

REPORT BY THE BOARD OF DIRECTORS OF EBRO FOODS, S.A. REGARDING THE PROPOSAL FOR RE-ELECTION OF ALIMENTOS Y ACEITES, S.A., REPRESENTED BY CONCEPCIÓN ORDIZ FUERTES, AS DIRECTOR.

1. Introduction

Alimentos y Aceites, S.A., represented by Concepción Ordiz Fuertes, 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 4 June 2014. Alimentos y Aceites, S.A. is classified as a proprietary Director on the grounds of its status as significant shareholder of the Company.

Concepción Ordiz Fuertes represents Alimentos y Aceites, S.A. on the Board of Directors of Ebro.

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 Alimentos y Aceites, S.A. as Company Director (as the AGM is scheduled for 5 June 2018 on first call, and 6 June 2018 on second call), the Board of Directors has resolved to table a motion at the forthcoming AGM for the re-election of Alimentos y Aceites, S.A., represented by Concepción Ordiz Fuertes, as Director for the statutory term of four years, in the terms set out in **Annex 1** hereto.

The motion to be tabled at the AGM for the re-election of Alimentos y Aceites, S.A., represented by Concepción Ordiz Fuertes, as Director has been previously assessed and a favourable report issued by the Nomination and Remuneration Committee pursuant to section 529.decies, paragraphs 6 and 7 of the Corporate Enterprises Act and Article 25.4.(a) of the Regulations of the Board. A copy of the report by the Nomination and Remuneration Committee, containing an analysis of the composition and present needs of the Board, in accordance with the Company’s Policy for Selecting Directors, is appended in **Annex 2** hereto.

A professional profile of Concepción Ordiz Fuertes, who would represent Alimentos y Aceites, S.A. on the Board of Directors, is also appended hereto, in **Annex 3**.

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 2018. They will also be incorporated in the corresponding minutes of the Board of Directors and General Meeting of shareholders 2018.

2. Legal and regulatory aspects

2.1. Category of Director

Pursuant to the Corporate Enterprises Act, section 529.duodecies.3, proprietary Directors are those with a shareholding interest equal to or greater than that considered by law as significant, or appointed by virtue of their status as shareholders, even though their interest does not reach that level, and those representing shareholders as above.

Accordingly, Alimentos y Aceites, S.A. will be a proprietary Director as long as it continues to be a significant shareholder of the Company.

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, of the Corporate Enterprises Act and in 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, 5, 6 and 7, that (i) the Board is competent to propose the appointment of non-independent Directors (paragraph 4); (ii) 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 (paragraph 5) and preceded by a report by the Nomination and Remuneration Committee (paragraph 6); and (iii) the provisions of that section are applicable to the individuals representing corporate Directors and the appointment of those individuals is subject to a report by the Nomination and Remuneration Committee (paragraph 7).

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

3. Justification of the motion

The Board considers the re-election of Alimentos y Aceites, S.A., represented by Concepción Ordiz Fuertes, as Director appropriate by virtue of its status as significant shareholder of the Company and the assessment made in this report.

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

Alimentos y Aceites, S.A. is a Spanish company with registered office at calle Velázquez, no. 134, Madrid, and tax number A-80092851, registered with the Madrid Trade Register, volume 1358, folio 189, page M-25332. Its objects include, among other activities, the holding or management of public property assets in the sector of vegetable oils and other food products.

The individual representing it in the performance of its duties as Director of Ebro Foods, S.A. would be Concepción Ordiz Fuertes, i.e. the same person who has been representing Alimentos y Aceites, S.A. on the Board of Directors of Ebro since 2013.

The Board considers that Concepción Ordiz Fuertes has the necessary competence, experience and merits to represent the Director Alimentos y Aceites, S.A. on the Board of Directors of Ebro, in view of the following qualities:

- She has a broad, thorough knowledge of the Ebro Foods Group, having been on the Board since 2013.
- Her academic qualifications and professional experience as state attorney in several different legal, consultancy and contentious services of the state administration and courts make her a valuable asset for the Board, favouring the diversity of knowledge within this body.
- Her continuity on the Board is in keeping with the principles of the Company's Policy for Selecting Directors and in particular, enables the Company to maintain the female presence on Board (the gender least represented on the Board) above 30% of the total Board members, set as a goal for 2020, although it has already been met.

In accordance with (i) the Company's Policy for Selecting Directors, (ii) Article 32.2 of the Regulations of the Board and (iii) Recommendation 25 of the Good Governance Code for Listed Companies, Concepción Ordiz Fuertes has informed the Company that she is sufficiently available to be able to correctly perform her duties.

5. Conclusion

In view of the foregoing, the Board considers that:

- 5.1. It is appropriate to table a motion at the AGM for re-election of Alimentos y Aceites, S.A. as Director of the Company for the statutory term of four years, with Concepción Ordiz Fuertes as its representative on the Board of Directors of Ebro Foods, S.A. Alimentos y Aceites, S.A. is classified as a proprietary Director.
- 5.2. Said motion complies with the requirements established by the Corporate Enterprises Act, the Articles of Association and the Regulations of the Board, and with the principles established in the Company's Policy for Selecting Directors.
- 5.3. The appointment is in keeping with the composition and present needs of the Board, previously analysed by the Nomination and Remuneration Committee.

- 5.4. Alimentos y Aceites, S.A. is a significant shareholder of the Company.
- 5.5. In the Board's opinion, with the appointment of Alimentos y Aceites, S.A. as Director, in the category of proprietary Director, the composition of the Board reflects the relationship between the percentage of capital controlled by significant shareholders and the percentage held by institutional investors and minority shareholders.
- 5.6. Concepción Ordiz Fuertes has the necessary qualifications and professional expertise required for the position taking account of the Board's needs, and is sufficiently available to guarantee due performance of her duties as representative of Alimentos y Aceites, S.A. on the Board of Directors of Ebro Foods, S.A.
- 5.7. The continuity of Concepción Ordiz Fuertes on the Board of Directors, representing Alimentos y Aceites, S.A., is in line with the principles of the Company's Policy for Selecting Directors and, in particular, enables the Company to maintain the female presence on the Board (the gender least represented on the Board) above 30% of the total Board members, set as a goal for 2020, although it has already been met.

In short, the Board considers Alimentos y Aceites, S.A., represented by Concepción Ordiz Fuertes, a suitable candidate to be Director of the Company and that, as such, it would be a proprietary Director.

Madrid, 25 April 2018.

Annexes:

Annex 1. Proposed resolution submitted to the General Meeting

Annex 2. Report by the Nomination and Remuneration Committee

Annex 3. Professional profile of Concepción Ordiz Fuertes

<p>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.</p>
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Annex 1

Proposed resolution submitted to the General Meeting

“Re-election of Alimentos y Aceites, S.A. as Director

To re-elect Alimentos y Aceites, S.A., represented by Concepción Ordiz Fuertes, as Director of the Company for the statutory term of four years. Alimentos y Aceites, S.A. is classified as a proprietary Director.”

Annex 2

REPORT BY THE NOMINATION AND REMUNERATION COMMITTEE OF EBRO FOODS, S.A. ON THE RE-ELECTION OF ALIMENTOS Y ACEITES, S.A., REPRESENTED BY CONCEPCIÓN ORDIZ FUERTES, AS DIRECTOR.

1. Introduction

Alimentos y Aceites, S.A. 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 on 4 June 2014, with the category of proprietary Director on the grounds of its status as significant shareholder of the Company.

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 Alimentos y Aceites, S.A. as Company Director (as the AGM is scheduled for 5 June 2018 on first call, and 6 June 2018 on second call), the Board is considering tabling a motion at the forthcoming AGM for the re-election of Alimentos y Aceites, S.A., represented by Concepción Ordiz Fuertes, as Director for the statutory term of four years. Alimentos y Aceites, S.A. is classified as a proprietary Director.

For this purpose, pursuant to section 529 decies of the Corporate Enterprises Act, in addition to the corresponding report by the Board on the competence, experience and merits of the proposed candidate (paragraph 5), the motion must also be preceded by a report by the Nomination and Remuneration Committee (paragraph 6). The provisions of that section are applicable to the individuals representing corporate Directors and the appointment of those individuals is subject to a report by the Nomination and Remuneration Committee (paragraph 7).

In addition, Article 25.4(a) of the Regulations of the Board of Directors of Ebro provides that said committee shall inform always prior to submission to the General Meeting of any proposal regarding the appointment of Directors.

In compliance with the aforesaid legal and regulatory provisions, the Nomination and Remuneration Committee issues this report on the proposal submitted to the AGM for the re-election of Alimentos y Aceites, S.A. as Director for the statutory term of four years.

In pursuance of paragraph 7 of section 529 decies Corporate Enterprises Act, this report also embraces Concepción Ordiz Fuertes as representative of Alimentos y Aceites, S.A. on the Board of Directors of Ebro.

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

The Nomination and Remuneration Committee analyses the composition and present needs of the Board, in accordance with the Company's Policy for Selecting Directors.

At the date of the last AGM, on 1 June 2017, the Board was made up of twelve members (of a total of thirteen), two of whom were classified as executive Directors, six as proprietary Directors and four as independent Directors, and there were three women on the Board at that time.

The changes produced within the Board from 1 June 2017 to the date of this report are summarised below:

- Resignation by the proprietary Director Dr August Oetker on 1 June 2017, after the General Meeting of shareholders held on that day.
- Appointment by cooptation of Corporación Económica Delta, S.A. (represented by María Carceller Arce) as proprietary Director on 28 June 2017 to fill the vacancy produced by the resignation of Dr August Oetker.
- Resignation by the proprietary Director Javier Fernández Alonso on 31 January 2018.
- Appointment by cooptation of Corporación Financiera Alba, S.A. (represented by Javier Fernández Alonso) as proprietary Director on 31 January 2018 to fill the vacancy produced by the resignation of Javier Fernández Alonso.
- Resignation by the proprietary Director Corporación Económica Delta, S.A. (represented by María Carceller Arce) on 21 March 2018.
- Appointment by cooptation of María Carceller Arce as proprietary Director on 21 March 2018 to fill the vacancy produced by the resignation of Corporación Económica Delta, S.A.

At the date of issuing this report, the Board has twelve members (of a total of thirteen), two of whom were classified as executive Directors, six as proprietary Directors and four as independent Directors, and there are five women on the Board.

With this composition of the Board: (i) the four independent Directors represent 30.77% of the total positions on the Board (33.33% considering only the twelve positions filled) so Ebro, considered a small cap, complies with the recommendation of the Code of Good Governance for the number of independent Directors to represent at least one-third of the total Directors; and (ii) the female presence on the Board represents 38.46% of the total positions on the Board (41.67% considering only the twelve positions filled), which is higher than the goal set in the Policy for Selecting Directors, for the gender least represented on the Board to account for at least 30% of the total number of Directors by 2020, a goal that was reached in January 2017 and exceeded in June 2017.

The Nomination and Remuneration Committee considers that with this composition the Board will have an adequate level of stability and balance and, therefore, with a view to

the forthcoming AGM scheduled for 5 June 2018 on first call and 6 June 2018 on second, it has decided to recommend and, in the case of non-independent Directors, issue a favourable report to the Board: (i) re-election of all the Directors whose appointments expire as of the date of the forthcoming AGM and (ii) ratification, re-election and/or appointment, for the statutory term of four years, of all the Directors appointed by cooptation since the last AGM.

The Nomination and Remuneration Committee has also taken into account that all the Directors have been appointed considering their expertise, skills, professional experience, availability and suitability to be 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.

3. Analysis of the motion tabled by the Board at the Annual General Meeting for re-election of Alimentos y Aceites, S.A., represented by Concepción Ordiz Fuertes, as Director

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The individual representing it in the performance of its duties as Director of Ebro Foods, S.A. would be Concepción Ordiz Fuertes, i.e. the same person who has been representing Alimentos y Aceites, S.A. on the Board of Directors of Ebro since 2013.

The Nomination and Remuneration Committee has taken the following into consideration:

- a) Alimentos y Aceites, S.A. is a significant shareholder of the Company.
- b) It is convenient for Alimentos y Aceites, S.A. to remain on the Board in order to maintain optimum stability and balance in the composition of this body.
- c) Alimentos y Aceites, S.A. would be represented on the Board by Concepción Ordiz Fuertes, who makes a valuable contribution to the Board and has acquired a thorough knowledge of the activities of the Ebro Group.
- d) The re-election of Alimentos y Aceites, S.A., represented by Concepción Ordiz Fuertes, as proprietary Director for the statutory term of four years is in keeping with the principles established in the Company's Policy for Selecting Directors.
- e) Alimentos y Aceites, S.A. falls into the category of proprietary Directors, by virtue of its status as significant shareholder of the Company.

With regard to Concepción Ordiz Fuertes as representative of Alimentos y Aceites, S.A. on the Board of Directors of Ebro Foods, S.A., the Nomination and Remuneration Committee has valued her academic qualifications, her professional experience as state attorney in several different legal, consultancy and contentious services of the state administration and courts and her ample, thorough knowledge of the Ebro Foods Group, having been on the Board since 2013. The Nomination and Remuneration Committee also considers that the appointment of Ms Ordiz Fuertes as representative of Alimentos y Aceites, S.A. is in keeping with the principles of the Company's Policy for Selecting Directors and, in particular, enables the Company to maintain the female presence on the Board (the gender least represented on the Board) above 30% of the total Board members, set as a goal for 2020, although it has already been met.

4. Conclusions

Following the analysis and assessment made, the Nomination and Remuneration Committee unanimously resolved on 25 April 2018 to submit a favourable report to the Board on the motion to be tabled at the AGM for re-election of Alimentos y Aceites, S.A., represented by Concepción Ordiz Fuertes, as Director for the statutory term of four years. Alimentos y Aceites, S.A. is classified as a proprietary Director.

Madrid, 25 April 2018.

Annex 3

Professional profile of Concepción Ordiz Fuertes

(Oviedo, 10-09-1969)

Concepción Ordiz Fuertes has a BA in Law from the University of Oviedo (Miguel Traviesas Award to the best academic record in Private Law 1987-1992) and DEA (Diploma in Advanced Studies) from the Complutense University of Madrid, Financial and Tax Law Dept. (2005).

She is a State attorney with an extensive track record in different legal, advisory and contentious services of the State Administration and Courts. Among other activities, she was a member of the General Codification Committee for Bankruptcy Reform (July 2009) and adviser to the Ministry of Justice in the reform of Regulation (EC) 1346/2000. Lecturer and regular collaborator for courses in public institutions and author of several books on legal affairs.

She was awarded the “San Raimundo de Peñafort” Cross of Honour in 2010.

She is currently Secretary of the Board and Director of the Legal Counsel of Sociedad Estatal de Participaciones Industriales (SEPI).

She speaks English and French.