

REPORT BY THE BOARD OF DIRECTORS OF EBRO FOODS, S.A. REGARDING THE PROPOSAL SUBMITTED BY THE NOMINATION AND REMUNERATION COMMISSION FOR RE-ELECTION OF THE DIRECTOR FERNANDO CASTELLÓ CLEMENTE

1. Introduction

Fernando Castelló Clemente was re-elected Director of Ebro Foods, S.A. (“**Ebro**” or the “**Company**”) for the statutory term of four years by virtue of a resolution adopted at the annual general meeting on 5 June 2018. Fernando Castelló Clemente is an independent Director.

Pursuant to section 222 of the Corporate Enterprises Act, at the end of the term of appointment, that appointment expires on the date of the general meeting - or the end of the time stipulated for holding the general meeting - that is to approve the accounts of the previous year.

Accordingly, considering the imminent expiry of the appointment of Fernando Castelló Clemente as Director of Ebro and since the AGM is scheduled for 29 June 2022 on first call, and 30 June 2022 on second call, the Nomination and Remuneration Committee has submitted to the Board, to be laid before the shareholders at the forthcoming AGM, a proposal to re-elect Fernando Castelló Clemente as Director for the statutory term of four years. In addition, the proposal submitted by the Nomination and Remuneration Committee contains the report issued pursuant to Article 25.4(a) of the Regulations of the Board, containing an analysis of the composition and present needs of the Board, in accordance with the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.

The proposal submitted by the Nomination and Remuneration Committee is appended in **Annex 1** hereto.

The professional profile of Fernando Castelló Clemente, provided by the Nomination and Remuneration Committee, is also appended hereto, in **Annex 2**.

Annex 3 contains the text of the proposed resolution drawn up by the Board to be tabled at the Annual General Meeting concerning the re-election of Fernando Castelló Clemente as Director for the statutory term of four years.

This report and the annexes hereto will be made available to shareholders through their publication on the corporate website www.ebrofoods.es, coinciding with the publication of the notice of call to the forthcoming Annual General Meeting 2022, and will be incorporated in the corresponding minutes of the Board Meeting and Annual General Meeting.

2. Legal and regulatory aspects

2.1. Category of independent Director

Pursuant to the Corporate Enterprises Act, section 529.4 duodecies, independent Directors are those who, appointed by virtue of their personal and professional qualities, are able to perform their duties without being conditioned in any way by relations with the Company or its Group, significant shareholders or executives. Directors falling into any of the cases contemplated in that section may by no means be considered independent.

Accordingly, Fernando Castelló Clemente would be considered an independent Director.

2.2. Re-election by the general meeting of a Director

Pursuant to Article 20 of the Company's Articles of Association, Directors are appointed for a term of four years, after which they are eligible for re-election on one or several occasions for terms of an equal duration. The re-election of Directors is also contemplated in section 221.2, second paragraph, Corporate Enterprises Act, Article 20 of the Articles of Associations and Article 30.1 of the Regulations of the Board.

Pursuant to the Corporate Enterprises Act, section 529 decies, the Board members of a listed Company must be appointed by the General Meeting of Shareholders.

That section 529 decies also establishes, in paragraphs 4 and 5, that the Nomination and Remuneration Committee is competent to propose the re-election of independent Directors and that proposal must necessarily be accompanied by a supporting report by the Board assessing the competence, experience and merits of the proposed candidate, which will be appended to the minutes of the general meeting or Board meeting, as the case may be.

Similarly, Article 25.4(a) of the Regulations of the Board provides that the Nomination and Remuneration Committee shall inform always prior to submission to the General Meeting of any proposal regarding the appointment of Directors.

3. Assessment of the competence, experience and merits of the candidate

The Board considers that Fernando Castelló Clemente has the necessary competence, experience and merits to continue as Director on the Board of Directors of Ebro, in view of the following qualities:

- He has a broad, thorough knowledge of the Ebro Foods Group, having been on the Board continuously since 2012, making him a valuable asset for the Board.
- His academic qualifications as Industrial Engineer and MBA from IESE and his professional experience in companies operating in the food and distribution sector give the Board a greater diversity of expertise.

- His continuity on the Board is in keeping with most of the principles of the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.

In accordance with (i) the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors, (ii) Article 32.2 of the Regulations of the Board and (iii) Recommendation 25 of the Good Governance Code for Listed Companies, Fernando Castelló Clemente has informed the Company that he is sufficiently available to be able to correctly perform his duties.

Finally, the Board also deemed fit to re-elect Fernando Castelló Clemente as member and Chair of the Nomination and Remuneration Committee and member of the Audit and Compliance Committee considering that the diversity of expertise and professional profiles of those Committees is thus maintained, in line with the recommendations for good government and the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.

4. Conclusion

In view of the foregoing, the Board considers that:

- 4.1. The necessary requirements stipulated in law, regulations and the articles of association are met for the re-election of Fernando Castelló Clemente as Director for the statutory term of four years.
- 4.2. The proposal submitted by the Nomination and Remuneration Committee complies with the requirements established by the Corporate Enterprises Act, the Articles of Association and the Regulations of the Board, and with most of the principles of the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.
- 4.3. Fernando Castelló Clemente has so far done an excellent job as Director and made a valuable contribution to the Board, thanks to the knowledge he has acquired of the Ebro Group business activities.
- 4.4. Fernando Castelló Clemente has the necessary qualifications, training and professional experience required for this position, considering the needs of the Board, and is sufficiently available to perform his duties adequately, so it is appropriate to table a motion at the AGM for his re-election as Company Director for the statutory term of four years. Fernando Castelló Clemente is an independent Director.
- 4.5. The classification of Fernando Castelló Clemente as an independent Director is in keeping with the principles behind the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors. In particular, apart from favouring the diversity of expertise and experience on the Board, his re-election would maintain the current number of independent Directors on the Board.

In short, the Board considers Fernando Castelló Clemente a suitable candidate to be Director of the Company and that, as such, he would be an independent Director. He is also considered a suitable candidate to continue as member and Chair of the Nomination and Remuneration Committee and member of the Audit and Compliance Committee.

Madrid, 25 May 2022.

Annexes:

- Annex 1. Proposed re-election submitted by the Nomination and Remuneration Committee
- Annex 2. Professional profile of Fernando Castelló Clemente
- Annex 3. Proposed resolution for the Board to lay before the shareholders at the AGM

**The English version of this document and annexes is purely informative.
In the event of any discrepancy between the Spanish and English versions of this
document, the Spanish version will prevail.**

Annex 1

PROPOSAL SUBMITTED BY THE NOMINATION AND REMUNERATION COMMISSION OF EBRO FOODS, S.A. FOR RE-ELECTION OF THE DIRECTOR FERNANDO CASTELLÓ CLEMENTE

1. Introduction

Fernando Castelló Clemente was appointed Director of Ebro Foods, S.A. (“**Ebro**” or the “**Company**”) for the statutory term of four years by virtue of a resolution adopted at the Annual General Meeting of shareholders on 29 May 2012 and re-elected Director for the same statutory term by virtue of resolutions adopted at the Annual General Meetings held on 4 June 2014 and 5 June 2018. Fernando Castelló Clemente is an independent Director.

Pursuant to section 222 of the Corporate Enterprises Act, at the end of the term of appointment, that appointment expires on the date of the general meeting - or the end of the time stipulated for holding the general meeting - that is to approve the accounts of the previous year.

Furthermore, pursuant to section 221.2, second paragraph of the Corporate Enterprises Act, Article 20 of the Company’s Articles of Association and Article 30.1 of the Regulations of the Board, Directors may be re-elected on one or several occasions for terms of an equal duration to that contemplated in the articles of association.

Accordingly, considering the imminent expiry of the appointment of Fernando Castelló Clemente as Director of Ebro and since the AGM is scheduled for 29 June 2022 on first call, and 30 June 2022 on second call, the Nomination and Remuneration Committee has submitted to the Board, to be laid before the shareholders at the forthcoming AGM, a proposal to re-elect Fernando Castelló Clemente as Director for the statutory term of four years pursuant to the Corporate Enterprises Act, section 529.decies, paragraph 4. Fernando Castelló Clemente is an independent Director. In addition, this proposal contains the report issued pursuant to Article 25.4(a) of the Regulations of the Board, which provides that the Nomination and Remuneration Committee shall inform always prior to submission to the General Meeting of any proposal regarding the appointment of Directors.

2. Analysis of the composition and present needs of the Board

The Nomination and Remuneration Committee analyses the skills required by the Board and its composition and present needs, in accordance with the Code of Good Governance for Listed Companies and the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.

The changes produced within the Board of Directors of the Company from the last Annual General Meeting, held on 29 June 2021, to the date of this report are summarised below:

- Alejandra Olarra Icaza joined the Board on 24 November 2021 as representative of the corporate Director Corporación Financiera Alba, S.A. (a core shareholder of the Company), filling the vacancy left by Tomás Hevia Armengol.
- After the Extraordinary General Meeting held on 15 December 2021, Pedro Antonio Zorrero Camas tendered his resignation from the Board with effect from 31 December 2021, when he stepped down as Company Director and member of the Executive Committee and Audit and Compliance Committee. Mr Zorrero Camas was classified as an independent director.
- On 31 January 2022, the Board resolved to appoint Marc Thomas Murtra Millar Director by cooptation, to fill the vacancy left by Mr Zorrero Camas. Mr Murtra Miller was also appointed member of the Executive Committee and Audit and Compliance Committee of the Company. Mr Murtra Millar is classified as an independent Director.
- On 24 March 2022, the proprietary Director and core shareholder Alimentos y Aceites, S.A. tendered its resignation from the Board with effect from 29 March 2022.
- On 30 March 2022, the Board resolved to appoint Jordi Xuclà Costa Director by cooptation, to fill the vacancy left by Alimentos y Aceites, S.A. Mr Xuclà Costa is classified as a proprietary Director.

At the date of issue of this report, the Board of Directors is made up of fourteen (14) members, which is in keeping with the number set by the shareholders at the Annual General Meeting held on 29 July 2020. In the Committee's opinion, this gives the Board: (i) the necessary size to ensure efficient functioning, participation of all Directors and agile decision-making; (ii) an adequate diversity of expertise, experience and gender in its composition; and (iii) an adequate balance between the majority and minority shareholders on the Board. The Committee assessed these aspects on 30 March 2022 in connection with the appointment of Jordi Xuclà Costa as proprietary Director and it did not detect any circumstances that would imply a material change from the assessments made at that time or in the present needs of the Board.

With regard to the present composition of the Board from the point of view of categories of Directors and the female presence (as the gender least represented on the Board), of the fourteen (14) Directors, two (2) are classified as executive, eight (8) as proprietary and four (4) as independent, with five (5) female Directors (6 prior to the resignation of Alimentos y Aceites, S.A. since their representative on the Board was a woman).

With regard to the foregoing, the Nomination and Remuneration Committee:

- (i) Acknowledges the extent to which Recommendation 17 of the Code of Good Government is followed, according to which in “*companies that do not have a large market capitalisation (as is the case of Ebro), independent directors should occupy at least a third of board places.*”

Since the number of independent Directors (4) is slightly less than one-third (4.666) of the total Board members (14) recommended for companies that do not have a large capitalisation, the Nomination and Remuneration Committee considers it necessary to continue working towards raising the number of independent Directors until at least the recommended third is reached. It should, nevertheless, be borne in mind that at the date of issue of this Report, approximately 68% of the total capital of the Company is concentrated in the Board of Directors.

Furthermore, with regard to this recommendation, the re-election contemplated in this Report does not affect the composition of the Board as far as categories of Directors is concerned, because there will still be four (4) independent Directors.

- (ii) Acknowledges the extent to which Recommendation 15 of the Code of Good Government is followed, according to which *“At least 40% of the Board members should be women by the end of 2022 and thereafter, and no less than 30% before that time.”*

The Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors establishes the Company’s goal for the gender least represented on the Board to account for at least 40% of the Board members by the end of 2022 and thereafter.

Prior to the resignation of Alimentos y Aceites, S.A., which was represented by a woman on the Board of Directors, there were 6 women on the Board, which was 42.857% of the total number of members set by the General Meeting (14), so the Company had reached and exceeded the goal recommended by the Code of Good Governance and established in the Company’s Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.

After Alimentos y Aceites, S.A. left and a male Director joined the Board, the number of women dropped to 5, representing 35.714% of the total Board members (14), which is below the 40% goal.

The Nomination and Remuneration Committee is aware of the need to increase the number of women on the Board to restore the percentage existing prior to the departure of Alimentos y Aceites, S.A. and it will work to achieve again the 40% goal recommended by the Code of Good Governance and established in the Company’s Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.

Finally, it appreciates the fact that all the current Directors were appointed on the basis that their expertise, skills, professional experience, availability and suitability are adequate for the performance of their duties.

In view of the different professional profiles of the Directors (all specialists in very different, but complementary, sectors, such as economic, financial, legal, industrial, consumer and distribution markets, beverages, rice and pasta) and the thorough knowledge some of them have of the Group overall, the Nomination and Remuneration

Committee considers that the composition of the Board has an adequate diversity of professional experience and expertise to suit the interests of the Company and the Group.

In view of the foregoing, the Nomination and Remuneration Committee considers that the re-election of Fernando Castelló Clemente as independent Director would maintain the highly satisfactory current composition of the Board of Directors.

3. Resolution proposed by the Nomination and Remuneration Committee

The Nomination and Remuneration Committee submits to the Board for assessment and, if appropriate, to be tabled at the AGM scheduled for 29 June 2022 on first call and 30 June 2022 on second call, a proposal to re-elect Fernando Castelló Clemente as Director for the statutory term of four years. Mr Castelló Clemente is classified as an independent Director.

4. Assessment of the candidate for report to the Board

Pursuant to Article 25.4(a) of the Regulations of the Board, the Nomination and Remuneration Committee shall inform always prior to the appointment of Directors.

Accordingly, the proposal for re-election made in the preceding section is based on assessment of the suitability of the candidate, founded on the following:

- a) The excellent work as Director performed so far by Fernando Castelló Clemente, who has amply demonstrated his capacity and professional worth in the performance of his duties and his valuable contribution to the Board, thanks to the broad, in-depth knowledge he has of the activities of the Ebro Group.
- b) The adequate merits of Fernando Castelló Clemente to hold office as Director, in view of his academic qualifications and professional experience, particularly his qualification as an Industrial Engineer and MBA from IESE and his professional experience in companies operating in the food and distribution sector.
- c) The fact that Fernando Castelló Clemente has the time necessary for due performance of his duties.
- d) It is convenient for Fernando Castelló Clemente to remain on the Board in order to maintain optimum stability and balance in the composition of this body.
- e) The re-election of Fernando Castelló Clemente as Director complies with the applicable legal, statutory and regulatory provisions and most of the principles of the Company Policy for the Selection of Directors.
- f) Fernando Castelló Clemente has held office as Director continuously since 2012 and is not affected by any relations with the Company or its Group, significant shareholders or executives, so his classification as an independent Director is appropriate.

Furthermore, provided a resolution is adopted at the Annual General Meeting to re-elect Fernando Castelló Clemente as Director and he accepts his re-election, the Nomination and Remuneration Committee has considered and resolved to submit a favourable report to the Board on his continuity as member (Chair) of the Nomination and Remuneration Committee and member of the Audit and Compliance Committee.

Together with this proposal and favourable report, the Nomination and Remuneration Committee submits the candidate's professional profile, annexed hereto.

Madrid, 25 May 2022.

Annex 2

Professional profile of Fernando Castelló Clemente

(Lleida, 29-11-1945)

Industrial Engineer and MBA (IESE).

He has been a lecturer at the School of Engineers and Architects of Fribourg (Switzerland).

He has held several important executive and management positions in companies operating in the dairy sector and distribution in the food sector.

He is a director of several companies operating in the wine industry and others in the fields of alternative energies and construction. Among others, he is the Sole Director of Claptos 2, S.L. and Eurodairy Farms, S.L.

Annex 3

Proposed resolution submitted to the Annual General Meeting

“Re-election of the director Fernando Castelló Clemente.

To re-elect Fernando Castelló Clemente as Director of the Company for the statutory term of four years. Fernando Castelló Clemente is classified as an independent Director.”
