan	**73,125**	78,000
Karin Dorrepaal	**91,875**	98,000
Joan Garahy	**120,000**	128,000
Emer Gilvarry*	**14,666**	-
James C. Kenny**	**39,000**	117,000
Tom Moran	**103,125**	105,000
Con Murphy	**73,125**	78,000
Christopher Rogers	**102,037**	103,000
Philip Toomey	**335,156**	357,500
	1,043,984	1,162,500

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

	31 December 2020 Ordinary Shares Number	**31 December 2020 Share Options Number**	**31 December 2020 Total Number**	31 December 2019 Ordinary Shares Number	31 December 2019 Share Options Number	31 December 2019 Total Number
Directors						
Gerry Behan	**55,581**	**–**	**55,581**	47,830	–	47,830
- Deferred[1]	***16,071***	**–**	***16,071***	*17,074*	–	*17,074*
Hugh Brady	**–**	**–**	**–**	1,250	–	1,250
Gerard Culligan	**–**	**–**	**–**	–	–	–
Karin Dorrepaal	**–**	**–**	**–**	–	–	–
Joan Garahy	**1,050**	**–**	**1,050**	1,050	–	1,050
Emer Gilvarry	**–**	**–**	**–**	–	–	–
James C. Kenny	**–**	**–**	**–**	–	–	–
Marguerite Larkin	**1,500**	**–**	**1,500**	1,500	–	1,500
- Deferred[1]	**–**	***2,256***	***2,256***	–	*696*	*696*
Tom Moran	**539**	**–**	**539**	539	–	539
Con Murphy	**7,721**	**–**	**7,721**	7,721	–	7,721
Christopher Rogers	**640**	**–**	**640**	640	–	640
Edmond Scanlon	**9,611**	**17,199**	**26,810**	9,611	8,195	17,806
- Deferred[1]	**–**	***13,156***	***13,156***	–	*7,628*	*7,628*
Philip Toomey	**6,000**	**–**	**6,000**	6,000	–	6,000
Company Secretary						
Ronan Deasy	**3,230**	**1,106**	**4,336**	3,230	998	4,228
- Deferred[1]	**–**	***2,441***	***2,441***	–	*2,415*	*2,415*

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

Executive Director	**As a Multiple of Basic Salary[1]**
Edmond Scanlon	**4.0x**
Marguerite Larkin[2]	**0.6x**
Gerry Behan	**10.0x**

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)

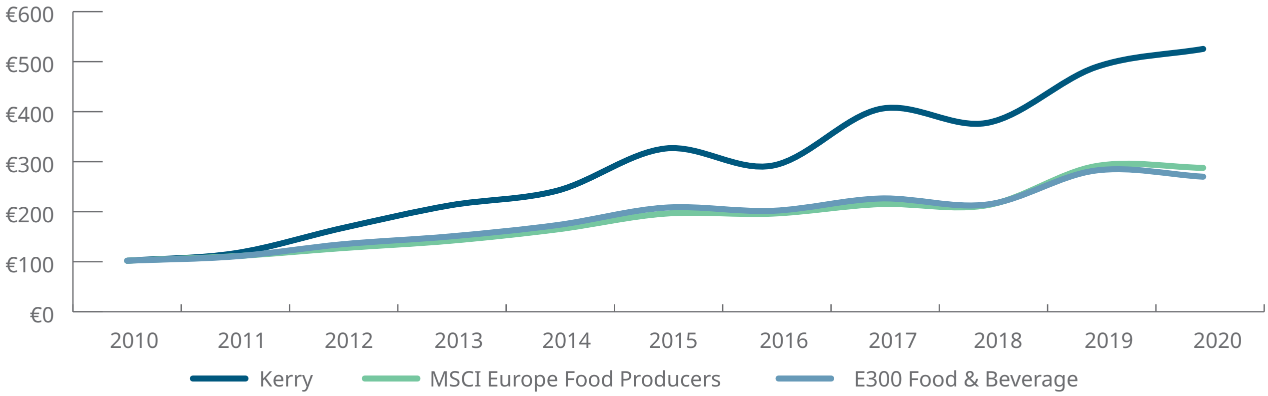


Table 10: Remuneration Paid to the CEO 2011–2020

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.

	Total remuneration €'000	Annual incentive payout as a % of maximum	LTIP achieved as a % of maximum
CEO – Stan McCarthy			
2011	3,283	73%	100%
2012	3,538	74%	100%
2013	3,592	70%	100%
2014	3,283	57%	91.9%
2015	4,161	58%	61.8%
2016	3,625	62%	29.4%
2017	5,285	75%	62.3%
CEO – Edmond Scanlon			
2017[1]	808	75%	62.3%
2018	2,577	60%	63.7%
2019	3,991	76%	62.8%
2020	2,323	0%	32.5%

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.

Year-on-year change in pay for Directors compared to the global average employee[1]

Executive Directors	2020 €	2019 €	YoY Change %
Edmond Scanlon	**2,323,000**	3,991,000	(41.8%)
Marguerite Larkin	**1,115,000**	1,558,000	(28.4%)
Gerry Behan	**1,762,000**	3,329,000	(47.1%)
Non-Executive Directors			
Hugh Brady	**91,875**	98,000	(6.3%)
Gerard Culligan	**73,125**	78,000	(6.3%)
Karin Dorrepaal	**91,875**	98,000	(6.3%)
Joan Garahy	**120,000**	128,000	(6.3%)
Emer Gilvarry*	**14,666**	-	100%
James C. Kenny**	**39,000**	117,000	(66.7%)
Tom Moran***	**103,125**	105,000	(1.8%)
Con Murphy	**73,125**	78,000	(6.3%)
Christopher Rogers***	**102,037**	103,000	(0.9%)
Philip Toomey	**335,156**	357,500	(6.3%)
All Group Employees	**46,389**	**45,824**	**1.2%**
TSR Performance[2]			**7.4%**

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.

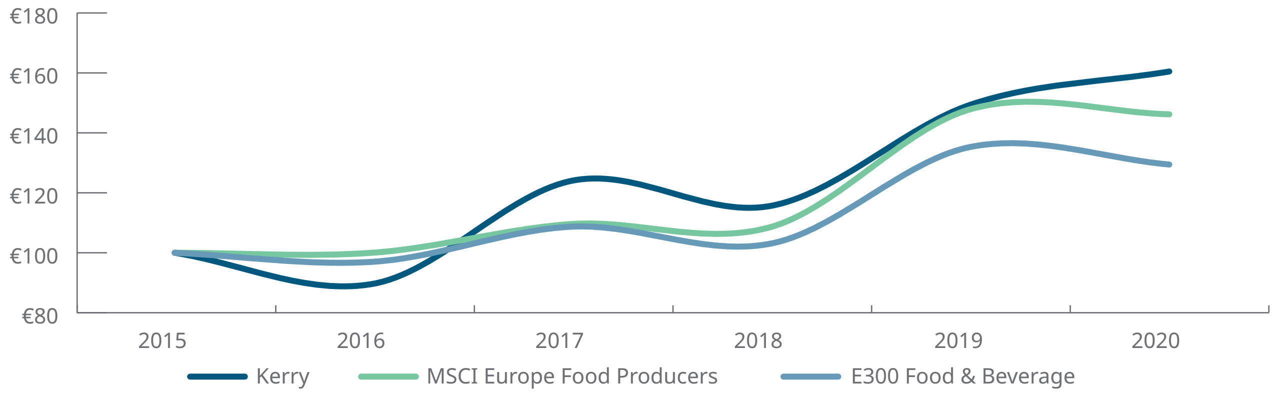
Note 2: TSR performance for the period from 31 December 2019 to 31 December 2020.

* Emer Gilvarry joined the Board on 1 November 2020.

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

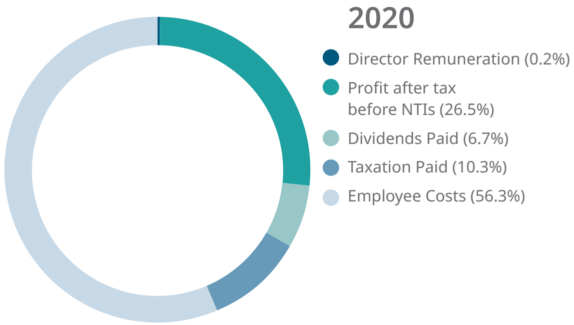
*** Christopher Rogers was appointed to the Remuneration Committee in 2020 and received an additional Committee membership fee as a result and Tom Moran received a full year fee for his role as the designated employee engagement Director following his appointment to that role in June 2019 which are the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

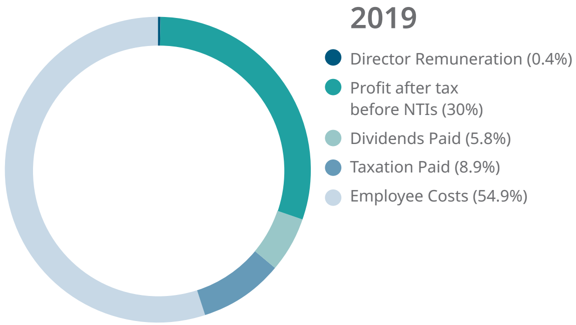
Performance of the Company: 5 Year Total Shareholder Return



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.

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

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

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

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.