



Grupo Nutresa S.A.

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Medellín – Colombia

Nit 890.900.050-1

**ANNUAL REPORT FROM THE APPOINTMENTS AND REMUNERATION COMMITTEE ON
THE REMUNERATION POLICIES APPLICABLE TO THE COMPANY'S BOARD OF
DIRECTORS AND EXECUTIVE COMMITTEE**

The Appointments and Remuneration Committee issued the following report on the Remuneration Policies applicable to the members of the Board of Directors and the Executive Committee for the period 2019-2020:

A. The Committee verified due compliance of The Remuneration Policy for the current Board of Directors, approved by the General Assembly of Shareholders held in March 2015; at the same time this Committee verified the due payment of the fees approved to the members of the Board of Directors by the General Assembly of Shareholders in 2019 for each meeting held by both the Board and its Board Committees.

This remuneration is reviewed every year so as to ensure that it remains reasonable with regard to the size of the Company, its financial situation and the market standards observed by comparable companies. Upon reviewing this Policy, the Committee ensures that the level of remuneration paid encourages the Company's long-term profitability and sustainability while avoiding excessive risk taking and rewarding a deficient performance. It also considers that the remuneration paid to the Board of Directors is consistent with the following objectives:

- o That it represents an incentive to encourage a superior level of dedication, performance and responsibility on the part of the members of the Board, without this representing an obstacle for the independent members to continue enjoying their inherent status.*
- o That said remuneration is set on the basis of a fixed amount, that it does not incorporate elements that are linked to the value of the Company's share and that it is entirely paid in cash.*
- o That it is effective in attracting and retaining the best professionals and keeping their remuneration in line with best practices and market conditions.*
- o That it corresponds to the Company's current situation, prospects and sustainable growth targets.*

The current policy was reviewed by the Committee whereupon they found no need to propose any further amendment to such.

B. The Committee verified that the remuneration paid by the members of the Executive Committee was fair on an internal level and competitive regarding the wider market, as



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defined in the Executive Committee's Remuneration and Performance Evaluation Policy approved by the Board of Directors in 2015.

According to said policy, one of the components of the remuneration paid to the members of the Executive Committee is variable and is based on the Company's Superior Achievement Award System, the aim of which is to recognize outstanding results and a constant level of value creation.

The variable remuneration paid to the members of the Executive Committee represented, in 2018, an average of 15.66% of the amount of compensation received.

The remuneration received by the members of the Executive Committee has been reported as part of the information that the Company is bound to provide in accordance with Article 446 of the Colombian Code of Commerce.

The current policy was reviewed by the Committee whereupon they found no need to propose any further amendment to such.