

Sustainability Report

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Chairman's statement>>>>

SUSTAINABILITY REPORT 2010

Chairman's statement>>>

Antonio Hernández Callejas.



DEAR SHAREHOLDERS: I am proud to present, for the fifth year in succession, the policies and actions developed by Ebro within the framework of our Corporate Social Responsibility. We presented our first Sustainability Report in 2006 and things have changed considerably since then, not so much in how we see our commitment to society as in the detail in which we inform you on how we put it into practice every day. Year after year we have increased the details and extent of this information with a view to making our organisation entirely transparent for our shareholders.

In the current environment, all undertakings are required not only to achieve good economic results but also to have a clear long-term vision of their role in and impact on society, while maintaining their commitment to obtain short-term results; and that is what we have done in Ebro yet again. Our company posted exceptionally good earnings in 2010, a year in which we created value and passed it on to all our stakeholders: employees, customers, shareholders, environment and society at large.

The strategy, policies and management applied contributed effectively to creating stable, quality employment within our company; looking out for our consumers at all times by developing new actions under our Food Safety and Quality Plan and launching new products with beneficial effects on health; and conserving the environment, socioeconomic development and well being of the geographical areas in which we operate or which have a bearing on our business.

In social action, the Ebro Foundation has continued working on the implementation of development cooperation programmes in Malawi, Uganda, Vietnam and Cambodia, and on the promotion of initiatives that have contributed to both the social integration of certain groups at risk of marginalization and to assist and enhance the social and economic progress of underprivileged groups in the parts of Spain in which Ebro is most firmly established. We have also continued to pay special attention to our food donation programme, contributing different Group products to the Spanish

Federation of Food Banks for a market value of over seven hundred thousand euro. Our subsidiaries Riviana and New World Pasta have set up a similar initiative in the USA and Canada, between them donating rice and pasta products to several local food banks for a value of almost six hundred thousand dollars.

In the area of human resources, we have applied measures to promote equal opportunities, insertion of the disabled and full compliance with the objectives marked by the Disabled (Social Integration) Act, as well as the professional development of our employees through training schemes, providing 76,000 hours of training during the year. Efforts have been stepped up in the prevention of occupational hazards, with an outlay of over one million three hundred thousand euro in different actions designed especially to inform on the accident rate and its causes and solutions. The number of occupational accidents was thus reduced by 4% compared to the previous year.

The company invested more than two million euro during the year on implementing enhancements with a view to reducing its impact on the environment.

Our customers and consumers and our constant striving to offer them distinguished, healthy food, based on strict standards of quality and safety, have once again featured amongst our most highest priorities. We made further progress in the establishment of high standards of Food Quality and Safety, raising our demands in product specifications, traceability, factory approvals by customers and enhancements in customer services. We also expanded our portfolio with new healthy products, at the same time adjusting to the changing needs of our consumers. During the year we were awarded new quality certificates under standards ISO 9001, ISO 22000 and the Safety Quality Food (SQF) protocol.

In short, we continued throughout 2010 to demonstrate our concern for socially responsible management and to define structures, guidelines and processes that will enable us to maintain sustainable growth, while at the same time showing our stakeholders the transparency of our business model.



Code of Conduct >>>>

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1. Introduction

This Code of Conduct is a step forward along the road on which Ebro Foods set out in 2003 when it approved the first Code of Ethics regulating the relations between the company and its principal stakeholders (a term commonly used to refer to all persons and groups, in addition to the shareholders, who are in any way related with the company). The Code also shows the firm commitment acquired by the Group on signing the UN Global Compact (<http://www.unglobalcompact.org>) to fully implementing the ten principles of conduct and action promoted on Human Rights, Environment, Labour Standards and Anti-Corruption. On signing the Global Compact, Ebro Foods undertook to progressively develop initiatives to enable the full implementation of these ten principles in our management, while at the same time informing our employees and the society of the progress we are making

In this sense, and with a view to creating a standardisation tool to guarantee compliance, the provisions of this Code of Conduct regulate the events contemplated in the ten principles, namely:

- ▶ Businesses should support and respect the protection of internationally proclaimed human rights, within their area of influence.
- ▶ Businesses should make sure that they are not complicit in human rights abuses.
- ▶ Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- ▶ Businesses should uphold the elimination of all forms of forced and compulsory labour.
- ▶ Businesses should uphold the effective abolition of child labour.
- ▶ Businesses should uphold the elimination of discrimination in respect of employment and occupation.
- ▶ Businesses should support a precautionary approach to environmental challenges.



- ▶ Businesses should undertake initiatives to promote greater environmental responsibility.
- ▶ Businesses should encourage the development and diffusion of environmentally friendly technologies.
- ▶ Businesses should work against all forms of corruption, including extortion and bribery.

2. Scope of application

This Code sets out the principles and standards defining the Group's conduct to guarantee a correct development of its relations with its principal stakeholders: shareholders, employees, customers, suppliers and the society.

The Code is applicable to all the companies in Ebro Foods, binding on all their employees and extensive to any individuals or undertakings related with the company whenever this may be necessary to ensure full compliance with the principles set out in the UN Global Compact.

Within the framework of relationships with the workforce, the Code regulates both the obligations of the organisation to its employees and the obligation of the latter to comply with the aforesaid principles, as members of the Group.

This Code also lays down the minimum guidelines to be observed by all those within its scope, regardless of whether there are additional legal provisions or smaller legal requirements in place in the country in which each one is based.

3. Mission, vision and values

The mission of Ebro Foods is to research, create, produce and put on the market foods with a high value added, which meet the nutritional requirements of the society while enhancing their health and well-being.

Our vision is to be leader in the meal solutions sector, with the aim of providing consumers with the best possible food solutions in terms of functionality, health, convenience and pleasure, achieved through constant innovation geared towards meeting the demands of the market. And we aspire to lead that sector in Europe, North America and the Mediterranean countries, focusing on the retail channel with numerous proprietary brands, without relinquishing our industrial activity which has a higher value added.

The values upheld by Ebro Foods are: leadership, transparency, service vocation, honesty, integrity, respect and commitment to our shareholders and the environment.

4. General company rules

The policy of the Ebro Foods goes beyond mere compliance with all the laws and regulations applicable to each business and requires:

- ▶ Not making decisions without considering their ethical value.
- ▶ Having the courage to reject unethical alternatives, just as others are rejected on the grounds of being economically unviable.
- ▶ Taking into account the side effects of each action.
- ▶ When making decisions, considering the groups involved and respecting their rights.
- ▶ Harmonising ethical requirements with other achievements.
- ▶ Seeking at all times the maximum credibility possible.
- ▶ Abstaining from abuse of the Ebro Food's market position. There is no problem in mentioning the advantages deriving from our position, achieved through the legitimate success of our businesses, but without imposing them on other persons or organisations.
- ▶ Involving executives and employees in actions to improve the future yield of the company.
- ▶ Continuous training of executives and employees as the basis for achieving leadership and adapting expeditiously to changing circumstances.



5. Relations with shareholders

- ▶ Ebro Foods undertakes to achieve for its shareholders not only the largest possible profit but also a sustained profit.
- ▶ Ebro Foods is obliged to provide its shareholders promptly, fairly and transparently with all information directly or indirectly affecting the development of the company. It will, accordingly, previously inform them through the official bodies and immediately afterwards through the different external agents, media and analysts.
- ▶ Ebro Foods will respect and protect the minority shareholders' rights, prohibiting any unfair or abusive use of insider or price-sensitive information.

6. Relations with employees

Ebro Foods is firmly committed to respect and protection of the fundamental human and labour rights within its working environment. In this regard:

- ▶ The principles established in the Universal Declaration of Human Rights adopted and proclaimed by the General Assembly of the United Nations in 1948 will be respected in all relations between the Ebro Foods companies and their employees.
- ▶ Ebro Foods will not employ anyone under legal age and rejects any form of direct or indirect child labour.
- ▶ Forced, compulsory labour is not permitted in any Ebro Foods company.
- ▶ All Ebro Foods employees are fully entitled to collective bargaining and trade union association.
- ▶ No Ebro Foods employee will suffer discrimination in employment by reason of sex, race, disability or religion.

- ▶ Ebro Foods will not tolerate any form of harassment or abuse and will establish the necessary mechanisms in each of its companies to detect and report such behaviour.
- ▶ Ebro Foods will ensure the integrity and safety of its employees in their respective jobs through an advanced Occupational Hazard Prevention Policy.

7. Relations with suppliers



- ▶ Suppliers must respect and protect fundamental human and labour rights at work and apply the same provisions as Ebro Foods in its relations with employees.
- ▶ The suppliers of Ebro Foods must have a policy for Respect and Conservation of the Environment and encourage the development and sharing of environmental-friendly technologies.
- ▶ Suppliers must allow inspections by both Ebro Foods and authorised third parties to check full compliance of the previous two principles.
- ▶ Fair treatment of all suppliers is a basic principle.
- ▶ When choosing suppliers, all the relevant factors should be given unbiased consideration, regardless of the size of the purchase or service.
- ▶ Influences seeking favourable treatment must be avoided. No group employee may receive gifts from suppliers or manufacturers of products consumed within the company, in the form of money, services or items, promotional or otherwise, with a high value or reasonably exceeding the habitual compliments. In the same way, the company will avoid giving gifts that could make our suppliers uncomfortable or be misinterpreted by third parties.
- ▶ The prices and other information given by suppliers are confidential and must not be used outside Ebro Foods, unless authorised in writing.
- ▶ It is essential for suppliers competing for contracts with Ebro Foods to trust the integrity of our selection process.



7. Relations with consumers and customers

- ▶ The first ethical duty of Ebro Foods to its consumers and customers is to maintain close contact and ensure permanent quality control of its products and services through the implementation of a stringent Food Quality and Safety Policy.
- ▶ In accordance with the recommendations made by the different departments of health of the countries in which it operates, Ebro Foods is firmly committed to fighting obesity and to offering food products that help to improve consumers' health and well being.
- ▶ Ebro Foods strives towards maximum transparency in reporting and credibility, endeavouring to maintain a high degree of trust among our consumers and clients, by paying special attention to personal relations and respecting rivals.
- ▶ Information concerning clients is always confidential.

8. Relations with the media

- ▶ No Ebro Foods employees may supply any information on the company to the media without first informing and obtaining authorisation from the Ebro Foods Communications Department, which is responsible for media relations.
- ▶ Unless expressly authorised, no Ebro Foods employees may use or disclose information to third parties on the company, executives or colleagues for their own benefit or if this might damage the reputation of the company or its members.

9. Relations with the environment

- ▶ Ebro Foods is firmly committed to respect and preservation of the environment. It has adopted an ambitious environmental policy, which it updates constantly as new circumstances arise.
- ▶ Ebro Foods constantly develops and informs on environmental-friendly technologies.

10. Relations with society

- ▶ Ebro Foods is committed to furthering the social and economic development of the geographical areas in which it operates and enhancing the quality of life of the persons there, especially in the more vulnerable sectors of society.

11. Fight against corruption and bribery

- ▶ Ebro Foods undertakes to eradicate any form of corruption within the company, including extortion and crime.
- ▶ No employee or collaborator of Ebro Foods will attempt to unduly influence the government authorities or civil servants, or consider obtaining any favours from any political party.
- ▶ Any employee of Ebro Foods may inform the Audit and Compliance Committee of the Board of Directors, being guaranteed absolute confidentiality, of any potentially important irregularities that may be observed within the company.



Commitment to our employees>>>>

SUSTAINABILITY REPORT **2010**

Commitment to our employees>>>



Our employees are the most valuable strategic asset we have to achieve success in all our activities; we have got to where we are today thanks to their organisation, enthusiasm and identification with the Group's business culture and with their cooperation we will continue making satisfactory progress in our business project.

Bearing this in mind, we endeavour to make our employees feel part of the organisation, paying special attention to their professional development, motivation, integration and safety, while promoting equal opportunities and non-discrimination, informing them of their right to collective bargaining and to create and belong to trade unions. We are true to our commitment to foster an adequate work-life balance, favouring maternity and paternity leave and ensuring that this has no adverse bearing on their job opportunities or working conditions and does not affect access by men or women to positions of special responsibility.

Our Human Resources Policy is based on the following foundations:

- ▶ Occupational hazard prevention.
- ▶ Management and development of talent.
- ▶ Creation of stable, quality employment.
- ▶ Implementation of pay policies based on criteria of recognition and furtherance.
- ▶ Participation in management.
- ▶ Internal communication.



1. Our workforce in figures

	Average headcount	Employees with non-term contracts	Average seniority (years)	No. persons promoted	Total salary expense
Holding	57	98%	12	15	7,882,722 €
Rice Division	2,429	84%	12.27	46	77,543,343 €
Pasta division	2,317	95%	15.19	73	87,157,331 €
Others	181	97%	4.24	5	6,207,758 €
Total	4,984	93%	10.925	139	178,791,154 €

HEADCOUNT BY PROFESSIONAL CATEGORY

	Permanent	Temporary	Total	Percentage
Executives	179	1	180	4%
Middle management	561	20	581	12%
Administrative staff	496	41	537	11%
Auxiliary staff	122	15	137	3%
Commercial staff	208	6	214	4%
Others	2,508	827	3,335	67%
Total	4,074	910	4,984	

PROPORTION OF MEN / WOMEN BY BUSINESS UNITS

	Men	Women
Herba Group	80%	20%
Riviana	79%	21%
Panzani	72%	28%
NWVP	66%	34%
Birkel	73%	27%
Holding	74%	26%
Others	63%	37%

MEN / WOMEN BY CATEGORY

	Permanent	Temporary	Total
Men			
Executives	127	1	128
Middle management	412	5	417
Administrative staff	183	16	199
Auxiliary staff	88	7	95
Commercial staff	146	4	150
Others	2,010	705	2,715
Total	2,966	738	3,704
Women			
Executives	52	0	52
Middle management	149	15	164
Administrative staff	313	25	338
Auxiliary staff	34	8	42
Commercial staff	62	2	64
Others	498	122	620
Total	1,108	172	1,280



Ebro Foods has an average headcount over the year of 4,984 employees. The reduction in respect of 2009 is due to the divestment from the dairy business. The rice and pasta divisions continued to encourage employment and increased their headcounts by 12% and 3%, respectively, over 2009.

In keeping with our concern for creating stable, quality employment, 93% of the total workforce have non-term contracts. Moreover, true to our policy of professional and personal furtherance, we promoted 139 employees within the different divisions of Ebro, 18% more than in 2009. As a result, we have a high degree of staff loyalty, with an average seniority in the company of 11 years.

As regards the ratio of men to women, the percentage of male employees is 72%, against 28% female employees. The vast majority of the male employees, 73%, work in the Group's manufacturing plants, compared to 48.4% of the female employees. In contrast, 30% of the women work in auxiliary and administrative positions, against 8% of the men. The proportions



of men and women in middle management and executive positions are very balanced, with a slightly higher percentage of female employees: 11% of men and 13% of women are in middle management, while 3.4% of men and 4.1% of women hold executive positions.

2. Access to employment by disabled persons

One of the focal points of the Ebro Social Responsibility Policy is to incorporate disabled persons in employment. The Group has a total of 76 disabled persons on its payroll, in its different business areas.

In Spain, in pursuance of the Social Integration of the Disabled Act, the different companies in our Group collaborated in several programmes to assist in the training and integration of these workers in society and employment through the Ebro Foods Foundation for a value of €216,805, and directly with other entities, such as Intgraf, Afanias and Inserción Personal Discapacitado, S.L., with contributions of €83,372.

3. Occupational Hazard Prevention

	Investment in Occupational Hazard Prevention	No. occupational accidents
Rice division	649,388 €	155
Pasta division	559,334 €	138
Others	39,214 €	8
Total	1,325,448 €	301

The health and safety of our employees is an essential aspect of industrial relations in all the Ebro Foods companies. More than one million three hundred thousand euro was spent in 2010 on different hazard prevention actions, training employees and increasing the publicity of accident rates, causes and solutions. The number of occupational accidents dropped by 4% year on year.

Examples of Occupational Hazard Prevention measures taken

- ▶ Internal audits of procedures and installations in offices and production plants.
- ▶ First aid courses.
- ▶ Courses on hazard analysis and critical control points.
- ▶ Review of hazard assessment.
- ▶ Purchase of ergonomic furniture.
- ▶ Marking of vehicle transit areas through the factory premises.
- ▶ Marking of fork-lift truck crossings in the packaging section.
- ▶ Installation of fire alarms and fire drills.
- ▶ Purchase of safety clothing.

4. Management and development of talent

	Total investment in training	No. hours training	% workforce receiving training
Holding	36,520 €	1,900	100%
Rice division	378,351 €	34,016	53%
Pasta division	1,246,368 €	36,422	69%
Others	5,156 €	4,149	34%
Total	1,666,395 €	76,487	64%

Our diversification strategy and the strong internationalisation that the company has been undergoing in recent years bring with them new challenges requiring a dynamic training policy, through which our professionals continue to enhance the skills and expertise they need for positions with greater duties and responsibilities. Training is also a key factor in our internal promotion culture, which requires flexible, multi-disciplinary profiles capable of extrapolating to the Group the knowledge acquired in different companies and divisions. This policy enriches and boosts the multicultural nature of our organisation.

During 2010, we invested more than one million six hundred thousand euro, 40% more than in 2009, in an ambitious training plan of more than 76,000 hours, to further the personal and professional development of 64% of our workforce.

The main subject matters included in the Training Plan were related with:

- ▶ Quality and environment.
- ▶ Tax and legal affairs.
- ▶ Languages.
- ▶ Information technology.
- ▶ Occupational hazard prevention and safety at work.
- ▶ Management.
- ▶ Market development.
- ▶ Development of commercial and marketing skills.

5. Welfare benefits

One of our main goals is to create stable, quality employment. Accordingly, our subsidiaries offer a broad range of welfare benefits, including, as appropriate, private medical insurance, life, accident and disability insurance, saving and retirement schemes, medical grants, meal and educational aids, study grants, etc.

6. Pay policy

More than 70 executives in different companies of the Ebro Foods Group in Spain and more than three hundred in our foreign subsidiaries are included in a variable remuneration scheme which bases the variable part of their annual salary on a number of collective (of the Group overall and the different business units) and job-specific objectives.

A similar group benefits in Spain from the payment-in-kind programme, whereby taxation of their salaries can be optimised through the receipt of certain benefits, such as medical insurance, company car, computers, nursery service or housing rent. This pay policy includes the delivery of shares in Ebro Foods, S.A.: under current tax laws employees may receive up to 12,000 euro in company shares without considering them remuneration for the purpose of personal income tax. During 2010, 32 employees from different Group companies received shares in the company for an overall sum of €288,171.52.



Commitment to our customers>>>>

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Commitment to our customers>>>



We have from the outset endeavoured to combine our economic growth and development with meeting our customers' and consumers' needs. These needs are constantly changing so we have to permanently adapt all our production and commercial processes and constantly renew and broaden our product portfolio.

To secure fulfilment of these objectives, we have, on the one hand, a stringent Food Safety and Quality Policy and, on the other, a permanent commitment to health research and innovation. Through the former, we meet the interests and expectations of our consumers under strict quality and safety standards, and through the second, we offer them differentiated, healthy food.

During 2010 we made further progress in the implementation of high excellence standards in Food Safety and Quality, raising the requirements in the product specifications, traceability, factory approvals by clients and enhanced customer service. We also expanded our portfolio with new healthy products, keeping up with the changing needs of our consumers.



1. Food Safety and Quality Policy

This policy is based on the permanently integrated action of our entire organisation to achieve continuous improvement of our company, especially in the following aspects:

1. Definition, development and implementation of a Food Safety and Quality System complying with the requirements of Standard UNE-EN-ISO 9001:2000 (or similar, depending on the country in which the respective company operates), certified by an ENAC authorised body.
2. Training and awareness of all company employees in the aspects of food safety and quality management required by their work and our organisation.
3. Setting and revising of quality targets to enable continuous improvement in this area, providing the necessary financial and operational resources.
4. Monitoring of the objectives and performance of preventive and remedial actions required from time to time by prevailing circumstances.
5. Encouragement of the company's suppliers to adopt similar principles to those set out above, cooperating with them to put them into practice.
6. Adoption of approval measures and quality programmes arranged with customers to ensure their satisfaction.
7. Achievement of the objectives set and principles mentioned above, making regular internal and external audits of the food safety and quality system.

2. Implementation of Food Safety and Quality Control Systems

We use the most advanced quality control systems to guarantee the quality and safety of the food we offer our consumers:

- ▶ **Good Manufacturing Practices (GMP):** contemplating good practices for the handling, packaging, storage and carriage of fresh products.
- ▶ **Hazard Analysis and Critical Control Point (HACCP):** a system for identification and control of the possible problems that may come to light during the design and production processes.
- ▶ **Quality Assurance Standards:** such as the standards established by the International Organisation for Standardization (ISO 9001:2000, ISO 9001:2008 and ISO 22000), the International Food Standard (IFS) standards, which, structured in line with ISO 9001:2000, are one of the highest distinctions in Food Safety in all distribution sectors in Europe, the BRC (British Retail Consortium) certification, one of the internationally most widespread models for distributors and large retail outlets to rate their brand product suppliers, and finally, the Danish DS standard (Danish HACCP Code), for developing an HACCP system in the food industry and in the manufacturing of packing and packaging for food products. The effectiveness of these programmes is regularly assessed by independent experts.



Two new ISO certifications were obtained in 2010 for the Herba Bangkok plant (ISO 9001:2008) and the MundiRiso plant in Italy (ISO 22000). Our companies in North America, Riviana and New World Pasta, also began to align their food safety and quality programmes with the Global Food Safety Initiative (GFSI), a global standard comprising the following international standards: BRC, IFS, Dutch HACCP and the Safe Quality Food Programme (SQF). The Memphis and Brinkley plants have already obtained the SQF certificate and the Winchester and St. Louis will obtain it in 2011.

COMPANY	Country	Name of workplace	Certificates
Arrozeiras Mundiarroz, S. A.	Portugal	Coruche	ISO 9001:2008 ISO 22000:2005
Birkel	Germany	Mannheim	ISO 9001:2000 IFS V.4.
Birkel	Germany	Waiblingen	Organic Distribution
Birkel	Germany	Waren	ISO 9001:2000 IFS V.4. Organic Production
Boost Nutrition	Belgium	Merksem	GMP
Danrice	Denmark	Orbaek	DS 3027:2002 ISO 9001:2000
Euryza	Germany	Hamburg	IFS V.4. GMP
Herba Ricemills, S.L.U.	Spain	Coria del Río	ISO 9001:2000
Herba Ricemills, S.L.U.	Spain	San Juan de Aznalfarache (Pre-cooked foods plant)	ISO 9001:2000 BRC V.4. I.FS V.4.
Herba Ricemills, S.L.U.	Spain	San Juan de Aznalfarache) (Rice plant)	ISO 9001:2000 BRC V.4. I.FS V.4.
Herba Ricemills, S.L.U.	Spain	Jerez De La Frontera (Pre-cooked foods plant)	Iso 9001:2000 Brc V.4. I.FS V.4.
Herba Ricemills, S.L.U.	Spain	Silla	ISO 9001:2000 BRC V.4. IFS V.4.
Mundiriso	Italy	Vercelli	IFS V.4. BRC V.4. ISO 22000
Panzani	France	La Montre	ISO 9001:2000 IFS V.4.
Panzani	France	St Genis Laval (Fresh pasta plant)	ISO 9001:2000 IFS V.4.
Panzani	France	Weaehouse (Fresh pasta plant)	ISO 9001:2000 IFS V.4.
Panzani	France	Lorette (Fresh pasta plant)	ISO 9001:2000 IFS V.4.
Panzani	France	Nanterre	ISO 9001:2000 IFS V.4.
Panzani	France	Vitrolles	IFS V.4.
Herba Bangkok	Thailand	Bangkok	ISO 9001:2008
S&B Herba Foods	United Kingdom	Liverpool	BRC V.4 KOSHER
S&B Herba Foods	United Kingdom	Orpington	BRC V.4 KOSHER
Riviana Foods	USA	Memphis	SQF
Riviana Foods	USA	Brinkley	SQF



3. Customer Services

Two important aspects of the Ebro Foods philosophy are our total vocation to customer service and our awareness that each customer is unique. Customers are the basis of our growth and their full attention and service is perceived as the road to be followed to secure constant improvement. Accordingly, our customer services section must essentially listen to their complaints and suggestions, duly respond to all their queries and questions and guarantee fulfilment of their rights, with the prime objective of securing their total satisfaction.

The packaging of all the Ebro Group products provide consumers with information on their nutritional properties, along with the physical address of the company and, where appropriate, its web site, e-mail and telephone number.

The different customer services departments collect data and generate information for the quality system. Demands are met by telephone or e-mail, according to the details given by the customer. A case file is opened for each incident and reported internally to the Quality Department, which checks and monitors the relevant quality system in case of error, and takes the necessary measures to offer a solution.

As a rule, we follow up all claims by telephone to check consumer satisfaction.

We regularly conduct statistical monitoring of all complaints and proposals for improvement made by our consumers, discussing them at the different Management Committee meetings held every month within each company.



Commitment to the environment>>>>

SUSTAINABILITY REPORT **2010**

Ebro Foods has always been committed to maintaining the greatest possible balance between the performance of its activities and protection of the environment. Aware that sustainable growth is not possible without that commitment, it has an integral policy of respect for the environment, aiming to recognise, control and minimise environmental impact.

This environmental policy is based on the integrated action of all those involved in the company organisation and essentially contemplates the following aspects:

- ▶ Definition, development and implementation of an Environmental Management System complying with the requirements of Standard UNE-EN-ISO 14001:2004, or where appropriate the implementation of environmental management practices to improve its production practices.
- ▶ Modernisation of material resources enabling the company to prevent and minimise their consumption, emissions and harmful environmental effects.
- ▶ Training and awareness of all the company's employees in the environmental aspects required by their work and our organisation.
- ▶ Setting of environmental targets to enable continuous improvement in this area, providing the necessary financial and operational resources.
- ▶ Encouragement of the company's suppliers to adopt similar principles to those set out above, cooperating with them to put them into practice.
- ▶ Guaranteed achievement of the targets set, compliance with the legal requirements and principles mentioned above, making regular internal and external audits of the Environmental Management System.

In 2010, Ebro continued developing an advanced environmental policy with a view to achieving sustainable development within a context of constant improvement and prevention. The Group invested more than two million euro in implementing enhancements to minimise its impact on the environment.



Expenditure in environmental management activities (€)	1,935,925
Expenditure on R+D+I focused on preservation of the environment (€)	3,400
Financial investment in the development and publicising of environment-friendly technologies (€)	319,711

Apart from this, all the Group companies developed internal environmental training programmes, involving their employees in actions that could lead to greater savings in the consumption of water, energy and other resources. The different environmental training and awareness courses accounted for 0.6% of the total investment in environmental management activities.

1. Environmental management programmes and certificates

The workplaces certified so far under Standard UNE-EN-ISO 14001 are:

COMPANY	COUNTRY	NAME OF WORKPLACE	CERTIFICATES
Panzani	France	Semolina Gennevilliers	ISO 14.001
Panzani	France	Semolina Marseille Littoral	ISO 14.001
Panzani	France	Semolina Marseille St. Just	ISO 14.001

The Ebro companies in the USA operate under the following American specifications:

- ▶ Title V Federal Operating Permit.
- ▶ General Permit to Dispose of Waste.
- ▶ Storm Water Multi-Sector General Permit.
- ▶ Air Permit.
- ▶ National Pollutant Discharge Elimination System (NPDES).

2. Principal environmental indicators

These indicators encompass the annual activity of 36 production plants worldwide.

ENERGY CONSUMPTION

Total energy purchased (kWh)	1,019,142,291
Electricity consumption (kWh)	316,390,668
Gas oil consumption (tn)	2,405.71

Actions taken during the year to improve energy efficiency

1. Rice division:

- ▶ Autoclave cooling project at the San Juan de Aznalfarache plant (Seville).
- ▶ Installation of low-consumption lighting at the Tortosa plant (Tarragona).
- ▶ Automatic cut-off of electricity supply at the Tortosa plant (Tarragona).
- ▶ Partial adjustment of production to times when the cost of energy consumption is lower at the Coruche plant (Portugal).
- ▶ Installation of intelligent controllers to optimise operation of the air compressors at the Euryza plant (Germany).
- ▶ Installation of electric sensors in some storage areas at the S&B Herba Foods factories (UK).
- ▶ Use of husk as fuel instead of propane at the Mundi Riz plant (Morocco).
- ▶ Optimisation of refrigeration equipment used for the freezing processes at the Danrice factory (Denmark).
- ▶ Installation of movement sensors for turning the lights on and off at the Riviana plants (USA).
- ▶ Installation of steam limiters at the Riviana plant in Memphis and establishment of procedures to reduce gas burners during production shutdown.

2. Pasta division:

- ▶ Installation of two new low-emission boilers at the New World Pasta factory in Fresno (USA) to cut down the consumption of natural gas and electricity.
- ▶ Installation of movement sensors for turning the lights on and off at the St. Louis plant (USA).
- ▶ Substitution of low-consumption lighting at the St. Louis plant (USA).
- ▶ Installation of two new air compressors and a new high energy efficiency refrigerator at the Winchester plant (USA).
- ▶ Installation of energy saving compressors and low-consumption light bulbs at the Birkel plants (Germany).
- ▶ Energy audits at the Panzani factories (France).
- ▶ Temperature tests at Panzani's couscous dryers in France.



WATER CONSUMPTION

Annual extraction of underground water (tn)	198,116
Annual extraction of surface water (tn)	0
Annual extraction of water from mains (tn)	1,579,831
Water consumption (tn)	1,777,946

Actions taken during the year to reduce water consumption

1. Rice division:

- ▶ Start-up at the San Juan de Aznalfarache plant (Seville) of a project to reuse maceration water in vaporization (parboiling) processes.
- ▶ Installation of cooling water recycling programmes at the plants of the subsidiaries Boost Nutrition (Belgium) and Herba Egypt.
- ▶ Closing of the autoclave cooling circuit at the Jerez de la Frontera plant (Cadiz).
- ▶ Installation in Riviana (USA) of a new line of vaporized (parboiled) rice that cuts water consumption by 60%.
- ▶ Internal training programmes in Riviana (USA) to encourage a rational use of water.
- ▶ Resources optimisation programmes for cleaning operations at the Danrice factory (Denmark).

2. División pasta:

- ▶ Recycling in closed circuits of all cooling water at the St. Louis and Fresno plants (USA).
- ▶ Installation of new valves in the boilers of the Winchester plant (USA).
- ▶ Inspection of the piping system at the Montreal plant (Canada).
- ▶ Installation of a completely closed cooling system on all the Birkel production lines (Germany).
- ▶ Modification of the rinse cooling system at the Panzani production plants (France).

CONSUMPTION OF TONER AND PAPER

Total paper consumption (tn)	27,065
Percentage of paper recycled	38.12%
Number of ink or toner cartridges used	3,085

Actions taken during the year for recycling paper and cardboard

1. Rice division:

- ▶ Recycling programmes for 100% of the paper and cardboard used in the Herba Ricemills factories (Spain).
- ▶ Replacement of cardboard boxes for packaging with recycled paper boxes in Boost Nutrition (Belgium).
- ▶ S&B Herba Foods has joined the Packaging Waste Scheme in the UK.
- ▶ Use of special paper and cardboard containers at the Euryza plant (Germany).
- ▶ Weekly collection of paper for recycling at the Mundi Riso plant (Italy)
- ▶ The Riviana plants in the USA have started up packaging material recycling programmes.
- ▶ Separation of white paper for recycling at the Riviana plants (USA).



2. Pasta division:

- ▶ Encouragement of the use of paper, cardboard and scrap tampers at the St. Louis plant (USA).
- ▶ Recycling of all cardboard packaging at the Winchester plant (USA).
- ▶ Separation and/or partial reuse of the paper and cardboard used at all the Panzani plants and offices in France.
- ▶ Installation of special recycling containers at the plant and office of Fresno (USA).
- ▶ Recycling of all paper and packaging material at the Montreal factory (Canada).
- ▶ Optimisation of cardboard materials at the pasta plants in Germany.



Moreover, in an effort to ensure meeting the reduction, recycling and recovery targets set in the Packaging Waste and Packaging Act 11/97 of 24 April, Herba, the representative of the rice division in Spain, is a member of Ecoembalajes España S.A. (Ecoembes), a non-profit company whose mission is to design and develop systems for selective collection and recovery of used packaging and packaging waste. Ecoembes uses the concept known as "Punto Verde" (green spot) (which symbol appears on the packaging) to show that the packager of the product has paid a sum of money for each container or other form of packaging put on the market.



The European rice companies and the head offices of Ebro Foods have also signed an agreement with companies similar to Ecoembes for the destruction of paper and other data carriers. Apart from complying with the Data Protection Act, this agreement guarantees a sustainable management of documents by virtue of those companies' commitment to recycling.



WASTE AND EFFLUENT MANAGEMENT

Waste generated during the year (tn)	9,112
Percentage of hazardous waste	0.30%

Actions taken during the year to improve waste management and reduce effluent

1. Rice division:

- ▶ Creation of a hazardous waste store at the San Juan de Aznalfarache plant (Seville).
- ▶ Installation of equipment to enhance the collection and separation of non-hazardous waste (plastic, cardboard and MSW -municipal solid waste-) at the San Juan de Aznalfarache plant (Seville).
- ▶ Installation of a press and special containers at the Silla factory (Valencia).
- ▶ Implementation of a continuous waste reduction programme at the plants and offices of Boost Nutrition (Belgium).
- ▶ Recycling of all paper, polypropylene and plastic waste at S&B Herba Foods (UK).
- ▶ Recycling of packaging waste in Herba Romania.

2. Pasta division:

- ▶ Installation of independent containers for the recycling of corrugated cardboard, paper, metal and engines at the Fresno plant (USA).
- ▶ Recycling of oils, chemical products, metal, paper and batteries at the Montreal plant (Canada).
- ▶ Installation of separate containers for the processing of all kinds of waste at the Birkel plants (Germany).

EMISSIONS

Total CO ₂ emissions (tn)	627,677
Indirect CO ₂ emissions (tn)	21,384
NO _x emissions (tn)	114.5353
Sulphur dioxide (SO ₂) emissions (tn)	3.8501
Nitric oxide (NO) emissions (tn)	39.137
Ammonia (NH ₃) emissions (tn)	0.030
Smog (non-VOC) (tn)	8.6637
Volatile Organic Compound (VOC) emissions (tn)	17,6401

Actions taken during the year to reduce emissions

1. Rice division:

- ▶ Installation of nitrogen oxide (NO_x) burners in the boilers and rice dryers of the new Riviana plant in Memphis (USA).
- ▶ Adjustment of burner consumption in the Herba Egypt factory.
- ▶ Installation of dust filters at the Euryza plants (Germany).
- ▶ Insulation of steam boiler in Boost Nutrition (Belgium).

2. Pasta division:

- ▶ Replacement of boilers in the Fresno plant (USA).
- ▶ Daily pressure control in the dust collector at the Fresno factory (USA).
- ▶ Monthly monitoring of dust collectors at the Montreal plant (Canada).

3. Initiatives to enhance Biodiversity

In its endeavour to guarantee the conservation and protection of biodiversity, Ebro Foods set up an ambitious programme, jointly with the Environmental Authority in Cadiz, for regeneration of the land of the settling ponds of the former Guadalcaçín sugar factory, consisting of creating a vast wetland for the preservation of bird fauna in the area of the Mesas de Asta marsh.

Within the framework of the sugar CMO promoted by Brussels, reforestation with autochthonous species has also begun on the land of the settling ponds at the former sugar factories at La Rinconada (Seville) and Peñafiel (Valladolid).





Commitment to society>>>>

SUSTAINABILITY REPORT 2010

Commitment to society: Ebro Foundation>>>



Among its priority objectives, Ebro aims to participate in initiatives that contribute towards the well-being of society, promote the socioeconomic development of the geographical areas in which it operates and, in short, improve people's quality of life, especially in the more vulnerable sectors.

The development of this social commitment is channelled mainly through the Ebro Foundation, through which the Group promotes and participates in solidarity initiatives to further the development and equal opportunities of the underprivileged segments of society, in Spain and other countries.

The Foundation was set up in Granada on 9 June 1998. It is governed by its Bylaws and the provisions of the Foundations Act 50/2002 of 26 December and other applicable legislation.

In 2006, in an effort to ensure that the entities with which it collaborated upheld the same values of altruism, transparency and integrity as the Ebro Foundation, it signed a collaboration agreement with Fundación Lealtad, an independent non-profit institution that analyses and assesses NGOs on the basis of nine principles of transparency and good practices. These principles are:

1. Principle of procedure and regulation of the governing body.
2. Principle of clarity and publicising of the corporate purpose.
3. Principle of planning and monitoring of the activity.
4. Principle of communication and true and fair view in reporting.
5. Principle of transparency in financing.
6. Principle of plurality in financing.
7. Principle of control in the use of funds.
8. Principle of presentation of the annual accounts and fulfilment of legal obligations.
9. Principle of promotion of voluntary aid.



The confidence given by Fundación Lealtad is essential to ensure the success of our participation in certain projects and the promotion of new initiatives within the Group.

The Ebro Foundation essentially acts in four different areas: donation of food, integration of the disabled into society and employment, cooperation for development in the third world and promotion of projects enabling socioeconomic development of the geographical areas in which the Group operates.

1. Food donation programmes

As leader of the food sector, one of the main channels of action of the Foundation is to donate food products from the Group's different businesses. To guarantee adequate distribution of such products among the most needy, the Foundation has signed a collaboration agreement with the Spanish Federation of Food Banks (FESBAL) to manage and distribute the products donated by Ebro among the provincial food banks.

Food banks are non-profit volunteer organisations aiming to obtain and make use of food, forwarding products to welfare centres and, through them, to the needy. The Food Banks of Spain set up the Spanish Federation of Food Banks (FESBAL) in 1996 to coordinate and direct their representation and relations with the central government and international bodies, state-owned undertakings and other NGOs. FESBAL also facilitates rapprochement and exchanges among food banks, prepares statistics and common advertising and offers its members legal and administrative counselling.

FESBAL channels most of the requests for food submitted to any of the Ebro companies in Spain. In 2010, the Foundation made donations of Group products, which, if put on the market, would have had a value of 710,907.93 euro. Our subsidiaries Riviana and New World Pasta have developed a similar initiative in the USA and Canada, donating their rice and pasta products to several local food banks. Last year, the two companies made donations valued at 585,868.53 dollars.

2. Programmes to integrate the disabled in society and employment

Full personal autonomy, the integral creation of jobs and integration of disabled persons in employment form one of the mainstays of Ebro's social responsibility policy. The Group contracts the services of occupational centres where the disabled work and promotes and finances through the Foundation projects to provide vocational training for the disabled and achieve their full integration in society.

In 2010, the Foundation collaborated actively in projects promoted by the Prodis Foundation, the Auxilia Foundation, the Madrid Down Syndrome Foundation, the Juan XXII Foundation, the Mater et Magistra Association, the Madre Coraje Association, Caritas and the Bobath Foundation, among others.

Some of these programmes are described below:

- ▶ **“Support a child with cerebral palsy”**: developed by the Bobath Foundation, this collaboration took the form of financing an integral treatment programme embracing each and all of the needs and difficulties of the child with a view to modifying them to achieve a more functional capacity. This entails the application of essential or necessary specific techniques to improve sensory motor, intellectual, emotional and social activity. The support programme also guarantees continuity of the child's education and evolution in learning.
- ▶ **“Hotel & Catering Project”**: developed by the Juan XXIII Foundation to train people with intellectual disability, the Foundation collaborated by buying part of the machinery for the cookery workshops set up for that project.
- ▶ **“Angel Rivière Day Centre”**: a project run by Autismo de Sevilla to develop training and pre-employment objectives with a view to providing basic training for people with disorders related with autism.



- ▶ **“Transition to adult life and employment”**: run by Cáritas Sevilla through Patronato San Pelayo, with the aim of integrating 16 young disabled persons in society and employment through a number of activities designed to develop their personal and professional skills and boost their learning processes.
- ▶ **“For a better life: Mum, I'm leaving home”**: run by the Mater et Magistra Association in Seville, this programme consists of the creation of two sheltered homes with capacity for up to 20 mentally disabled persons with a medium-high level of dependence, aged between 30 and 45. The purpose of this project is to encourage personal independence through a system of community life and improve the quality of life of these individuals.
- ▶ **“Alteration and fitting-out of the Orobal Centre for the Disabled”**: set up by the Orobal Association in Tenerife, the aim of this centre is to provide vocational training for the physically and mentally disabled.
- ▶ **“Multipurpose training for the disabled in office automation and auxiliary office jobs”**: promoted by the Auxilia Foundation in Seville, this supervised project provides training in office automation and auxiliary office jobs for a total of 14 disabled persons. The Foundation finances the cost of the paid staff participating in the project: a tutor expert in office automation for the disabled and a teacher.
- ▶ **“Stela”**: run by the Madrid Down Syndrome Foundation; we collaborated for the fifth year in succession with this project, which aims to incorporate disabled persons in society and employment in three stages: a job training scheme, on-the-job training and, finally, monitoring in employment. It is based on the method of assisted employment, a structured, systematic system of training on the job, which enables the intellectually disabled to acquire the skills, abilities and knowledge required by their jobs.

► **“Pro-Mentor”**: developed by the Prodis Foundation; we started collaborating in 2007 in this training programme, together with the Autonomous University, for the integration of young mentally disabled in employment. Addressed to young people aged 18-30, the training received in the classroom over two academic years focuses on auxiliary administrative employment and at the end of the course, Prodis undertakes permanent supervision of the newly employed in their jobs through a labour mediator, a person who deals with their on-the-job training, monitoring, training and constant guidance throughout the employment of the disabled person.

3. Cooperation projects for development in the third world



The fight against poverty in the third world and contribution to development of a sustainable model, especially on the African continent, is another of the channels of action of the Ebro Foundation. According to FAO figures, in the poorest countries of Africa, 69% of the population earn their living in agriculture, but only 7% of their agricultural land has irrigation and only 4% of the African renewable resources are exploited. Moreover, the consumption of fertilizers on that continent is barely 9 kg per hectare, compared to 206 kg/ha in industrialised countries. In this regard and considering the Group’s close relationship with the world of agriculture, the Foundation directs its efforts mainly at promoting and implementing educational initiatives for the development of agriculture, under the premise that the communities benefitting from these measures will be responsible for developing the different phases of the project and will thereby become self-sufficient.

To achieve this commitment, the Foundation works closely with the NGO Africa Direct, a charity-assistance foundation aiming to cooperate for the development and well-being of the least favoured populations in the African countries, promoting the sustainable development of their own services. It consists exclusively of volunteers, who work on-site supporting the local communities, and applies 100% of the funds raised to development projects in African countries.

In 2010, in view of the excellent results obtained in earlier years, the Ebro Foundation maintained its participation in cooperation programmes in different parts of Malawi such as Alinafe, Mtendere, Atupele and Ediofe, and in other countries such as Uganda.

The ultimate objective of these projects is to make these communities self-sufficient.

In Alinafe, the Foundation continues collaborating with the Agricultural Office, hiring qualified staff to teach the local inhabitants techniques to improve the productivity of crops and increase yields.

In Mtendere, the Foundation has financed the programme “Food Security”, an agricultural and food safety project with two goals: on the one hand, assist the more vulnerable groups, and on the other, promote ecological, sustainable agriculture by starting up an irrigated market garden to provide food for the Nutrition Centre and seropositive patients.



A similar project is under way in Atupele, with the creation and maintenance of a market garden to provide food for the most needy, including orphans.

In Ediofe, the Foundation has financed the agricultural project "Food for blind girl borders in the school", to provide this group with a well and an irrigated market garden.

The Foundation has also participated in an agricultural training project in Uganda entailing the purchase of oxen and ploughs. Also in Uganda, the Foundation collaborated with the Catholic Congregation Marian Brothers to build a boarding school for girls, with a secondary school, farm and market garden.

In addition to the work done in collaboration with Africa Direct, the Foundation collaborated during 2010 with the NGO Sauce in a project promoted by Father Kike Figaredo called "Ta Om Nursery in North West Cambodia". This project aims to build a nursery for the education and recreation of more than 90 children aged between 3 and 5, so that they don't have to stay with their parents while they work in the rice fields.

Finally, the Foundation has also collaborated with the Codespa Foundation in a programme in Yen Bay (North Vietnam) called "Generation of employment and income in the rice sector under a model of public promotion and private provision of agrotechnical services". This project aims to improve the income from rice growing in rural communities with scarce resources in the province of Thanh Hoa.

4. Commitment to the socioeconomic development of the geographical areas in which the Group operates

Socioeconomic development of the areas in which the Group operates is one of the principal goals of Ebro's social commitment. The Foundation is especially diligent in supporting social and welfare organisations and projects that aim to improve the quality of life of children, the elderly and segments of the population at the risk of social exclusion, as well as equal opportunities for the disabled.

This social action is channelled mainly through the financing of projects organised by local entities, which have a first-hand knowledge of the needs of each area and devote all their resources to putting those initiatives into operation.

In 2010, the Foundation collaborated with different entities in Seville, Jerez de la Frontera, Madrid, Granada, etc., for example with: Proyecto Hombre [Mankind Project], Balia Foundation, Madre Coraje NGO, Caritas, etc.

Some of these projects are described below:

- ▶ **"M^a Ángeles el Vacie Nursery Project"** aimed at children aged 0-3 from the Seville shantytown, to promote the real, effective equal opportunities of this group through social and educational activities. These activities are run by 25 volunteers and 3 educators contracted by Asociación Aliento.
- ▶ **"Financing of the new Children's Cancer Outpatient Unit"** at the Children's Hospital in Seville. This initiative was conducted in collaboration with the Andex Foundation.
- ▶ **"Kostka Project"**: run by the Father Garralda Foundation – Open Horizons with the aim of avoiding marginalisation of children living in prison with their mothers through the scheduling of activities consisting of visits to cinemas, museums, children's playgrounds, etc.
- ▶ **"Smile Doctors"**: a project set up by the Theodora Foundation to alleviate the stay of sick children and their relatives in hospitals through laughter. Our collaboration consisted of bearing the cost of a Smile Doctor for the Hospital Virgen del Rocío in Seville.
- ▶ **"Health promotion campaign in the Gypsy Community" in Leon:** promoted by the Gypsy Secretariat Foundation, the general and specific goals of this programme are to make gypsy women and their families aware of the importance of promoting health, encourage them to acquire healthy habits and promote healthy food and nutrition behaviour.
- ▶ **"Educational project for children in Tetuan"**: promoted by the Balia Foundation in Madrid, this programme aims at social and educational inclusion and consists mainly of providing educational support for 25 children aged 5-7 from broken families living in poverty, with a view to avoiding subsequent failure at school.

- ▶ **“Juego de Niños” [lit.: “child’s play”]:** promoted by the Parish of St. Paul’s in Jerez, aimed at boys and girls aged 6-14, offering them an education in values, with the monitors acting as a supplementary or alternative reference for what they have in and around their homes, boosting the children’s self confidence and helping them learn to live with their peers, getting them more involved in the Parish and stimulating their social and religious awareness.
- ▶ **“Proyecto Hombre en Sevilla” [lit.: “Mankind Project in Seville”]:** restoration of the shelter run by this organisation in Seville for the reinsertion of drug addicts in society.

Although its principal goal is to start up social development projects, the Foundation has also dedicated part of its resources in 2010 to the promotion of educational and cultural activities, sponsoring the V Cycle of Bach Cantatas by the choir and orchestra of the Royal Chapel of Madrid.

Information on all the projects in which the Ebro Foundation participated in 2010 can be found on its web site: <http://www.fundacionebrofoods.es>

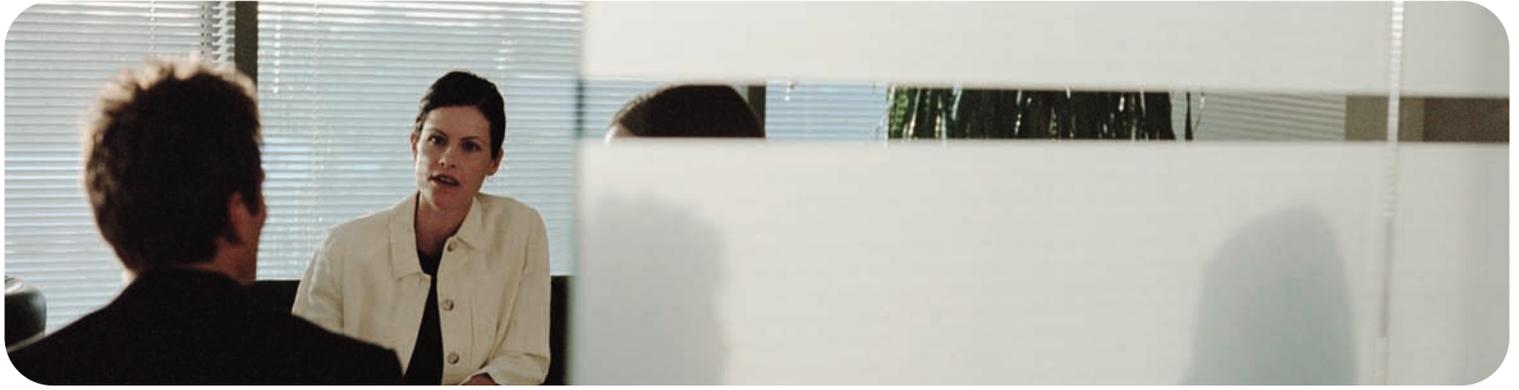
5. Corporate Citizenship

During 2010 and following the success of the first corporate citizenship initiative in Spain, the Foundation has continued involving the Group’s employees in Ebro’s commitment to society, putting them in touch with the reality of some of the entities with which the Foundation cooperates.

In March, Ebro Foods organised a new corporate citizenship day, in cooperation this time with the Father Garralda Foundation – Open Horizons. The Father Garralda Foundation is concerned with the social integration of the underprivileged, working among other groups with mothers with small children who, owing to their lack of income, run a serious risk of social exclusion, people addicted to toxic substances who are undergoing detoxification, children under three living with their mothers in prison while they serve their sentences.

The company volunteers’ action in 2010 was organised specifically for the latter group, taking a group of children aged 1-3 who live in prison with their mothers to the theatre and then for lunch. Some 38% of the Madrid workforce participated in this initiative.

Within the events of the fourth Company Solidarity Day organised by the NGO International Cooperation, the Ebro Foundation participated in a new company volunteer scheme called “Solidarity Breakfast”. A group representing about 25% of the workforce participated in this initiative, taking breakfast to people who live on the streets.



Annual Corporate Governance Report>>>>

SUSTAINABILITY REPORT 2010

ANNUAL CORPORATE GOVERNANCE REPORT

LISTED COMPANIES

DETAILS OF ISSUER

YEAR ENDED: 31/12/2010

TAX REGISTRATION NUMBER: A47412333

Name: EBRO FOODS, S.A.

ANNUAL CORPORATE GOVERNANCE REPORT LISTED COMPANIES

Read the instructions at the end of this report to correctly understand and complete the form.

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the capital of the company:

Date latest modification	Capital (€)	Number of shares	Number of voting rights
11/06/2002	92,319,235.20	153,865,392	153,865,392

Indicate whether there are different classes of shares with different associated rights:

NO

A.2. Give details on the direct and indirect holders of significant interests in your company at year-end, excluding directors:

Name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	Interest / total voting rights (%)
CORPORACIÓN ECONÓMICA DAMM, S.A.	14,350,000	0	9.326
SOCIEDAD ANÓNIMA DAMM	0	14,350,000	9.326
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	0	13,315,016	8,654
HISPAFOODS INVEST S.L.	10,600,210	0	6,889
ALBA PARTICIPACIONES, S.A.	8,777,719	0	5,705
CORPORACIÓN FINANCIERA ALBA, S.A.	0	8,777,719	5,705

Name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	Interest / total voting rights (%)
CASA GRANDE DE CARTAGENA, S.L.	7,693,290	0	5.000
LOLLAND, S.A.	0	7,693,290	5.000

Name of indirect holder of the interest	Through: Name of direct holder of the interest	Number of direct voting rights	Interest / total voting rights (%)
SOCIEDAD ANÓNIMA DAMM	CORPORACIÓN ECONÓMICA DAMM, S.A.	14,350,000	9.326
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	ALIMENTOS Y ACEITES, S.A.	13,315,016	8.654
CORPORACIÓN FINANCIERA ALBA, S.A.	ALBA PARTICIPACIONES, S.A.	8,777,719	5.705
LOLLAND, S.A.	CASA GRANDE DE CARTAGENA, S.L.	7,693,290	5.000

Indicate the principal movements in the shareholding structure during the year:

Name of shareholder	Date of transaction	Description of the transaction
CORPORACIÓN FINANCIERA ALBA, S.A.	09/09/2010	Raised interest to over 5% of the capital
CAJA ESPAÑA DE INVERSIONES, CAJA DE AHORROS Y MONTE DE PIEDAD	01/06/2010	Interest lowered to below 3% of the capital
CAJA DE AHORROS DE SALAMANCA Y SORIA	09/09/2010	Interest lowered to below 3% of the capital

A.3. Complete the following tables on directors' voting rights corresponding to shares in the company:

Name of director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights held
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Name of director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights held
ANTONIO HERNÁNDEZ CALLEJAS	30	0	0.000
JOSE BARREIRO SEOANE	3,083	0	0.002
ALIMENTOS Y ACEITES, S.A.	13,315,016	0	8.654
EUGENIO RUIZ-GÁLVEZ PRIEGO	153	0	0.000
FERNANDO CASTELLÓ CLEMENTE	2,284,750	0	1.485
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	13,588,347	10,600,210	15.721
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	113,000	1,427,007	1.001
JOSÉ NIETO DE LA CIERVA	8,880	0	0.006
LEOPOLDO DEL PINO Y CALVO-SOTELO	0	254,000	0.165
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	10	0	0.000
SOL DAURELLA COMADRÁN	0	1,307,367	0.850

Name of indirect holder of the interest	Through: Name of direct holder of the interest	Number of direct voting rights	% of total voting rights
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	HISPAFOODS INVEST, S.L.	10,600,210	6.889
SOL DAURELLA COMADRÁN	BEGINDAU, S.L.	1,227,617	0.798
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	LA FUENTE SALADA, S.L.	1,127,007	0.732
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	MENDIBEA 2002, S.L.	300,000	0.195
LEOPOLDO DEL PINO Y CALVO-SOTELO	SWIFT INVERSIONES SICAV, S.A.	254,000	0.165
SOL DAURELLA COMADRÁN	SURFUP SICAV, S.A.	79,350	0.052

Total % of voting rights held by board members	27.883
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Complete the following tables on directors with stock options in the company:

A.4. Indicate family, commercial, contractual or corporate relationships among significant shareholders known to the company, if any, except any that are insignificant and those deriving from ordinary commercial business:

Type of relationship:

Corporate

Brief description:

LOLLAND, S.A. HOLDS AN INDIRECT INTEREST OF 100% IN CASA GRANDE DE CARTAGENA, S.L.

Name of related parties
LOLLAND, S.A.

Type of relationship:

Corporate

Brief description:

INSTITUTO HISPÁNICO DEL ARROZ, S.A. HOLDS 100% OF HISPAFOODS INVEST, S.L.: DIRECT INTEREST OF 51.62% AND INDIRECT INTEREST OF 48.38%

Name of related parties
INSTITUTO HISPÁNICO DEL ARROZ, S.A.

Type of relationship:

Corporate

Brief description:

SOCIEDAD ANÓNIMA DAMM HOLDS A DIRECT INTEREST OF 99.93% IN CORPORACIÓN ECONÓMICA DAMM, S.A.

Name of related parties
CORPORACIÓN ECONÓMICA DAMM, S.A.

Type of relationship:

Corporate

Brief description:

CORPORACIÓN FINANCIERA ALBA, S.A. HOLDS A DIRECT INTEREST OF 100% IN ALBA PARTICIPACIONES, S.A.

Name of related parties
CORPORACIÓN FINANCIERA ALBA, S.A.

Type of relationship:

Corporate

Brief description:

SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES HOLDS A DIRECT INTEREST OF 91.963% IN ALIMENTOS Y ACEITES, S.A.

Name of related parties
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES

A.5. Indicate commercial, contractual or corporate relationships between significant shareholders and the company and/or its group, if any, except any that are insignificant and those deriving from ordinary commercial business:

A.6. State whether the company has been notified of any shareholders' agreements that may affect it pursuant to the Securities Market Act s. 112. If any, describe them briefly and list the shareholders bound by the agreement:

NO

Indicate and describe any concerted actions among company shareholders of which the company is aware:

NO

Expressly indicate any change or break-up of those agreements or concerted actions, if any, that has taken place during the year.

A.7. Indicate any individuals or entities that exercise or may exercise control over the company in pursuance of section 4 of the Securities Market Act:

NO

A.8. Complete the following tables on the company's treasury stock:

At year-end:

Number of direct shares	Number of indirect shares (*)	Treasury stock/capital (%)
0	0	0.000

(*) Through:

Total	0
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Give details on any significant variations during the year, according to the provisions of Royal Decree 1362/2007:

Date of communication	Total direct shares acquired	Total indirect shares acquired	% of capital
13/09/2010	299,403	0	0.193

Gain/(loss) obtained during the year on trading in own shares	-2,202
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A.9. Indicate the term and conditions of the authorisation granted by the General Meeting to the Board to buy or sell own shares

The Annual General Meeting of Shareholders held on second call on 1 June 2010 resolved, under item six on the agenda, to authorise the Board of Directors to buy back own shares and to authorise subsidiaries to acquire shares in the parent company, by purchase or on any other payment basis, subject to the limits and other requisites stipulated in law.

a. Conditions of the authorisation

Authorisation to the Board of Directors to buy back own shares and to authorisation of subsidiaries to acquire shares in the parent company, by purchase or on any other payment basis, on one or several occasions, subject to the limits and other requisites stipulated in section 75 and other applicable provisions of the current (recast) Corporations Act:

- The par value of the shares acquired directly or indirectly, when added to the par value of any shares already held by the company and its subsidiaries, may not at any time exceed 10% of the capital.

- The acquisition, including any shares that the company or any person acting in his own name but on behalf of the company has acquired earlier and holds as treasury stock, does not reduce the equity to below the amount of capital plus legal or statutory undistributable reserves. For this purpose, equity shall be the amount calculated as such according to the criteria for drawing up the annual accounts, less any profits attributed directly thereto and plus any uncalled subscribed capital and the par value and share premiums of any subscribed capital that is accounted for as liabilities.

- The shares acquired must be fully paid up.
- The minimum and maximum price of the acquisition must be equivalent to the par value of the own shares bought back and their market price on an official secondary market, respectively, at the time of purchase.

b. Contents of the authorisation

- Authorisation of the Board to buy back own shares, by virtue of a direct decision or through delegation to the Executive Committee or such person or persons as the Board may authorise for this purpose, to hold those shares as treasury stock, dispose of them or, as the case may be, propose their redemption to the General Meeting, subject to the limits stipulated in law and the conditions established in this resolution. The authorisation is extended to the possibility of buying back own shares for delivery directly to employees or directors of the company or its group, on one or several occasions, or upon exercise of any stock options that they may hold.

This authorisation is granted for a period not exceeding five years from the date of the General Meeting and covers all trading in treasury stock made on the terms hereof, with no need to be repeated for each acquisition, and any funding or allocation of reserves made in pursuance of applicable laws.

- Authorisation of the Board to reduce the capital in order to redeem shares bought back by the company or acquired any of the companies in its group, against the capital (for their par value) and unappropriated reserves (for the amount of their acquisition in excess of that par value), in such amounts as may be deemed fit from time to time, up to the maximum of the own shares held from time to time.

- Delegation to the Board to execute the resolution to reduce the capital, so that it may do so on one or several occasions or decline to do so, within a period not exceeding 18 months from the date of this General Meeting, taking whatsoever actions may be necessary for this purpose or required by prevailing legislation.

c. Term of the authorisation

- The authorisation is granted for a maximum of eighteen months from the date of the General Meeting and covers all dealings in own shares effected on the terms and conditions stated herein, without having to be repeated for each acquisition, and any funding or allocation of reserves made in pursuance of the Corporations Act.

This authorisation rendered null and void the authorisation granted to the Board at the General Meeting held on 29 April 2009.

A.10. Indicate constraints stipulated in law or the company's articles on the exercise of voting rights and legal restrictions on the acquisition and disposal of shares in the capital. State whether there are any legal restrictions on the exercise of voting rights:

NO

Maximum percentage of voting rights that one shareholder may exercise by legal restriction	0
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State whether the articles of association establish any restrictions on the exercise of voting rights:

NO

Maximum percentage of voting rights that one shareholder may exercise by restriction in the articles of association	0
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State whether there are any legal restrictions on the acquisition or disposal of shares in the capital:

NO

A.11. Indicate whether the General Meeting has resolved to apply the breakthrough rule against a takeover bid, under Act 6/2007:

NO

If so, explain the measures approved and the terms on which the restrictions will become ineffective:

B. MANAGEMENT STRUCTURE OF THE COMPANY

B.1. Board of Directors

B.1.1. State the maximum and minimum numbers of directors stipulated in the articles of association:

Maximum number of directors	14
Minimum number of directors	7

B.1.2. Give details of the board members:

Name of director	Representative	Position on Board	Date first appointment	Date latest appointment	Election procedure
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Name of director	Representative	Position on Board	Date first appointment	Date latest appointment	Election procedure
ANTONIO HERNÁNDEZ CALLEJAS	—	CHAIRMAN	01/01/2001	01/06/2010	VOTE AT AGM
JOSÉ BARREIRO SEOANE	—	VICE-CHAIRMAN	31/05/2005	01/06/2010	VOTE AT AGM
ALIMENTOS Y ACEITES, S.A.	FRANCISCO BALLESTEROS PINTO	DIRECTOR	23/07/2004	01/06/2010	VOTE AT AGM
DEMETRIO CARCELLER ARCE	—	DIRECTOR	01/06/2010	01/06/2010	VOTE AT AGM
EUGENIO RUIZ-GÁLVEZ PRIEGO	—	DIRECTOR	25/07/2000	01/06/2010	VOTE AT AGM
FERNANDO CASTELLÓ CLEMENTE	—	DIRECTOR	13/12/2000	01/06/2010	VOTE AT AGM
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	FÉLIX HERNÁNDEZ CALLEJAS	DIRECTOR	01/06/2010	01/06/2010	VOTE AT AGM
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	—	DIRECTOR	13/12/2000	01/06/2010	VOTE AT AGM
JOSÉ NIETO DE LA CIERVA	--	DIRECTOR	29/09/2010	29/09/2010	COOPTATION
LEOPOLDO DEL PINO Y CALVO-SOTELO	—	DIRECTOR	18/04/2007	01/06/2010	VOTE AT AGM
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	—	DIRECTOR	23/02/2006	01/06/2010	VOTE AT AGM
RUDOLF-AUGUST OETKER	—	DIRECTOR	01/06/2010	01/06/2010	VOTE AT AGM
SOL DAURELLA COMADRÁN	—	DIRECTOR	01/06/2010	01/06/2010	VOTE AT AGM

Total number of directors	13
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Indicate any retirements from the board during the year:

Name of shareholder	Director status at date of retirement	Date of retirement
FÉLIX HERNÁNDEZ CALLEJAS	PROPRIETARY	01/06/2010
CAJA ESPAÑA DE INVERSIONES, CAJA DE AHORROS Y MONTE DE PIEDAD	PROPRIETARY	01/06/2010
JUAN DOMINGO ORTEGA MARTÍNEZ	INDEPENDENT	01/06/2010
CAJA DE AHORROS DE SALAMANCA Y SORIA	PROPRIETARY	21/09/2010
JAIME CARBÓ FERNÁNDEZ	EXECUTIVE	22/12/2010

B.1.3. Complete the following tables on the types of board members:

EXECUTIVE DIRECTORS

Name of Director	Committee proposing appointment	Position in company's organisation
ANTONIO HERNÁNDEZ CALLEJAS	NOMINATION AND REMUNERATION COMMITTEE	CHAIRMAN

Total number of executive directors	1
% of board	7.692

NON-EXECUTIVE PROPRIETARY DIRECTORS

Name of Director	Committee proposing appointment	Name of significant shareholder represented or that proposed appointment
ALIMENTOS Y ACEITES, S.A.	NOMINATION AND REMUNERATION COMMITTEE	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES

Name of Director	Committee proposing appointment	Name of significant shareholder represented or that proposed appointment
DEMETRIO CARCELLER ARCE	NOMINATION AND REMUNERATION COMMITTEE	SOCIEDAD ANÓNIMA DAMM
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	NOMINATION AND REMUNERATION COMMITTEE	INSTITUTO HISPÁNICO DEL ARROZ, S.A.
JOSÉ NIETO DE LA CIERVA	NOMINATION AND REMUNERATION COMMITTEE	CORPORACIÓN FINANCIERA ALBA, S.A.
LEOPOLDO DEL PINO Y CALVO-SOTELO	NOMINATION AND REMUNERATION COMMITTEE	LOLLAND, S.A.
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	NOMINATION AND REMUNERATION COMMITTEE	INSTITUTO HISPÁNICO DEL ARROZ, S.A.
RUDOLF-AUGUST OETKER	NOMINATION AND REMUNERATION COMMITTEE	SOCIEDAD ANÓNIMA DAMM

Total number of proprietary directors	7
% of board	53.846

NON-EXECUTIVE INDEPENDENT DIRECTORS

Name of Director

JOSÉ BARREIRO SEOANE

Profile

Born in El Ferrol (La Coruña). Agricultural Engineer with B.A. in Commercial Management and Marketing (ESIC). Former Councillor for Agriculture in the Spain Mission to the World Trade Organisation and Secretary General of the Ministry of Agriculture, Food and Fisheries. Has held other important positions in different national and international organisations related with agriculture, food and fisheries.

Name of Director

FERNANDO CASTELLÓ CLEMENTE

Profile

Born in Mollerusa (Lleida). Industrial Engineer and MBA (IESE). Lecturer in the School of Engineers and Architects of Fribourg (Switzerland). Has held several important executive and management positions in companies operating in the dairy sector and has extensive experience in the sector. Currently Vice-Chairman of Merhpensión, S.A. and on the board of other consultancy and financial services companies.

Name of Director

JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL

Profile

Born in San Sebastián. Economist and graduate in International Banking. Extensive experience in the financial sector, director and executive positions in several financial

institutions and insurance companies, such as Banco Hispano Americano, Mutua Madrileña and Axa Winterthur, among others. Chairman of Rexam Ibérica and Arbitraje & Inversiones S.L.

Name of Director

SOL DAURELLA COMADRÁN

Profile

Born in Barcelona. BA in Business Studies and MBA (ESADE). Her professional career is closely linked with management of the family business of Coca Cola concessions on the Iberian peninsula and in Africa. Currently Vice-Chairman and CEO of Cobega, S.A. and Director of Casbega, S.A., Norbega, S.A., Refrige, S.A. and Banco de Sabadell.

Total number of independent directors	4
% of board	30.769

OTHER NON-EXECUTIVE DIRECTORS

Name of Director	Committee proposing appointment
EUGENIO RUIZ-GÁLVEZ PRIEGO	NOMINATION AND REMUNERATION COMMITTEE

Total number of independent directors	1
% of board	7.692

State why they cannot be considered proprietary or independent directors and their relationships, with the company or its executives or with the shareholders.

Name of Director

EUGENIO RUIZ-GÁLVEZ PRIEGO

Company, executive or shareholder with which he is related

AZUCARERA EBRO, S.L.U.

Profile

Up to 30 April 2009, Eugenio Ruiz-Gálvez Priego was an 'Executive Director' because up to that date he was CEO of Azucarera Ebro, S.L.U., a company then wholly-owned by Ebro Foods, S.A. On 30 April 2009, Ebro Foods (then Ebro Puleva) sold all its shares in Azucarera, so Mr Ruiz Gálvez ceased to be an Executive Director and was classified as an "Other Non-Executive Director", since he cannot be considered independent.

Indicate any variations during the year in the type of each director:

B.1.4. Explain, if appropriate, why proprietary directors have been appointed at the request of shareholders holding less than 5% of the capital.

State whether formal requests for presence on the board have been rejected from shareholders holding interests equal to or greater than others at whose request proprietary directors have been appointed. If appropriate, explain why such requests were not met.

NO

B.1.5. State whether any director has retired before the end of his/her term of office, whether said director explained the reasons for such decision to the Board and through what means, and if the explanations were sent in writing to the entire Board, explain below at least the reasons given by the director.

YES

Name of Director

CAJA DE AHORROS DE SALAMANCA Y SORIA

Reason for retirement

SALE OF ALL SHARES IN EBRO FOODS, S.A. HELD INDIRECTLY BY CAJA DUERO THROUGH GRUPO DE NEGOCIOS DUERO, S.A.U.

Name of Director

CAJA ESPAÑA DE INVERSIONES, CAJA DE AHORROS Y MONTE DE PIEDAD

Reason for retirement

PROGRESSIVE SALE OF SHARES IN EBRO FOODS, S.A. HELD BY CAJA ESPAÑA

Name of Director

FÉLIX HERNÁNDEZ CALLEJAS

Reason for retirement

PROFESSIONAL REASONS

Name of Director

JAIME CARBÓ FERNÁNDEZ

Reason for retirement

PROFESSIONAL REASONS

Name of Director

JUAN DOMINGO ORTEGA MARTÍNEZ

Reason for retirement

PROFESSIONAL REASONS

B.1.6. Indicate the powers delegated to the Managing Director(s), if any:

B.1.7. Name Board members, if any, who are also directors or executives of other companies in the same group as the listed company:

Name of director	Name of Group company	Position
ANTONIO HERNÁNDEZ CALLEJAS	A W MELLISH LIMITED	JOINT & SEVERAL DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	ANGLO AUSTRALIAN RICE LIMITED	DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	ARROZEIRAS MUNDIARROZ. S.A.	CHAIRMAN
ANTONIO HERNÁNDEZ CALLEJAS	BIOSEARCH, S.A.	DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	BOOST NUTRITION, C.V.	DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	DANRICE, A/S	DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	EBRO AMERICA, INC.	CHAIRMAN
ANTONIO HERNÁNDEZ CALLEJAS	HEAP COMET LIMITED	JOINT & SEVERAL DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	HERBA GERMANY GMBH	JOINT & SEVERAL DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	JOSEPH HEAP & SONS LIMITED	DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	JOSEPH HEAP PROPERTY LIMITED	JOINT & SEVERAL DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	N&C BOOST, N.V.	DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	NEW WORLD PASTA COMPANY	DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	PANZANI, S.A.S.	DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	RIVIANA FOODS, INC.	DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	S&B HERBA FOODS LIMITED	DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	VOGAN&CO LIMITED	DIRECTOR

B.1.8. Name the company directors, if any, who are on the Boards of non-group companies listed on Spanish stock exchanges, insofar as the company has been notified:

Name of Director	Listed Company	Position
DEMETRIO CARCELLER ARCE	COMPAÑÍA LOGÍSTICA DE HIDROCARBUROS CLH, S.A.	DIRECTOR

Name of Director	Listed Company	Position
DEMETRIO CARCELLER ARCE	GAS NATURAL SDG, S.A.	DIRECTOR
DEMETRIO CARCELLER ARCE	SACYR VALLEHERMOSO, S.A.	DIRECTOR
DEMETRIO CARCELLER ARCE	SOCIEDAD ANÓNIMA DAMM	CHAIRMAN
EUGENIO RUIZ-GÁLVEZ PRIEGO	PROSEGUR, COMPAÑÍA DE SEGURIDAD, S.A.	DIRECTOR
EUGENIO RUIZ-GÁLVEZ PRIEGO	CORPORACIÓN FINANCIERA ALBA, S.A.	DIRECTOR
LEOPOLDO DEL PINO Y CALVO-SOTELO	GRUPO FERROVIAL, S.A.	DIRECTOR
SOL DAURELLA COMADRÁN	BANCO DE SABADELL, S.A.	DIRECTOR
SOL DAURELLA COMADRÁN	BANCO GUIPUZCOANO, S.A.	DIRECTOR

B.1.9. Indicate and, where appropriate, explain whether the company has established rules on the number of directorships its directors may hold:

YES

Explain the rules
Article 25 of the Regulations of the Board (“General Duties of Directors”) provides in section 1 that Directors shall dedicate to the company such attention and time as may be necessary to guarantee the effective and adequate fulfilment of each and all of the duties corresponding to their position. Consequently, the maximum number of other directorships they may hold will be such as to ensure that they are able at all times to meet each and all of their obligations to the company.

B.1.10. In connection with recommendation number 8 of the Unified Code, indicate the company policies and general strategies that must be approved by the full Board:

Investment and financing policy	YES
Definition of the structure of the group of companies	YES
Corporate governance policy	YES
Corporate social responsibility policy	YES
Strategic or business plan and the annual management objectives and budget	YES
Pay policy and performance rating of senior executives	YES
Risk management and control policy and regular monitoring of internal reporting and control systems	YES
Dividend policy, treasury stock policy and, in particular, the limits established	YES

B.1.11. Complete the following tables on the aggregate directors' emoluments accrued during the year:

a) In the Company issuing this report:

Emoluments	Thousand euro
Fixed remuneration	1,245
Variable remuneration	1,678
Attendance fees	347
Emoluments stipulated in articles of association	2,565
Stock options and/or other financial instruments	0
Others	0
Total	5,835

Other Benefits	Thousand euro
Advances	0
Loans granted	0
Pension Funds and Schemes: Contributions	0
Pension Funds and Schemes: Obligations contracted	0
Life assurance premiums	0
Guarantees furnished by the company for directors	0

b) For company directors who are on other Boards and/or in the top management of group companies:

Emoluments	Thousand euro
Fixed remuneration	367

Emoluments	Thousand euro
Variable remuneration	151
Attendance fees	8
Emoluments stipulated in articles of association	0
Stock options and/or other financial instruments	0
Others	0

Total	526
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Other Benefits	Thousand euro
Advances	0
Loans granted	0
Pension Funds and Schemes: Contributions	0
Pension Funds and Schemes: Obligations contracted	0
Life assurance premiums	0
Guarantees furnished by the company for directors	0

c) Total emoluments by type of director:

Types of Directors	Company	Group companies
Executive	2,923	518
Non-executive proprietary	1,876	8
Non-executive independent	886	0
Other non-executive	150	0
Total	5,835	526

d) Directors' share in the profit of the parent company:

Total directors' emoluments (thousand euro)	6,361
Total directors' emoluments / profit attributed to parent company (%)	1.6

B.1.12. Name the members of top management who are not executive directors and indicate the aggregate remuneration accrued in their favour during the year:

Name	Position
NICOLÁS BAUTISTA VALERO DE BERNABÉ	DEPUTY TO THE CHAIRMAN
ANA MARÍA ANTEQUERA PARDO	MANAGER COMMUNICATIONS
LEONARDO ÁLVAREZ ARIAS	MANAGER I.T.
FRANCISCO JAVIER LOZANO VALLEJO	FINANCE MANAGER
ALFONSO FUERTES BARRÓ	MANAGER ECONOMY
GABRIEL SOLÍS PABLOS	TAX MANAGER
MIGUEL ANGEL PÉREZ ÁLVAREZ	SECRETARY
YOLANDA DE LA MORENA CEREZO	VICE-SECRETARY
GLORIA RODRÍGUEZ PATA	MANAGER CORPORATE ASSETS
JESÚS DE ZABALA BAZÁN	MANAGER AUDIT & COMPLIANCE

Total remuneration top management (thousand euro)	2,103
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B.1.13. Indicate globally whether any golden handshake clauses have been established for the top management, including Executive Directors, of the company or its group in the event of dismissal or change of ownership. State whether these contracts have to be notified to and/or approved by the governing bodies of the company/group companies:

Number of beneficiaries	2
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	Board of Directors	General Meeting
Body authorising the clauses	YES	NO

Is the General Meeting informed on the clauses?	YES
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B.1.14. Explain the process for establishing the remuneration of the Board members and the relevant articles of the articles of association

Process for establishing directors' emoluments and the relevant articles of the articles of association

The remuneration of Board members is regulated in Article 22 of the company's Articles of Association which, following amendment as agreed at the Annual General Meeting on 1 June 2010, establishes the following process:

When approving the company's accounts for the previous year, the general meeting shall set aside for the directors a share of 2.5% (two and a half per cent) of the consolidated profits attributable to the company, although this sum may only be taken from the company's net profit for the year and after meeting the legal reserve requirements, setting aside for the shareholders the minimum dividend established in prevailing legislation and meeting all and any other priority assignments required by law. The directors may waive this remuneration, in full or in part, when drawing up the accounts.

The board shall distribute the aforesaid sum among its members, annually and at its discretion, according to the duties assumed by each director on the board.

The directors shall also be entitled to a fee for attending meetings of the corporate bodies, the amount of which shall be established every year by the general meeting.

Directors with executive duties in the company shall, regardless of the nature of their legal relationship with the latter, be entitled to remuneration for the performance of such duties, the amount of which shall be decided each year at the Annual General Meeting. This remuneration may contemplate welfare payments to cover any public/private pension schemes and insurance systems considered necessary or retirement from office.

In addition and independently of the emoluments contemplated in the preceding paragraphs, directors may receive remuneration in the form of shares, stock options or any other system of remuneration indexed to the price of the shares of the company or any other companies in its group. The general meeting shall decide if and when any of these remuneration systems are to be used, pursuant to the form, terms and conditions stipulated in law.

If executive directors waive their share in the profits, as contemplated in the first paragraph of this article, the sums that would correspond to them as a share in the profits of the company will not be distributed among the remaining directors.

On 28 February 2011, as proposed by the Nomination and Remuneration Committee, the Board resolved to set the share corresponding to the Chairman and executive directors in the 2010 profits at 2,565,454 euro and, consequently, to put to shareholders at the Annual General Meeting a proposal to apply 0.66% of the consolidated net profit attributed to the company in 2010 to such remuneration.

As regards the distribution of the share in profits among the different members of the Board according to the duties assumed by each of the directors on the board and its different committees, the scale applicable for 2010, after the latest review by the Board upon recommendation by the Nomination and Remuneration Committee, is as follows:

Process for establishing directors' emoluments and the relevant articles of the articles of association

- Member of the Board of Directors: 1 point
- Chairman of the Board: 1 point
- Vice-Chairman of the Board: 0.5 points
- Member of the Executive Committee: 1 point
- Committees other than the Executive Committee:
 - Member of the Committee: 0.2 points
 - Chairman of the Committee: 0.05 points per meeting
 - Committee members: 0.03 points per meeting

Finally, attendance fees for board meetings were maintained at 1,600 euro and the attendance fees for the different committees at 800 euro.

State whether the full Board has reserved approval of the following decisions:

At the proposal of the CEO, the appointment and possible removal of senior officers and their compensation clauses	YES
Directors' emoluments and, for executive directors, the additional remuneration for their executives duties and other conditions to be respected in their contracts	YES

B.1.15. Indicate whether the Board approves a detailed remuneration policy and what issues it defines:

YES

Amount of fixed components, with breakdown, if appropriate, of attendance fees for board and committee meetings and an estimate of the resulting annual fixed remuneration	YES
Variable remuneration items	YES
Main features of the welfare system, estimating the amount or equivalent annual cost	YES
Conditions to be respected in the contracts of those exercising top management duties as executive directors	YES

B.1.16. State whether the Board puts a report on the directors' remuneration policy to the vote at the General Meeting, as a separate item on the agenda and with advisory status. If so, explain the aspects of the report on the remuneration policy approved by the Board for future years, the most significant changes of those policies in respect of the policy applied during this period and an overall summary of how the remuneration policy was applied during the year. Describe the role of the Remuneration Committee and, if outside counselling has been used, name the external advisers who provided it:

YES

Issues contemplated in the remuneration policy
<ul style="list-style-type: none"> - Background - Internal regulations applicable - Remuneration policy for 2010 - Remuneration policy for future years - Other information

Role of the Remuneration Committee
Examined and issued a favourable report on the Report on the Directors' Remuneration Policy for 2010, to be submitted to the Board.

Was any external counselling used?	YES
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Identity of the external advisers
Garrigues Human Capital Services

B.1.17. Name any Board members who are also directors, executives or employees of companies holding significant interests in the listed company and/or companies in its group:

Name of director	Name of significant shareholder	Position
DEMETRIO CARCELLER ARCE	SOCIEDAD ANÓNIMA DAMM	CHAIRMAN
DEMETRIO CARCELLER ARCE	CORPORACIÓN ECONÓMICA DAMM, S.A.	CHAIRMAN
EUGENIO RUIZ-GÁLVEZ PRIEGO	CORPORACIÓN FINANCIERA ALBA, S.A.	DIRECTOR
LEOPOLDO DEL PINO Y CALVO-SOTELO	LOLLAND, S.A.	DIRECTOR
LEOPOLDO DEL PINO Y CALVO-SOTELO	CASA GRANDE DE CARTAGENA, S.L.	DIRECTOR

Describe any significant relationships other than those contemplated in the previous section between board members and significant shareholders and/or companies in their group:

Name of director

ANTONIO HERNÁNDEZ CALLEJAS

Name of significant shareholder

HISPAFOODS INVEST S.L.

Description of relationship

ANTONIO HERNÁNDEZ CALLEJAS HAS AN INDIRECT HOLDING OF 16.666% IN HISPAFOODS INVEST S.L.

Name of director

ANTONIO HERNÁNDEZ CALLEJAS

Name of significant shareholder

INSTITUTO HISPÁNICO DEL ARROZ, S.A.

Description of relationship

ANTONIO HERNÁNDEZ CALLEJAS HAS A DIRECT HOLDING OF 16.666% IN INSTITUTO HISPÁNICO DEL ARROZ, S.A.

Name of director

ALIMENTOS Y ACEITES, S.A.

Name of significant shareholder

SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES

Description of relationship

SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES HAS A DIRECT HOLDING OF 91.963% IN ALIMENTOS Y ACEITES, S.A.

Name of director

LEOPOLDO DEL PINO Y CALVO-SOTELO

Name of significant shareholder

CASA GRANDE DE CARTAGENA, S.L.

Description of relationship

LEOPOLDO DEL PINO Y CALVO-SOTELO HAS AN INDIRECT HOLDING OF 13.68% IN CASA GRANDE DE CARTAGENA, S.L.

Name of director

LEOPOLDO DEL PINO Y CALVO-SOTELO

Name of significant shareholder

LOLLAND, S.A.

Description of relationship

LEOPOLDO DEL PINO Y CALVO-SOTELO HAS AN INDIRECT HOLDING OF 13.68% IN LOLLAND, S.A.

Name of director

MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ

Name of significant shareholder

HISPAFOODS INVEST S.L.

Description of relationship

MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ HAS AN INDIRECT HOLDING OF 16.666% IN HISPAFOODS INVEST S.L.

Name of director

MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ

Name of significant shareholder

INSTITUTO HISPÁNICO DEL ARROZ, S.A.

Description of relationship

MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ HAS A DIRECT HOLDING OF 16.666% IN INSTITUTO HISPÁNICO DEL ARROZ, S.A.

B.1.18. State whether any modifications have been made during the year to the Regulations of the Board:

NO

B.1.19. Describe the procedures for appointment, re-election, assessment and removal of directors. Indicate the competent bodies, the formalities and the criteria to be followed in each of these procedures.

The procedures for appointment, re-election and removal of the directors are regulated in Articles 19 and 20 of the Articles of Association, and Articles 5, 21, 22, 23 and 24 of the Regulations of the Board.

The General Meeting is responsible for deciding on the number of directors the company is to have, within the minimum (7) and maximum (15) established in the Articles of Association, and for appointing or re-electing directors as proposed by the Board, subject to a favourable report by the Nomination and Remuneration Committee.

The Board may appoint directors by cooptation, upon recommendation by the Chairman and subject to a report by the Nomination and Remuneration Committee. The initiative of the Board regarding the incorporation of members by no means detracts from the sovereign power of the General Meeting to appoint and remove directors, or from any potential exercise by shareholders of their right to proportional representation.

The persons nominated by the Board for appointment or re-appointment as directors must be persons of recognised standing, with adequate experience and expertise to be able to perform their duties.

As regards the role of the Nomination and Remuneration Committee in the appointment of directors, see the duties of this Committee in section B.2.3 of this Report.

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. This term of four years is counted from the date of the General Meeting at which they are appointed, or ratified when previously appointed by cooptation by the Board.

If vacancies arise during the term for which they were appointed, the Board may appoint shareholders to fill those vacancies up to the next general meeting. Directors' appointments shall end at the first general meeting held after expiry of their term or lapse of the time stipulated in law for holding the general meeting that is to approve the accounts of the previous year.

The Board regularly rates the Directors on their efficiency and fulfilment of their obligations, requesting the corresponding reports from its Committees, and if considered necessary it may propose any modifications that may be appropriate to improve their performance.

Directors retire upon expiry of the term for which they were appointed and in all other events stipulated in law, the Articles of Association or the Regulations of the Board. They must tender their resignations to the Board and step down in the events established in Article 24 of the Regulations of the Board.

B.1.20. Indicate the events in which directors are obliged to retire.

The retirement and resignation of directors are regulated in Article 24 of the Regulations of the Board:

- Directors must step down at the end of the term for which they were appointed and in all other events stipulated in law, the Articles of Association and the Regulations of the Board.

- Directors must also tender their resignations and step down in the following cases:

a) When they are affected by one of the causes of incompatibility or disqualification established in law, the articles of association or the regulations.

b) When they step down from the executive post to which their appointment as director was linked, when the shareholder they represent on the Board disposes of its shares in the company or reduces its interest to an extent requiring a reduction in the number of proprietary directors and, in general, whenever the reasons for their appointment disappear.

c) When the Board, following a report by the Nomination and Remuneration Committee, considers that the Director has seriously defaulted his obligations or for reasons of corporate interest.

The Board of Directors shall propose to the General Meeting of Shareholders that a Director be removed if one of the circumstances described above occurs and the Director fails to tender his resignation.

B.1.21. Explain whether the Chairman of the Board is the highest executive of the company. If so, state what measures have been adopted to limit the risks of any single person having unfettered powers:

YES

Measures for limiting risks
<p>With a view to establishing corrective measures in the articles of association to prevent excessive concentration of power in the Chairman when he is also the most senior executive of the company, Article 25 of the Articles of Association creates the figure of a Vice-Chairman appointed from among the non-executive directors to boost the management supervision and control duties.</p> <p>In accordance with this provision, the current Vice-Chairman of the Board, José Barreiro Seoane, is an independent director and performs the aforesaid duties.</p>

Indicate and if appropriate explain whether rules have been established authorising one of the independent directors to request the calling of a board meeting or the inclusion of new items on the agenda, to coordinate and echo the concerns of non-executive directors and to direct the assessment by the board.

YES

Explanation of the rules
<p>The Regulations of the Board specify the events in which directors may request the calling of a board meeting or inclusion of items on the agenda; this power is not limited to independent directors.</p> <p>Article 9.2 of the Regulations establishes that one-third of the board members may, no less than six days prior to the scheduled date of the Board meeting, request the inclusion of any items they believe ought to be transacted.</p>

Explanation of the rules

Article 9.5 of the Regulations states that the board may discuss and resolve on issues included on the agenda and any others that all the directors present and represented agree to transact.

Article 25.2.b) stipulates that Directors shall also request meetings of the corporate bodies to which they belong whenever they consider this necessary in the interests of the Company, proposing whatever items they think should be included on the agenda.

Finally, Article 33.1 provides that if the Chairman of the Board is also the chief executive of the company, a Vice-Chairman must be appointed from among the non-executive directors with the power to request the calling of a board meeting or the inclusion of new items on the agenda, who may organise meetings to coordinate non-executive directors and will direct the Chairman performance rating.

B.1.22. Are special majorities differing from those stipulated in law required for any type of decision?

NO

Explain how resolutions are adopted on the Board, indicating at least the quorum and the majorities required for adopting resolutions:

Description of the resolution:

Ordinary resolutions.

Quorum	%
Quorum for attendance: one-half plus one of the Board members	51.00

Majority	%
These resolutions are adopted by absolute majority of the directors present or represented at each meeting.	51.00

Description of the resolution:

Resolutions delegating powers to the Executive Committee and Managing Director, or CEO, and appointing directors to those positions.

Quorum	%
Quorum for attendance: two-thirds of the Board members	66.66

Majority	%
These resolutions are adopted by a majority of two-thirds of the Board members	66.66

B.1.23. Are there any specific requirements, other than those established for directors, to be appointed Chairman?

NO

B.1.24. Does the Chairman have a casting vote?

YES

Matters on which there is a casting vote
All.

B.1.25. Do the Articles of Association or Regulations of the Board establish an age limit for directors?

NO

Age limit Chairman	Age limit Managing Director	Age limit Director
0	0	0

B.1.26. Do the Articles of Association or Regulations of the Board establish a limited term of office for independent directors?

NO

Maximum number of years in office	0
--	---

B.1.27. If the number of female directors is small or non-existent, explain why and the initiative taken to remedy that situation.

Explanation of reasons and initiatives
Board members are appointed regardless of candidates' sex so there is no positive or negative discrimination of any nature in the election of directors. María Blanca Hernández Rodríguez was appointed director in 2006 and Sol Daurella Comadrán was appointed director in 2010.

In particular, indicate whether the Nomination and Remuneration Committee has established procedures to ensure that the selection procedures are not implicitly biased against the selection of female directors and deliberately search for candidates with the required profile:

NO

Describe the principal procedures

B.1.28. Are there any formal procedures for the delegation of votes at Board meetings? If so, include a brief description.

Both the Articles of Association (Article 24) and the Regulations of the Board (Article 10) contemplate the possibility of directors attending Board meetings through a duly authorised proxy.

The proxy must be made in writing especially for each board meeting, in favour of another director.

The represented director may issue specific instructions on how to vote on any or all of the items on the agenda.

B.1.29. State the number of meetings held by the Board of Directors during the year, indicating, if appropriate, how many times the Board has met without the Chairman:

Number of board meetings	13
Number of board meetings held without the chairman	0

Number of meetings held by the different Committees of the Board:

Number of meetings of the Executive Committee	7
Number of meetings of the Audit Committee	7
Number of meetings of the Nomination and Remuneration Committee	6
Number of meetings of the Nomination Committee	0
Number of meetings of the Remuneration Committee	0

B.1.30. Number of meetings held by the Board during the period without the attendance of all its members. Proxies made without specific instructions will be considered absences:

Number of absences of directors during the year	0
% absences to total votes during the year	0.000

B.1.31. Are the separate and consolidated annual accounts submitted to the Board for approval previously certified?

NO

If so, name the person(s) who certify the separate or consolidated annual accounts of the company before they are approved by the Board:

B.1.32. Explain the mechanisms, if any, established by the Board to avoid a qualified auditors' report on the separate and consolidated accounts laid before the General Meeting.

Relations with the auditors are expressly regulated in Article 19 of the Regulations of the Board, which stipulates in section 2 that the Board shall endeavour to draw up the Annual Accounts in such a way as to avoid a qualified Auditors' report.

Within the specific duties attributed to the board in certain areas, Article 7.1 of the Regulations establishes that the Board shall see that the separate and consolidated Annual Accounts and Directors' Reports give a true and fair view of the equity, financial position and results of the company, as stipulated in law, and each and all of the Directors shall have all the necessary information before signing the Annual Accounts.

Article 13.3 of the Regulations of the Board gives the Audit and Compliance Committee certain powers to ensure that the Annual Accounts are filed without a qualified auditors' report (see section B.2.3).

B.1.33. Is the Secretary of the Board a Director?

NO

B.1.34. Explain the procedure for appointment and removal of the Secretary of the Board, indicating whether the Nomination Committee has issued a report for such appointment and removal and whether they were approved by the full board.

Appointment and removal procedure
The Secretary of the Board may or may not be a director, is appointed by the Board upon recommendation by the Nomination and Remuneration Committee, after ensuring that his/her professional profile is adequate to

Appointment and removal procedure

guarantee the best performance of the duties corresponding to this position by law, the Articles of Association and Regulations of the Board.

The company has not established any procedure for removal of the Secretary of the Board other than that stipulated in law, although Article 24.3 of the Regulations of the Board submits the Secretary, regardless of whether or not he/she is also a director, to the same obligations as the directors of explaining to all the Board members the reasons for retirement or resignation prior to the end of his/her term of office.

Does the Nomination Committee issue a report on the appointment?	YES
Does the Nomination Committee issue a report on the removal?	YES
Does the full Board approve the appointment?	YES
Does the full Board approve the removal?	YES

Is the Secretary of the Board responsible especially for overseeing compliance with the recommendations on good governance?

YES

Comments

Article 36.2 of the Regulations of the Board provides that in addition to the duties assigned by law and the Articles of Association, the Secretary of the Board shall, in particular:

a) Ensure that the Board's actions:

- Conform to the text and spirit of the laws and statutory instruments, including those approved by the watchdogs.
- Conform to the company Articles of Association and the Regulations of the General Meeting, the Board and any other regulations the company may have.
- Take account of the recommendations on good governance accepted by the company.

b) Keep all company documents, duly record the proceedings of meetings in the corresponding minute books and certify the resolutions of those corporate bodies of which he/she is Secretary.

c) Channel, generally, the Company's relations with Directors in all matters concerning the functioning of the Board and the Committees he/she is on, following the instructions of the respective Chairman.

d) Implement and facilitate exercise by the Directors of their right to information on the terms stipulated in these Regulations.

B.1.35. Describe any mechanisms established by the company to preserve the independence of the auditor, financial analysts, investment banks and rating agencies.

Both the Articles of Association and the Regulations of the Board vest in the Audit and Compliance Committee the power, among others, to contact the auditors and receive information on any issues that may jeopardise their

independence, and any other issues relating to the auditing of accounts, and receive information from and exchange communications with the auditors in accordance with prevailing auditing standards and legislation.

Article 19 of the Regulations of the Board addresses relations with the auditors, obliging the Board to establish an objective, professional, continuous relationship with the External Auditors of the Company appointed by the General Meeting, guaranteeing their independence and putting at their disposal all the information they may require to perform their duties. It further establishes that the aforesaid relationship with the External Auditors of the Company and the relationship with the Internal Audit Manager shall be conducted through the Audit and Compliance Committee.

Finally, Article 28.2 of the Articles of Association and Article 13.3 of the Regulations of the Board establish the following powers of the Audit and Compliance Committee in this respect:

- Ensure that the systems used for preparing the separate and consolidated Annual Accounts and Directors' Report submitted to the Board to be drawn up in accordance with current legislation give a true and fair view of the equity, financial position and results of the Company, ensuring also that interim accounts are drawn up according to the same accounting principles as the annual accounts, considering the possibility, if appropriate, of requiring the external auditors to make a limited audit thereof.
- Have contacts with the Auditors to receive information on any issues that may jeopardise their independence, and any other issues relating to the auditing of accounts, receiving information from and exchanging communications with the Auditors in accordance with prevailing auditing standards and legislation.

B.1.36. Indicate whether the external auditors have changed during the year. If so, name the incoming and outgoing auditors:

NO

Outgoing auditor	Incoming auditor

Explain any disagreements with the outgoing auditor:

NONE

B.1.37. State whether the firm of auditors does any work for the company and/or its group other than standard audit work and if so, declare the amount of the fees received for such work and the percentage it represents of the total fees invoiced to the company and/or its group.

YES

	Company	Group	Total
Cost of work other than auditing (thousand euro)	196	153	349
Cost of work other than auditing / Total amount invoiced by the auditors (%)	47.700	11.100	19.510

B.1.38. Indicate whether the auditors' report on the annual accounts of the previous year was qualified. If so, state the reasons given by the Chairman of the Audit Committee to explain the content and scope of the qualifications.

NO

B.1.39. State the number of years in succession that the current firm of auditors has been auditing the annual accounts of the company and/or its group. Indicate the ratio of the number of years audited by the current auditors to the total number of years that the annual accounts have been audited:

	Company	Group
Number of years in succession	2	2

	Company	Group
Number of years audited by current auditors / Number of years that the company has been audited (%)	9.1	9.1

B.1.40. Indicate the stakes held by Board members in the capital of undertakings engaged in activities identical, similar or complementary to those comprising the objects of the Company and its Group, as far as the company has been notified. Indicate also the positions held or duties performed in those undertakings:

Name of director	Name of company	% interest	Position or duties
ANTONIO HERNÁNDEZ CALLEJAS	CASARONE AGROINDUSTRIAL, S.A.	3.620	NO POSITION HELD
ANTONIO HERNÁNDEZ CALLEJAS	INSTITUTO HISPANICO DEL ARROZ, S.A.	16.666	NO POSITION HELD
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	INSTITUTO HISPÁNICO DEL ARROZ, S.A.	16.666	NO POSITION HELD
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	CASARONE AGROINDUSTRIAL, S.A.	3.020	NO POSITION HELD

Name of director	Name of company	% interest	Position or duties
RUDOLF-AUGUST OETKER	DR. AUGUST OETKER KG	12.500	CHAIRMAN

B.1.41. Indicate, giving details if appropriate, whether a procedure has been established for directors to receive external counselling:

YES

Details of procedure
<p>The directors' right to counselling and information is regulated in Article 30 of the Regulations of the Board, which provides in 30.2 that:</p> <p>a. Any Director may, in the course of any specific duties commissioned to him on an individual level or within the framework of any of the Committees of the Board, request the Chairman to contract, at the Company's expense, such legal advisers, accountants, technical, financial or commercial experts or others as he may consider necessary, in order to assist him in the performance of his duties, provided such counselling is justified to resolve specific problems that are particularly complex and important.</p> <p>b. Considering the circumstances of the specific case, the Chairman may (i) deny or authorise the proposal in a communication sent through the Secretary of the Board, who shall, provided the proposal is authorised, contract the expert in question; and (ii) put the proposal to the Board, which may refuse to finance the counselling if it considers it unnecessary for discharging the duties commissioned, or out of proportion with the importance of the matter, or if it considers that the technical assistance requested could be adequately provided by Company employees.</p>

B.1.42. Indicate, with details if appropriate, whether there is an established procedure for directors to obtain sufficiently in advance any information they may need to prepare the meetings of the governing bodies:

YES

Details of procedure
<p>Article 25.2 a) of the Regulations of the Board establishes the duty of directors to request the necessary information to adequately prepare Board and Committee meetings.</p> <p>Articles 9.1 and 9.3 of the Regulations of the Board in turn establish that (i) directors shall receive information at Board meetings on the most important aspects of corporate management, any foreseeable risk situations for the company and its subsidiaries and the actions proposed by the Top Management in respect thereof; and (ii) whenever possible, any necessary information relating to the items on the agenda shall be sent to the Directors together with the notice of call.</p> <p>The procedure for informing directors is regulated in Article 30.1 of the Regulations of the Board, which provides that whenever so required in the performance of their duties, directors shall have the fullest powers to obtain information on any corporate affairs, obtaining such documents, records, background information or other elements as they may require in this respect. This right to information is extended to subsidiaries.</p>

Details of procedure

All requests for information shall be addressed to the Chairman and met by the Secretary of the Board, who shall supply the information directly or indicate who is to be contacted within the Company and, in general, establish the necessary measures to fully meet the director's right to information.

B.1.43. Indicate, with details if appropriate, whether the company has established any rules obliging Directors to report and, if necessary, retire in any situations that could be detrimental to the prestige and reputation of the company:

YES

Explanation

Article 22 of the Regulations of the Board, which regulates the incompatibilities of directors and establishes their obligations in respect of no competition, conflicts of interest and related-party transactions, also expressly stipulates that if a director is sued or tried for any of the offences contemplated in the Capital Companies Act s. 213, the Board shall examine the case as soon as possible and decide, in consideration of the specific circumstances, whether or not the Director in question should remain in office, including a reasoned account in the Annual Corporate Governance Report.

B.1.44. Has any member of the Board informed the company that he/she has been sued or brought to trial for any of the offences contemplated in section 124 of the Corporations Act?

NO

Has the Board studied the case? If so, indicate and explain the decision made as to whether or not the director should remain in office.

NO

Decision adopted	Reasoned explanation

B.2. Committees of the Board

B.2.1. Give details of the different committees and their members:

EXECUTIVE COMMITTEE

Name	Position	Type
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Name	Position	Type
ANTONIO HERNÁNDEZ CALLEJAS	CHAIRMAN	EXECUTIVE
ALIMENTOS Y ACEITES, S.A.	MEMBER	PROPRIETARY
DEMETRIO CARCELLER ARCE	MEMBER	PROPRIETARY
JOSÉ BARREIRO SEOANE	MEMBER	INDEPENDENT
LEOPOLDO DEL PINO Y CALVO-SOTELO	MEMBER	PROPRIETARY

AUDIT COMMITTEE

Name	Position	Type
SOL DAURELLA COMADRÁN	CHAIRMAN	INDEPENDENT
EUGENIO RUIZ-GÁLVEZ PRIEGO	MEMBER	OTHER NON-EXECUTIVE
FERNANDO CASTELLÓ CLEMENTE	MEMBER	INDEPENDENT
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	MEMBER	INDEPENDENT
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	MEMBER	PROPRIETARY

NOMINATION AND REMUNERATION COMMITTEE

Name	Position	Type
FERNANDO CASTELLÓ CLEMENTE	CHAIRMAN	INDEPENDENT
DEMETRIO CARCELLER ARCE	MEMBER	PROPRIETARY
JOSÉ BARREIRO SEOANE	MEMBER	INDEPENDENT
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	MEMBER	PROPRIETARY
SOL DAURELLA COMADRÁN	MEMBER	INDEPENDENT

STRATEGY AND INVESTMENT COMMITTEE

Name	Position	Type
DEMETRIO CARCELLER ARCE	CHAIRMAN	PROPRIETARY
ANTONIO HERNÁNDEZ CALLEJAS	MEMBER	EXECUTIVE
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	MEMBER	PROPRIETARY

Name	Position	Type
JOSÉ NIETO DE LA CIERVA	MEMBER	PROPRIETARY
LEOPOLDO DEL PINO Y CALVO-SOTELO	MEMBER	PROPRIETARY

B.2.2. State whether the Audit Committee has the following duties:

Oversee the preparation and integrity of the company's, and where appropriate the group's, financial reporting, checking compliance with the legal requirements, adequate definition of the consolidated group and correct application of accounting principles	YES
Regularly check the internal control and risk management systems, ensuring that the principal risks are adequately identified, managed and reported	YES
Ensure the independence and efficacy of the internal audit duties; propose the nomination, appointment, re-appointment and removal of the chief audit officer; propose the budget for this department; receive regular information on its activities; and check that the top management heeds the conclusions and recommendations set out in its reports	YES
Establish and supervise a "whistle-blowing" procedure so employees can confidentially or, where appropriate, even anonymously report any irregularities they observe in the company's conduct, particularly in financial and accounting aspects.	YES
Submit to the Board proposals for nomination, appointment, re-appointment and replacement of external auditor, and terms of engagement	YES
Receive regularly from the external auditor information on the audit plan and the outcome of its fulfilment and see that top management heeds its recommendations	YES
Guarantee the independence of the external auditor	YES
In the case of groups, encourage the group auditor to audit the different companies in the group	YES

.2.3. Describe the rules of organisation and procedure and the responsibilities attributed to each Committee

Name of committee

STRATEGY AND INVESTMENT COMMITTEE

Brief description

The Strategy and Investment Committee has a minimum of three and a maximum of five Directors, including a Chairman, appointed by the Board of Directors in accordance with the company's Articles of Association. The Committee meets whenever called by its Chairman or at the request of two of its members and whenever the Board requests the issuance of reports, submission of proposals or adoption of resolutions within the scope of its duties. Notices of call are issued by the Secretary by order of the Chairman. Whenever the Committee so requests its Chairman, its meetings may be attended by any member of the management team of the Company, who may speak but not vote. At the following Board meeting, the Chairman of the Strategy and Investment Committee reports on all resolutions, reports or proposals made by the Committee since the previous Board meeting. Directors have access to the minutes of Committee meetings, through the Secretary of the Board. The Strategy and Investment Committee studies, issues reports and submits proposals for the Board on the following matters: a)

Setting of targets for growth, yield and market share of the company. b) Development plans, new investments, and strategic restructuring processes. c) Coordination with subsidiaries in the matters contemplated a) and b), for the common interest and benefit of the Company and its subsidiaries. In the performance of its duties, it may, where necessary, obtain information and collaboration from the members of the Company management, through the Chairman of the Committee.

Name of committee

NOMINATION AND REMUNERATION COMMITTEE

Brief description

The Nomination and Remuneration Committee has a minimum of three and a maximum of five non-executive Directors, appointed by the Board of Directors in accordance with the company articles of association. This notwithstanding, the Company Secretary acts as Secretary of the Committee, with voice but no vote, issuing minutes of all resolutions adopted. The Committee appoints one of its members who is an independent director to be Chairman. The Committee meets whenever called by its Chairman or at the request of two of its members and at least once every three months. It also meets whenever the Board requests the issuance of reports, submission of proposals or adoption of resolutions within the scope of its duties. Meetings are called by the Secretary of the Committee by order of the Chairman. Whenever the Committee so requests its Chairman, its meetings may be attended by any member of the company management, who may speak but not vote.

At the following Board meeting, the Chairman of the Nomination and Remuneration Committee reports on all resolutions, reports or proposals made by the Committee since the previous Board meeting. Directors have access to the minutes of Committee meetings, through the Secretary of the Board.

The Committee studies, issues reports and submits proposals for the Board on the following matters: a) Definition and revision, where necessary, of the criteria to be followed for the composition and structure of the Board and for selection of candidates to sit on the Board. It informs in advance on the appointment of a director by cooptation or the submission of any proposals to the general meeting regarding the appointment or removal of directors. b) Appointment of the Chairman, Vice-Chairman, Managing Director if any, General Manager and Company Secretary, and assignment of the directors to the Executive Committee, the Audit and Compliance Committee and the Strategy and Investment Committee, and appointment of the members of the Management Committee and such other advisory committees as the Board may create, as well as the appointment and possible removal of senior officers and their contractual clauses regarding severance pay. c) Position of the company on the appointment and removal of members of the governing bodies of its subsidiaries. d) Proposal of directors' emoluments, in accordance with the rules on remuneration established in the Articles of Association and the relations of executive directors with the company. The Committee must also inform in advance on any resolution or proposal of the Board on the remuneration of directors and executives indexed to the share price of the company or its subsidiaries, or consisting of the delivery of shares in the company or its subsidiaries or stock options. e) Preparation, if appropriate, of a proposal on the Statute of Senior Officers. f) Supervision of the Top Management remuneration and incentives policy, being informed and informing also on the criteria followed by the company's subsidiaries. g) Assessment of the principles of the policy regarding the training, promotion and selection of management personnel in the parent company and its subsidiaries, where appropriate. h) Examination and organisation, howsoever may be considered appropriate, of the succession of the Chairman and CEO and, where appropriate, submission of proposals to the Board to ensure that the succession is made in an orderly, well-planned fashion. i) Proposal for the appointment of senior executives of the Company and determination of their terms of contract and remuneration, considering this to include any executives with a rank equal to or higher than Department Manager, being informed and informing also on the appointments and terms of contract of the senior executives of the company's subsidiaries.

Name of committee

EXECUTIVE COMMITTEE

Brief description

In addition to the Chairman and the Vice-Chairman, other Directors may sit on the Executive Committee, up to a maximum of seven members, with the composition stipulated in the Articles of Association. All the members of this Committee are appointed by the Board, which also specifies what powers are delegated to it, in accordance with the Articles of Association and the Regulations of the Board, requiring votes in favour of at least two-thirds of the Board members to carry the relevant resolutions. Save otherwise resolved by the Board, all the powers of the Board that may be delegated according to law, the Articles of Association and the Regulations are deemed delegated to this Committee on its creation, subject to the limits established from time to time in the recommendations on good corporate governance. The Chairman and Secretary of the Board hold the corresponding positions on the Executive Committee. The Executive Committee generally meets once a month. Its meetings may be attended by such members of management, employees and advisers of the company as the Committee may deem fit. Without prejudice to the autonomy of decision of the Executive Committee in respect of the delegated powers, its resolutions being fully valid and effective without ratification by the Board, whenever circumstances so require, in the opinion of the Chairman or three members of the Committee, the resolutions adopted by the Executive Committee are submitted to the Board for ratification. This is also the case in matters which the Board has delegated the Committee to study, while reserving for itself the ultimate decision, in which case the Executive Committee merely submits the corresponding proposal to the Board. At the request of any of its members, the Directors will be informed at the first Board meeting following any meeting of the Executive Committee of all resolutions adopted by the latter since the previous Board meeting. Directors are granted access to the minutes of Executive Committee meetings whenever they so request of the Secretary of the Board. The Executive Committee has the following powers: a) Adopt resolutions corresponding to the powers delegated to it by the Board of Directors. b) Monitor and supervise the overall and day-to-day management of the Company, ensuring adequate coordination with the subsidiaries in the common interests of the latter and the company. c) Study and propose the guidelines defining the business strategy, supervising its implementation. d) Discuss and report to the Board on any matters related with the following business, regardless of whether or not they have been delegated by the Board: - Individual and consolidated annual budget of the company, specifying the amounts budgeted for each core business. - Monthly monitoring of the economic management, deviations from the budget and proposals for remedial measures, if necessary. - Significant material or financial investments and their corresponding economic justification. - Alliances and agreements with companies considered important for the company, by virtue of their amount or nature. - Financial transactions of economic importance for the company. - Programme of medium-term activities. - Assessment of the achievement of objectives by the different operating units of the company. - Monitoring and assessment of the aspects contemplated in d) in the subsidiaries. e) Adopt resolutions corresponding to the acquisition and disposal of treasury stock by the Company, in accordance with the authorisation granted by the General Meeting. A particular director may be appointed to execute and process decisions to buy or sell own shares, overseeing and, where necessary, authorising, provided it is lawful, any agreements that may be made by subsidiaries for the acquisition and disposal of own shares or shares in the company.

Name of committee

AUDIT COMMITTEE

Brief description

The Audit and Compliance Committee has a minimum of three and a maximum of five non-executive Directors appointed by the Board in accordance with the company Articles of Association. The Board appoints one of the Committee members who are independent directors Chairman of this Committee, to be replaced every four years and becoming eligible for re-election one year after his retirement as such. The Chairman of the Board may attend the meetings of this Committee, with voice but no vote. In the absence of the Chairman, he is provisionally substituted by the Committee member so appointed by the Board, or otherwise by the oldest member of the Committee. The Company Secretary is Secretary of this Committee, with voice but no vote, issuing minutes of the resolutions adopted. The Committee meets as and when called by its Chairman, or at the request of two of its members and at least once every three months. It also meets whenever the Board requests the issuance of reports, submission of proposals or adoption of resolutions within the scope of its duties. The notice of call is issued by the Secretary of the

Committee by order of the Chairman. Apart from the members, any company executive may be called to attend a committee meeting. Committee meetings are held at the registered office of the company, or wherever else the Chairman may indicate, specifying the venue in the notice of call, and are quorate when attended, in person or by proxy, by the majority of its members. Resolutions are adopted with the favourable votes of the majority of the members attending the meeting in question. In the event of a tie, the chairman or acting chairman has the casting vote. At the following Board meeting, the Chairman of the Audit and Compliance Committee reports on all resolutions, reports or proposals made by the Committee since the previous Board meeting. Directors have access to the minutes of Committee meetings, through the Secretary of the Board. The Audit and Compliance Committee has the following powers: a) Be informed of the procedures and systems used for drawing up the financial information of the Company, supervising the services of the Internal Audit Department. b) Receive the information sent regularly to the Stock Exchange Councils, issue prospectuses and any public financial information offered by the Company and, in general, all information prepared for distribution among shareholders, ensuring the existence of internal control systems that guarantee the transparency and truth of the information. c) Ensure that the systems used for preparing the separate and consolidated Annual Accounts and Directors' Report submitted to the Board to be drawn up in accordance with current legislation give a true and fair view of the equity, financial position and results of the Company, making sure that interim accounts are drawn up according to the same accounting principles as the annual accounts, considering the possibility of requesting the external auditors to make a limited audit thereof. In this respect, it also sees that the internal control systems are adequate and effective in respect of the accounting practices and principles used for drawing up the annual accounts of the company, supervising the policies and procedures established for ensuring due compliance with applicable legal provisions and internal regulations. The Committee shall, through its Chairman, obtain information and collaboration from both the Internal Audit Manager and the External Auditors to perform these duties. Furthermore, whenever the Committee so requests its Chairman, its meetings may be attended by any member of the company management, who may speak but not vote. d) Have contacts with the Auditors to receive information on any issues that may jeopardise their independence, and any other issues relating to the auditing of accounts, receiving information from and exchanging communications with the External Auditors in accordance with prevailing auditing standards and legislation. e) Be informed of the decisions adopted by the top management according to recommendations made by the External Auditors in connection with the audit. f) Inform the Board before the latter body adopts any decision regarding related-party transactions submitted for authorisation. g) Establish an internal "whistle-blowing" procedure so employees can confidentially report any potentially important irregularities. h) Supervise compliance with the internal codes of conduct and the rules on good corporate governance.

Name of committee

MANAGEMENT COMMITTEE

Brief description

The Board appoints a Management Committee, consisting of the persons responsible for the principal management units and business areas of the Company and its subsidiaries and the executive directors proposed by the Nomination and Remuneration Committee, chaired by the Chairman of the Board or the Managing Director, as the case may be. The Company Secretary is Secretary of this Committee. The Management Committee prepares and follows up decisions within the management of the Company, regarding strategy, budget, finance and personnel, draws up business plans and controls their implementation, defining the Company's position in respect of its subsidiaries on these matters. The Committee meets whenever called by its Chairman and in any case whenever the Board or Committees of the Board request the issuance of reports, submission of proposals or adoption of resolutions within the scope of its duties. Committee meetings are called by the Secretary, by order of the Chairman.

B.2.4. Indicate, where appropriate, the advisory or counselling powers and delegations, if any, of each committee:

Name of committee

STRATEGY AND INVESTMENT COMMITTEE

Brief description

THOSE CONTEMPLATED IN ARTICLE 15 OF THE REGULATIONS OF THE BOARD. SEE SECTION B.2.3 OF THIS REPORT.

Name of committee

NOMINATION AND REMUNERATION COMMITTEE

Brief description

THOSE CONTEMPLATED IN ARTICLE 14 OF THE REGULATIONS OF THE BOARD. SEE SECTION B.2.3 OF THIS REPORT.

Name of committee

EXECUTIVE COMMITTEE

Brief description

THOSE CONTEMPLATED IN ARTICLE 12 OF THE REGULATIONS OF THE BOARD. SEE SECTION B.2.3 OF THIS REPORT.

Name of committee

AUDIT COMMITTEE

Brief description

THOSE CONTEMPLATED IN ARTICLE 13 OF THE REGULATIONS OF THE BOARD. SEE SECTION B.2.3 OF THIS REPORT.

B.2.5. Indicate the existence, if appropriate, of regulations of the board committees, where they are available for consultation and any modifications made during the year. State whether an annual report has been issued voluntarily on the activities of each committee.

Name of committee

STRATEGY AND INVESTMENT COMMITTEE

Brief description

There is no separate text regulating the Strategy and Investment Committee, which is sufficiently regulated in the Regulations of the Board of Directors (Article 15).

The Regulations of the Board are available for consultation on the company's web site (www.ebrofoods.es) and on the web site of the National Securities Market Commission (www.cnmv.es).

Name of committee

NOMINATION AND REMUNERATION COMMITTEE

Brief description

There is no separate text regulating the Nomination and Remuneration Committee, which is sufficiently regulated in the Regulations of the Board of Directors (Article 14).

Name of committee

EXECUTIVE COMMITTEE

Brief description

There is no separate text regulating the Executive Committee, which is sufficiently regulated in the Regulations of the Board of Directors (Article 12).

Name of committee

AUDIT COMMITTEE

Brief description

There is no separate text regulating the Audit Committee, which is sufficiently regulated in the Regulations of the Board of Directors (Article 13).

Name of committee

MANAGEMENT COMMITTEE

Brief description

There is no separate text regulating the Management Committee, which is sufficiently regulated in the Regulations of the Board of Directors (Article 16).

B.2.6. Does the composition of the Executive Committee reflect the participation on the Board of the different types of Director?

YES

C. RELATED-PARTY TRANSACTIONS

C.1. Does the full Board reserve the right to approve, subject to a favourable report by the Audit and Compliance Committee or such other committee it may have commissioned, any transactions between the company and its directors, significant or represented shareholders or parties related thereto?

YES

C.2. List any significant transactions involving a transfer of resources or obligations between the company and/or companies in its group and controlling shareholders of the company:

Name of significant shareholder	Name of company or group company	Relationship	Type of transaction	Amount (thousand euro)
SOCIEDAD ANÓNIMA DAMM	HERBA RICEMILLS, S.L.U.	CONTRACTUAL	Sale of goods (finished or otherwise)	2,593

C.3. List any significant transactions involving a transfer of resources or obligations between the company and/or companies in its group and the directors or executives of the company:

Name of director or executive	Name of company or group company	Nature of the transaction	Type of transaction	Amount (thousand euro)
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Name of director or executive	Name of company or group company	Nature of the transaction	Type of transaction	Amount (thousand euro)
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	BOOST NUTRITION, C.V.	CONTRACTUAL	Sale of goods (finished or otherwise)	977
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	BOOST NUTRITION, C.V.	CONTRACTUAL	Purchase of goods (finished or otherwise)	979
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	EURIZA GMBH	CONTRACTUAL	Purchase of goods (finished or otherwise)	63
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	EURIZA GMBH	CONTRACTUAL	Sale of goods (finished or otherwise)	63
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	HERBA FOODS, S.L.U.	CONTRACTUAL	Receipt of services	25
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	HERBA RICEMILLS, S.L.U.	CONTRACTUAL	Sale of tangibles, intangibles or other assets	4
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	HERBA RICEMILLS, S.L.U.	CONTRACTUAL	Sale of goods (finished or otherwise)	524
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	HERBA RICEMILLS, S.L.U.	CONTRACTUAL	Purchase of goods (finished or otherwise)	3,889
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	HERBA RICEMILLS, S.L.U.	CONTRACTUAL	Leases	102
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	S&B HERBA FOODS LIMITED	CONTRACTUAL	Purchase of goods (finished or otherwise)	121
INSTITUTO HISPÁNICO DEL ARROZ, S.A.	S&B HERBA FOODS LIMITED	CONTRACTUAL	Sale of goods (finished or otherwise)	121

C.4. List any significant transactions with other companies in the group that are not eliminated in the consolidated financial statements and which do not, by virtue of their object or terms, correspond to the normal business of the Company:

C.5. State whether any of the board members have entered into any conflicts of interest pursuant to s. 127 ter of the Corporations Act during the period.

YES

Name of director

ANTONIO HERNÁNDEZ CALLEJAS

Description of the conflict of interest

See section B.1.40 of this report concerning his interest in Instituto Hispánico del Arroz, S.A. and Casarone Agroindustrial, S.A. He also holds a 16.666% stake in Hispafoods Invest, S.L.

Name of director

INSTITUTO HISPÁNICO DEL ARROZ, S.A.

Description of the conflict of interest

See section C.3 of this report concerning the related party transactions made with companies in the Ebro Foods Group.

Name of director

MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ

Description of the conflict of interest

See section B.1.40 of this report concerning her interest in Instituto Hispánico del Arroz, S.A. and Casarone Agroindustrial, S.A. She also holds a 16.666% stake in Hispafoods Invest, S.L.

C.6. Explain the mechanisms established to detect, define and resolve possible conflicts of interest between the company and/or its group, and its directors, executives or controlling shareholders.

The Audit and Compliance Committee ensures that the internal audit procedures and internal control systems are adequate and informs the Board on the related-party transactions submitted for its consideration and control of any possible conflicts of interest.

Under Article 28 of the Articles of Association, the Audit Committee has, among others, the power to ensure that transactions between the company and its subsidiaries or between these companies and directors and controlling shareholders are made on arm's length terms and respecting the principle of equal treatment, thus controlling any conflicts of interest that may arise in these related-party transactions.

Under Article 6 of the Regulations of the Board, the Board is competent, once a favourable report has been issued by the Audit and Compliance Committee, to authorise any related-party transactions between the company or group companies and directors, controlling shareholders or shareholders represented on the board. This authorisation is not necessary when the transactions meet all of the following three conditions:

- If the transactions are made under contracts with standard terms and conditions applied globally to many clients.
- If the transactions are made at prices or rates established generally by the supplier of the good or service in question.
- If the amount of the transaction is no more than 1% of the annual income of the company.

Article 22 of the Regulations of the Board establishes the following prohibitions and disqualifications, among others, for directors:

- Holding positions or duties of representation, management, counselling or rendering of services in rival companies or the holding or performance of such positions, duties or services in companies having a controlling stake in rival companies.
- Attendance and participation in the discussions of any of the corporate bodies concerning business in which the director personally, or a member of his/her family has an interest or a company in which the director has an executive position or a significant shareholding.
- Direct or indirect participation in related-party transactions with the company or other group companies without previously informing the Board and seeking its approval, except in the cases contemplated in Article 6.5 of these Regulations.

The article also bars from the board anyone who, personally or through an intermediary, holds office in or is a representative of or is otherwise related to companies that are habitual clients or suppliers of goods and services of the company, whenever this condition may give rise to a conflict or clash of interest with the Company or its subsidiaries; in such cases the Chairman shall be informed of the situation and request a report from the Audit and Compliance Committee. Financial institutions providing financial services for the company are excluded from the foregoing. Nor may anyone related through family, professional or commercial ties to executive directors or other senior officers of the Company be members of the Board unless, after informing the Chairman of this situation, a report is issued by the Audit and Compliance Committee excluding the specific case from this prohibition.

C.7. Is more than one company of the Group listed in Spain?

YES

Name the listed subsidiaries:

Listed subsidiary
BIOSEARCH, S.A.

State whether the respective areas of activity and possible business relations between them have been publicly defined, and those of the listed subsidiary with the other group companies:

YES

Define any business relations between the parent company and the listed subsidiary, and between the latter and other group companies
<p>Details are set out below of the significant transactions involving a transfer of resources or obligations made during 2010 between the Biosearch Group and the following companies wholly-owned by its controlling shareholder, Ebro Foods, S.A.: Puleva Food, S.L.U., Herba Ricemills, S.L.U., Boost Nutrition C.V., Riviana Foods Inc., SB Herba Foods, Ltd. and Dosbio.</p> <p>When preparing this information, the following variations in the Ebro Foods Group were taken into account:</p> <ul style="list-style-type: none"> - On 1 July 2010 Biosearch, S.A. sold its interest in Española de ID, S.A. (sole subsidiary, with which it formed the Biosearch Group). Therefore, the related-party transactions of this subsidiary with the Ebro Foods Group, reported below, refer to the first six months of 2010.

- On 2 September 2010 Ebro Foods, S.A. sold Puleva Food, S.L.U. to the Lactalis Group. The related party transactions between Biosearch, S.A. and Puleva Foods, S.L.U. described below were those made within the Group during the first 8 months of 2010.

There is a theoretical possibility of a conflict of interest deriving from the fact that the shareholders of Biosearch, S.A., which is also a listed company, do not entirely coincide with those of its parent company Ebro Foods, S.A. It is, therefore, essential that the terms of contract in all business relations between the different companies of the Ebro Foods group and the Biosearch Group are made strictly on arm's length terms, to avoid any detriment to the minority shareholders of either company, which are not represented on the boards of the contracting companies and, consequently, do not participate in the decision-making process.

During 2010, Biosearch, S.A. and Española de I+D, S.A. continued working with the companies in the Ebro Foods Group named above under different contracts signed with them:

1. Relations between Puleva Food S.L.U. and Biosearch, S.A.

Biosearch S.A. provided R+D+I services for Puleva Food S.L.U. in 2010 under a number of project-specific contracts signed between the two companies, under the master agreement signed in 2001 for these counselling services. The different projects come within the following areas:

- Nutritional and clinical evaluation
- Development of new packaging technologies
- Development of new products
- Food safety and quality guarantee
- Product reformulation and authorisation of ingredients

The net turnover on services rendered during 2010 was 1,595 thousand euro.

In addition, during 2010 Biosearch sold Omega3 (EPA and DHA) and isoflavons to Puleva Food, S.L.U. for a sum of 1,866 thousand euro.

2. Relations between Herba Ricemills, S.L.U. and Biosearch, S.A.

Under the contract of sale signed on 1 July 2010, Biosearch, S.A. sold to Herba Ricemills, S.L.U. (hereinafter Herba) 60% of the capital of Española de I+D, S.A. The total purchase price was 397 thousand euro.

During 2010, Biosearch, S.A. sold product to Herba for a value of 166 thousand euro.

Biosearch, S.A. also provided quality analysis services to Herba during 2010 for the value of 18 thousand euro, R+D services for 44 thousand euro and invoiced a further 4 thousand euro for other items.

3. Relations between Herba Ricemills, S.L.U. and Española de I+D, S.A. (subsidiary of Biosearch, S.A.)

During 2010 Española de I+D, S.A. rendered services to Herba Ricemills S.L.U., up to the date of its purchase from Biosearch, S.A., for a value of 361 thousand euro.

These services were provided under the Consortium Agreement for the R+D+I Project (Cereals Project) signed on 22 February 2007 and presented to the Andalusian Technological Corporation and the Andalusian Innovation and Development Agency, according to which Herba Ricemills is the project leader and Española de I+D, S.A. provides work, resources and research and development services to the Project, according to the scientific and technical specifications and manpower requirements stipulated in the agreement, encompassed within the activity comprising its objects.

4. Relations between Ebro Foods, S.A. and Biosearch, S.A.

Within the framework of the CMO sugar reform, Azucarera Ebro, S.L., then a subsidiary of the Ebro Group, presented its Northern Region Restructuring Plan at the end of 2007, undertaking to maintain a certain number of jobs at its plants in Castile-Leon, which derived in an undertaking by the Ebro Group to maintain 15 jobs in Peñafiel.

In February 2009, the Boards of Ebro Foods, S.A. and Biosearch, S.A. authorised an investment project to set up a plant to produce bioactive ingredients in Peñafiel. Ebro undertook to contribute the required land for Biosearch to install the necessary equipment for this project, which was to employ the number of persons that the Ebro Group had undertaken to maintain in Peñafiel.

On 1 January 2010, that group of 15 employees was effectively transferred to Biosearch, although 10 of those 15 employees subsequently left the company within a redundancy scheme, so there are currently 5 employees in active employment at the Peñafiel plant.

Under an agreement signed on 15 July 2010, Ebro Foods paid Biosearch a sum of 2,399 thousand euro to compensate the transfer of employees effective as of 1 January 2010.

Biosearch, S.A. received services from the holding Ebro Foods, S.A. during 2010 for a value of 131 thousand euro, in IT services and repercussion of the cost of insurance premiums payable on policies taken out for the Ebro Foods Group. Biosearch has also acquired intangibles from Ebro Foods with a value of 56 thousand euro.

5. Other relations

During 2010, Biosearch, S.A. invoiced 8 thousand euro to Boost Nutrition C.V. for quality analysis services. It also provided different services for Riviana Foods Inc. and S&B Herba Foods Ltd valued at thousand euro, respectively.

Up to the exclusion of Puleva Foods, S.L.U. from the consolidated Ebro Foods Group, there were current account agreements between Puleva Foods, S.L.U. and Ebro Foods, S.A. earning interest on arm's length terms on the balances deriving from any assignment or loan of cash between these companies and Biosearch, S.A. Biosearch, S.A. paid Puleva Food, S.L.U. financial expenses of 78 thousand euro for this interest in 2010.

Puleva Food, S.L.U. supplies certain goods and services to Biosearch, S.A., such as lease of the commercial offices and industrial buildings for the normal performance of its business, certain industrial supplies, counselling and administration services, etc. The total cost for Biosearch, S.A. of all these items during 2010 was 351 thousand euro.

Indicate the mechanisms in place for solving possible conflicts of interest between the listed company and other companies in the group:

Mechanisms for solving possible conflicts of interest

In its articles of association and regulations the company has commissioned the Audit and Compliance Committee, among other duties, to control any conflicts of interest that may arise.

The Articles of Association authorise the Audit and Compliance Committee to ensure that all transactions between the company and its subsidiaries, or between those companies and directors and controlling shareholders, are made on arm's length terms and respect the principle of equal treatment, thus controlling any conflict of interest that may arise in related-party transactions.

The Regulations of the Board establish that the Audit and Compliance Committee should report to the Board on any related-party transactions submitted for its consideration and on the control of any possible conflicts of interest.

See section C.6 of this Report in this regard.

D. RISK CONTROL

D.1. General description of the risk policy of the company and/or its group, including details and assessment of the risks covered by the system, together with proof that those systems adapt to the profile of each type of risk.

Guided by the conceptual framework of the “Committee of Sponsoring Organizations of the Treadway Commission” (COSO) report on internal control, the Ebro Foods Group has established systems for risk identification, assessment, management and information.

The ultimate purpose of these risk control systems is to defend the interests of our shareholders, customers, employees and social environment. At the said time, they provide a sustained guarantee of the corporate reputation and financial strength of the Ebro Foods Group.

These risk control systems cover all the activities performed by the Group, consisting essentially of the agro-industrial rice, pasta and dairy businesses. The risks covered by these systems affect food quality, environmental, business, credit (or counterparty), regulatory, social and political, financial (exposure to exchange rate fluctuations) occupational and technological issues.

The Group is a pioneer within its sector in the development and furtherance of R+D, environmental and food quality, and internal audit.

The Group has environmental and food quality, commercial or counterparty risk, occupational hazard prevention and research & development committees, which are responsible for preventing and mitigating the risks.

In addition, all investment projects incorporate a risk analysis, to enable their economic and strategic assessment prior to decision-making. Decisions are adopted by the corresponding body according to the limits established, the largest projects requiring approval by the Board.

Finally, the Group is also exposed to another two types of risk: regulatory risk, subject to the guidelines established in the Common Agricultural Policy (CAP) and country or market risk. These risks have been reduced over recent years, through a firm policy of business and geographical diversification, increasing our presence in Europe, America (United States), Asia (Thailand and India) and Africa (Egypt and Morocco).

Within the same spirit, the first actions were taken in 2010 with a view to clinching the deal to buy up a large rice group in Australia.

D.2. Have any of the different types of risk (operating, technological, financial, legal, reputational, tax...) affecting the company and/or its group materialised during the year?

YES

If so, indicate the underlying circumstances and whether the control systems worked.

Risk materialised during the year

Normal risks in the performance of the Ebro Foods Group activities.

Underlying circumstances

Normal course of Group business.

Functioning of the control systems

The prevention and control systems of those risks worked properly.

D.3. Is there a Committee or other governing body responsible for establishing and supervising the control systems?

YES

If so, describe its duties:

Name of committee or body

Audit and Compliance Committee

Description of duties

Analyse and assess the principal risks to which the Group may be exposed and the systems established for their management and control.

D.4. Identification and description of processes for compliance with the different regulations affecting the company and/or its group.

The Group has a set of internal rules and procedures for its different activities, which are fully in keeping with the applicable legal provisions.

The reports of the Group's Internal Audit Department are prepared by experts independent from the business management and the department reports to the management bodies of the Group subsidiaries and the Audit and Compliance Committee of the parent company, Ebro Foods, S.A., on its conclusions and recommendations so that any remedies required may be taken and any necessary improvements implemented.

The board has also published a code of conduct and a corporate governance policy, by virtue of which we have been ahead of the legal requirements established from time to time.

E. GENERAL MEETING

E.1. Indicate the quorums for General Meetings established in the Articles of Association and the differences, if any, in respect of the minimums stipulated in the Corporations Act.

NO

	% quorum differing from that stipulated in the Corporations Act s. 102 for ordinary resolutions	% quorum differing from that stipulated in the Corporations Act s. 103 for special resolutions
Quorum required on 1st call	0	0
Quorum required on 2nd call	0	0

E.2. Are there any differences in respect of the system stipulated in the Corporations Act for adopting corporate resolutions? If so, explain.

NO

What differences exist in respect of the system stipulated in the Corporations Act?

E.3. Describe any shareholders' rights in respect of General Meetings differing from those established in the Corporations Act.

The Regulations of the General Meeting contain and develop, in the articles indicated below, all the shareholders' rights in respect of general meetings stipulated in law, thus complying with the rules and recommendations for good governance:

- Shareholders' right to information is exhaustively regulated in Articles 5 and 6.
- Shareholders' right to attend and be represented by proxies is regulated in Article 7.
- Shareholders' right to participate is set out in Articles 11 and 12.
- Shareholders' voting right is regulated in Article 14.
- Finally, Article 18 establishes the shareholders' right to be informed of the resolutions adopted by the general meeting by the legal means of publication or through the company's web site, where the full text of such resolutions must be published.

Moreover, any shareholder may at any time obtain a certificate of the resolutions adopted and the minutes of the meeting.

E.4. Describe the measures adopted, if any, to encourage the participation of shareholders at General Meetings.

- Detailed, developed regulation of rights to information, attendance, proxy and voting contained in the Regulations of the General Meeting, as indicated above.
- Detailed notice of call to general meetings, clearly stating all the shareholders' rights and how they may be exercised.
- Publication of the corresponding notice in a specialist daily economic newspaper.
- Holding of general meetings where shareholders can easily attend, in the best and most comfortable conditions possible.
- Assistance for shareholders through the Shareholders' Office, where the team responsible for Investor Relations and other qualified staff are available to provide any assistance required by shareholders.
- Delivery of gifts to shareholders to encourage them to go to general meetings.

E.5. Are General Meetings presided by the Chairman of the Board and what measures, if any, are taken to guarantee the independence and proper functioning of the General Meeting?

YES

Details of measures
<p>The Regulations of the General Meeting regulate a number of measures regarding the organisation and procedure of the general meeting to guarantee its independence and proper functioning.</p> <p>Article 9 of said Regulations establishes the following measures in this regard:</p> <ul style="list-style-type: none">- General meetings shall be presided by the Chairman of the Board, or, in his absence, by the Vice-Chairman, or otherwise by a director elected in each case by the shareholders attending the meeting.- The Chairman shall be assisted by a Secretary, who shall be the Secretary of the Board, or the Vice-Secretary, if any, or otherwise such person as may be appointed at the general meeting.- Should the Chairman or Secretary of the general meeting have to leave during the meeting, his/their duties shall be taken over by the corresponding person or persons as above and the meeting shall continue.- The directors attending the general meeting shall form the Presiding Board. <p>Article 10 of the Regulations establishes the procedure for drawing up the attendance list, which may be drawn up in a file or included on any kind of data carrier. Moreover, should the Chairman deem fit, he may appoint two or more shareholders to act as scrutineers, assisting the presiding board in drawing up the attendance list and, if necessary, in the counting of votes, informing the general meeting thereof once it has been declared quorate.</p>

The powers of the Chairman of the General Meeting are described in Article 13 of the Regulations:

- Direct the debate, ensuring that it remains within the confines of the agenda, closing the debate when he considers the business sufficiently debated.
- Organise the shareholders' contributions as established in Article 12 of the Regulations of the General Meeting.
- Decide, where appropriate, on any extension of the time initially granted to shareholders to speak.
- Moderate the shareholders' contributions, requesting them if necessary to keep to the agenda and observe the appropriate rules of correct conduct when speaking.
- Call the shareholders to order when their contributions are clearly made to filibuster or upset the normal course of the general meeting.
- Withdraw the floor at the end of the time assigned for each contribution or when, despite the admonitions made in pursuance of this article, the shareholder persists in his conduct, taking such measures as may be necessary to ensure that the general meeting resumes its normal course.
- Announce voting results.
- Resolve any issues that may arise during the general meeting regarding the rules established in these Regulations.

Finally, as regards the conclusion and minutes of general meetings, Article 15 of the Regulations establishes that after voting on the proposed resolutions, the general meeting shall conclude and the Chairman shall close the session. The minutes of the general meeting may be approved at the end of the meeting or within fifteen days thereafter by the Chairman of the General Meeting and two scrutineers, one representing the majority and the other representing the minority, who shall be appointed at the proposal of the Chairman after declaring the general meeting quorate. If the presence of a notary has been required to issue a certificate of the general meeting, the minutes set out in the certificate shall be notarial and, as such, shall not require approval by those attending or by scrutineers.

E.6. Indicate any modifications made during the year to the Regulations of the General Meeting.

At the Annual General Meeting held on 1 June 2010, shareholders agreed by majority vote to alter the Regulations of the General Meeting and approve the recast text.

This alteration was made to adjust the Articles of Association to several changes in law introduced by Act 3/2009 of 3 April on structural modifications of corporations and Act 16/2007 of 4 July reforming and adapting commercial law on accounting, making it necessary to adapt the Regulations of the General Meeting accordingly.

The articles of the Regulations of the General Meeting that were altered are set out below:

- Article 2. Competence of the General Meeting

Only paragraph e) was altered, giving it the following text:

'Resolve on the increase or reduction of capital and any other alteration of the Articles of Association, the issuance of debentures, elimination or restriction of the right of pre-emption over new shares, the conversion, merger or division of the company, the global transfer of assets and liabilities or moving the registered office to

another country and authorise or delegate the Board to adopt and execute resolutions within the times stipulated in law.’

- Article 6. Right to information as from calling of the general meeting

Only point 1 was altered, giving it the following text:

‘Once the Annual General Meeting has been called, any shareholder shall be entitled to obtain from the registered office of the Company, immediately and free of charge, copies of all the documents that are to be laid before it for approval, together with the directors’ report and auditors’ report. The Annual Corporate Governance Report shall also be made available to shareholders for and at the Annual General Meeting.’

- Article 8. Quorum

The larger quorums previously required were eliminated, establishing those stipulated in law.

This article was reworded as follows:

‘1. General Meetings shall be quorate on first call when attended, in person or by proxy, by shareholders representing at least twenty-five per cent of the subscribed voting capital. On second call, general meetings shall be quorate regardless of the capital attending.

2. In order to validly adopt resolutions an increase or reduction of the capital or any other alteration of the Articles of Association, the issuance of debentures, elimination or restriction of the right of pre-emption over new shares, the conversion, merger or division of the company, the global transfer of assets and liabilities or moving the registered office to another country, the meeting must be attended on first call, in person or by proxy, by shareholders representing at least fifty per cent of the subscribed voting capital. On second call the attendance of twenty-five per cent of that capital shall suffice.

3. The quorum shall not be affected by any shareholders who leave during the General Meeting.

4. If the attendance of a certain percentage of the capital is required by law or the Articles of Association in order to validly adopt a resolution on one or several items on the agenda for the General Meeting and that percentage is not reached, the General Meeting shall discuss only those matters for which there is sufficient quorum.

5. The provisions of this article are without prejudice to any higher quorums or voting majorities that may be established in law.’

- Article 14. Voting and resolutions

Point 1 was altered as a result of the elimination of the larger quorums.

This point was reworded as follows:

‘1. Resolutions shall be carried with the votes in favour of the majority of voting capital present and represented at the general meeting, without prejudice to the quorums and voting majorities established for special resolutions in law.

Resolutions shall be adopted in accordance with the procedure and rules established below.

2. After due debate, the proposed resolutions shall be put to the vote.

The voting of resolutions shall follow the agenda set out in the notice of call, and if any motions have been submitted on issues that the general meeting is authorised to resolve without including them on the agenda, they shall be put to the vote after the proposals corresponding to the items on the agenda.

3. Once they have been read out by the Secretary, which formality may be omitted provided no shareholder objects, the general meeting shall vote first on the resolutions, if any, proposed by the Board and, otherwise, on any proposed by others, following the order established for this purpose by the Chairman.

Once a resolution has been approved, all other motions on the same issue that are incompatible with that resolution shall automatically be struck off the voting list.

4. Resolutions shall be adopted with the following voting system:

4.1. When voting on business included on the agenda, the votes corresponding to all shares present or represented at the general meeting shall be deemed to vote for the proposal in question, except a) the votes corresponding to shares whose holders or representatives notify the scrutineers and other assistants of the Presiding Board or the Notary, as the case may be, in a written communication or personal declaration, of their vote against, blank vote or abstention, and b) the votes corresponding to shares whose holders have voted against, cast a blank vote or abstained through the distance voting means contemplated in Article 13 bis of these Regulations.

4.2. When voting on business not included on the agenda, the votes corresponding to all shares present or represented at the general meeting shall be deemed to vote against the proposal in question, except a) the votes corresponding to shares whose holders or representatives notify the scrutineers and other assistants of the Presiding Board or the Notary, as the case may be, in a written communication or personal declaration, of their vote for, blank vote or abstention, and b) the votes corresponding to shareholders who have participated in the General Meeting through distance voting means.

4.3. For the purposes contemplated in 4.1 and 4.2 above, the shares attending the meeting shall be all those included on the attendance list, deducting those whose holders or representatives leave the meeting before the vote and who have declared this circumstance to the notary. For voting on decisions contemplated in s. 114.1 Securities Market Act, the shares corresponding to directors who may not vote pursuant to that provision shall not be considered shares attending.

5. The above notwithstanding, the Presiding Board may, if so required by prevailing circumstances, establish any other system of voting that allows confirmation of the necessary votes in favour for the adoption of resolutions, recording the voting results in the minutes.

6. Regardless of the system used to count the votes, the Presiding Board shall check that sufficient votes in favour have been cast to meet the majority stipulated in each case, enabling the Chairman to declare the corresponding resolution carried.

E.7. Give details of attendance of General Meetings held during the year:

Details of Attendance					
Date General Meeting	% in person	% by proxy	% distance voting		Total
			Electronic vote	Others	
01/06/2010	0.320	67.280	0.000	0.000	67.600

E.8. Give a brief account of the resolutions adopted at the general meetings held during the year and percentage of votes with which each resolution was passed.

All the resolutions proposed by the Board at the Annual General Meeting of Shareholders held on 29 April 2010 were approved on the terms and with the results indicated below:

ITEM ONE ON THE AGENDA

- To approve the annual accounts of EBRO FOODS, S.A. and its consolidated group for the year ended 31 December 2009.

- To approve the directors' reports on the year ended 31 December 2009 of both Ebro Foods, S.A. and its consolidated group, including the report issued under section 116 bis of the Securities Market Act and the Annual Corporate Governance Report, as drawn up by the Board of Directors.

These resolutions were approved by a majority of 99.93% of the voting capital present and represented.

ITEM TWO ON THE AGENDA

- To approve the management and all other actions by the Ebro Foods board during the year ended 31 December 2009.

This resolution was approved by a majority of 99.91% of the voting capital present and represented.

ITEM THREE ON THE AGENDA

- To approve the proposal for application of the profit for the year of Ebro Foods, S.A. as at 31 December 2009, according to the following details taken from the notes to the separate accounts, in thousand euro:

Base of application: 724,513

Unappropriated Reserves: 560,368

Balance of profit and loss account (profit): 164,145

- To approve the distribution of an ordinary dividend payable in cash against unappropriated reserves in a sum of 0.40 euro per share outstanding, in four quarterly payments of 0.10 euro each, on 5 April, 1 July, 1 October and 23 December 2010. Accordingly, to ratify the first of these four payments, made on 5 April. This dividend includes the proportional allocation that would correspond to the shares held as treasury stock.

These resolutions were approved by a majority of 99.93% of the voting capital present and represented.

ITEM FOUR ON THE AGENDA

- To ratify the sale of the dairy business, as arranged by the Board of Directors of Ebro Puleva, S.A., to Grupo Lactalis Iberia, S.A. for an estimated price of 630 million euro, without prejudice to the final adjustments of cash, debt and working capital at the date of concluding the transaction.

This resolution was approved by a majority of 99.87% of the voting capital present and represented.

ITEM FIVE ON THE AGENDA

- To approve an extraordinary dividend, payable in cash against unappropriated reserves, of 0.60 euro per share outstanding (in addition to the ordinary dividend), payable in 4 payments of 0.15 euro each. The first two payments will be made during 2010, on 1 October and 23 December, coinciding with the dates of the last two

ordinary dividend payments; and the following two payments will be made on 4 April and 4 July 2011. This dividend includes the proportional allocation that would correspond to the shares held as treasury stock.

The effectiveness of this resolution and, therefore, payment of the extraordinary dividend, is subject to fulfilment of the condition precedent that the sale of the dairy business ratified by the General Meeting under item four on the agenda is completed.

To further authorise the Board to postpone the dates initially scheduled for the four payments if necessary, owing to a delay in completion of the sale.

This resolution was approved by a majority of 99.88% of the voting capital present and represented.

ITEM SIX ON THE AGENDA

- To authorise the Board to buy back own shares and authorise subsidiaries to acquire shares in the parent company, by purchase or under any other title for a consideration, on one or several occasions, subject to the conditions established in law.

- The par value of the shares acquired directly or indirectly, when added to those already held by the company or its subsidiaries, shall not exceed 10% of the subscribed capital.

- As a result of the acquisition, including any shares which the company, or the person acting in its own name but for the company's account, has purchased earlier and holds as treasury stock, the equity does not fall below the amount of the capital plus legal reserves or any undistributable reserves established in the bylaws. For this purpose, equity shall be the amount recorded as such according to the principles applied when drawing up the annual accounts, less the amount of profit attributed directly to equity, plus the amount of uncalled subscribed capital and the par value and share premiums of subscribed capital recorded under liabilities.

- The shares acquired shall be fully paid up.

- The minimum and maximum price or consideration for the acquisition shall be, respectively, equivalent to the par value of the own shares purchased and to their price on an official secondary market at the time of purchase.

By virtue of this authorisation, the Board may, by direct resolution or by delegation to the Executive Committee or to such person or persons as the Board may authorise for this purpose, buy back own shares to hold them as treasury stock, dispose of them or, as the case may be, propose their redemption to the General Meeting, within the limits established in law and in fulfilment of the conditions stipulated in this resolution. This authorisation is also extended to the possibility of acquiring own shares to be delivered directly to employees or executives of the company or its group, on one or several occasions, upon exercise of any stock options they may hold, pursuant to section 75.1.1, paragraph 3 of the Corporations Act.

The authorisation contemplated in this resolution is granted for no more than five years from the date of this Annual General Meeting and covers all treasury stock transactions made on the terms stipulated herein, without having to be reiterated for each purchase or acquisition, and all transfers to or earmarking of reserves made in pursuance of the applicable laws.

When any acquisition is made by virtue of this authorisation, the directors will especially ensure that the conditions established at this general meeting and the requirements stipulated in the applicable laws are met.

The authorisation granted to the Board to buy back own shares approved at the Annual General Meeting held on 29 April 2009, was rendered null and void, without prejudice to the full execution of any resolutions adopted prior to this General Meeting.

- To reduce the capital to redeem the company shares acquired by the company or other companies in its Group, against the capital (for the par value) and unappropriated reserves (for the amount of the acquisition in excess of such par value), by such amounts as may be deemed fit from time to time, up to the maximum number of own shares held from time to time.
- To delegate to the Board the power to execute this resolution to reduce the capital, on one or several occasions, or to render it null and void, within a period not exceeding 5 years from the date of this AGM, doing whatsoever may be required by law for this purpose.

The Board was especially authorised, within the times and limits established in this resolution, to: (i) reduce the capital or otherwise, establishing the specific date or dates of the operations, as the case may be, taking account of any internal and external factors affecting the decision; (ii) state in each case the amount of the reduction of capital; (iii) specify the application of the amount of the reduction of capital, allocating it either to an undistributable reserve or to unappropriated reserves, complying as appropriate with the guarantees and other requirements stipulated in law; (iv) adapt Articles 6 and 7 of the Articles of Association in each case to reflect the new amount of capital and the new number of shares; (v) apply in each case for delisting of the redeemed shares; and (vi) in general, adopt such resolutions as may be deemed fit to redeem the shares and reduce the capital accordingly, appointing individuals to do whatsoever may be necessary.

These resolutions were approved by a majority of 98.84% of the voting capital present and represented

ITEM SEVEN ON THE AGENDA

- To expressly authorise the Board, with the fullest powers necessary, to make one or several financial contributions to Fundación Ebro Puleva over forthcoming years, up to and not exceeding the sum of five hundred thousand euro (500,000 €), without prejudice to similar authorisations granted by the General Meeting in previous years for the Board to donate funds to Fundación Ebro Puleva.

This resolution was approved by a majority of 99.93% of the voting capital present and represented.

ITEM EIGHT ON THE AGENDA

- To approve the alteration of Article 1 (“Name”).

This resolution was approved by a majority of 93.28% of the voting capital present and represented.

- To approve the alteration of the following articles: Article 9 (“General Meeting”); Article 11 (“Quorum”); Article 12 (“Quorum. Special Cases”); Article 17 (“Presiding board. Information, discussion and voting. Distance voting and proxies”).

This resolution was approved by a majority of 93.28% of the voting capital present and represented.

- To approve the alteration of Article 22 (“Directors’ Emoluments”).

This resolution was approved by a majority of 93.28% of the voting capital present and represented.

- To approve the alteration of the following articles: Article 30 (“Annual Accounts”); Article 31 (“Contents of the Annual Accounts”); Article 32 (“Directors’ Report”).

This resolution was approved by a majority of 93.28% of the voting capital present and represented.

- To approve the alteration of the following articles: Article 36 (“Conversion, merger, division and global transfer of assets and liabilities”); Article 37 (“Winding-Up”); and Article 38 (“Liquidation”).

This resolution was approved by a majority of 93.28% of the voting capital present and represented.

This alteration of the articles indicated was agreed subject to a written report by the directors justifying the proposed alterations, approved at the Board meeting on 28 April 2010, which was available for consultation by shareholders as from the date of call and was included in the documents delivered to them at the General Meeting.

The modified articles had the new text set out in the aforesaid directors' report.

- To approve the recasting in a single text of the different alterations made to the Bylaws such that they will be incorporated in a single public instrument.

This resolution was approved by a majority of 93.28% of the voting capital present and represented.

The recast text of the Bylaws was available for consultation by shareholders as from the date of call and was included in the documents delivered to them at the General Meeting.

ITEM NINE ON THE AGENDA

- To approve the alteration of the following articles of the Regulations of the General Meeting of Ebro Puleva, S.A.: Article 2 ("Powers of the General Meeting"); Article 6 ("Shareholders' right to information prior to General Meetings"); Article 8 ("Quorum"); and Article 14 ("Voting and adopting of resolutions").

This resolution was approved by a majority of 93.04% of the voting capital present and represented.

The alteration of the articles indicated was agreed subject to a written report by the directors justifying the proposed alterations, approved at the Board meeting on 28 April 2010 in pursuance of Article 19 of the Regulations of the General Meeting. This report was available for consultation by shareholders from the date of call and was included in the documents delivered to them at the General Meeting.

The modified articles had the new text set out in the aforesaid directors' report.

- To approve the recasting in a single text of the different alterations made to the Regulations of the General Meeting, such that they will be incorporated in a single public instrument.

This resolution was approved by a majority of 93.04% of the voting capital present and represented.

The recast text of the Regulations of the General Meeting was available for consultation by shareholders from the date of call and was included in the documents delivered to them at the General Meeting.

ITEM TEN ON THE AGENDA

- To approve the following remunerations of directors during the year ended 31 December 2009:

REMUNERATION OF THE BOARD AND OTHER BENEFITS (in thousand euro)

REMUNERATION

Expenses and attendance fees: 300

Share in profits stipulated in Bylaws: 2,332

Total non-executive directors: 2,632

Wages, salaries and professional fees: 7,298

Compensation and other transfer instruments: 0

Total executive directors: 7,298

TOTAL REMUNERATION 9,930

OTHER BENEFITS

Life and retirement insurance: 52

This resolution was approved by a majority of 93.41% of the voting capital present and represented.

- To approve the Report on the Directors' Remuneration Policy for 2009 prepared by the Board.

This resolution was approved by a majority of 93.41% of the voting capital present and represented.

- To authorise the Board so that it may, after completing any formalities required by law, establish an Incentive Scheme contemplating, in full or in part, the delivery of shares in the company, as a compulsory or optional alternative to payment in cash, to members of management, directors or otherwise, of the Group and its principal companies, in accordance with the following conditions:

1. The maximum number of company shares that may be included in that Scheme may not exceed 0.5% of the total outstanding shares in the company.
2. The beneficiaries of this Scheme will be selected among the members of management of both the company and its principal subsidiaries, regardless of whether they have an employment relationship or a commercial relationship with the Group.
3. The value of the shares to be delivered will be indexed to the average price over the 100 stock exchange sessions preceding the date of delivery.
4. The shares may be delivered within a minimum of two (2) years and a maximum of five (5) years from the creation of the corresponding Scheme.
5. All other aspects shall be decided by the Board, which shall be authorised to interpret, complete, develop and execute this resolution.

This resolution was approved by a majority of 93.41% of the voting capital present and represented.

ITEM ELEVEN ON THE AGENDA

- To approve the re-election of Antonio Hernández Callejas (Chairman) as executive director of the company for a period of four years.

This resolution was approved by a majority of 66.24% of the voting capital present and represented.

- To approve the re-election of José Barreiro Seoane (Vice-Chairman) as non-executive independent director of the company for a period of four years.

This resolution was approved by a majority of 98.24% of the voting capital present and represented.

- To approve the re-election of Alimentos y Aceites, S.A. (Member) as non-executive proprietary director of the company for a period of four years.

This resolution was approved by a majority of 98.24% of the voting capital present and represented.

- To approve the re-election of Caja de Ahorros de Salamanca y Soria (Member) as non-executive proprietary director of the company for a period of four years.

This resolution was approved by a majority of 98.24% of the voting capital present and represented.

- To approve the re-election of Jaime Carbó Fernández (Member) as executive director of the company for a period of four years.

This resolution was approved by a majority of 98.24% of the voting capital present and represented.

- To approve the re-election of Fernando Castelló Clemente (Member) as non-executive independent director of the company for a period of four years.

This resolution was approved by a majority of 98.24% of the voting capital present and represented.

- To approve the re-election of José Ignacio Comenge Sánchez-Real (Member) as non-executive independent director of the company for a period of four years.

This resolution was approved by a majority of 98.24% of the voting capital present and represented.

- To approve the re-election of Leopoldo del Pino y Calvo Sotelo (Member) as non-executive proprietary director of the company for a period of four years.

This resolution was approved by a majority of 98.24% of the voting capital present and represented.

- To approve the re-election of Blanca Hernández Rodríguez (Member) as non-executive proprietary director of the company for a period of four years.

This resolution was approved by a majority of 98.24% of the voting capital present and represented.

- To approve the re-election of Eugenio Ruiz-Gálvez Priego (Member) as “other non-executive” director of the company for a period of four years.

This resolution was approved by a majority of 98.24% of the voting capital present and represented.

- To approve the appointment of Demetrio Carceller Arce as non-executive proprietary director of the company for a period of four years.

This resolution was approved by a majority of 98.16% of the voting capital present and represented.

- To approve the appointment of Sol Daurella Comadrán as non-executive independent director of the company for a period of four years.

This resolution was approved by a majority of 98.24% of the voting capital present and represented.

- To approve the appointment of August Oetker as non-executive proprietary director of the company for a period of four years.

This resolution was approved by a majority of 98.24% of the voting capital present and represented.

- To approve the appointment of Instituto Hispánico del Arroz, S.A. as non-executive proprietary director of the company for a period of four years.

This resolution was approved by a majority of 98.24% of the voting capital present and represented.

- To set the number of Board members at fourteen, in accordance with the Corporations Act s. 123 and Article 19 of the Bylaws.

This resolution was approved by a majority of 98.24% of the voting capital present and represented,

ITEM TWELVE ON THE AGENDA

- To expressly authorise the Chairman, Secretary and Vice-Secretary of the Board, as extensively as may be required by law, so that any one of them, acting individually and with his/her sole signature, may execute, put on record and give notice of each and all of the resolutions adopted at this General Meeting, supplement, develop and remedy those resolutions, deliver them and secure their full or partial entry in the Trade Register or in any other registers kept by the corresponding public or private institutions, execute and rectify any public or private documents of whatsoever nature and take such other action or actions as may be necessary.

This resolution was approved by a majority of 99.93% of the voting capital present and represented.

E.9. State the number of shares required to attend General Meetings, indicating whether any restrictions are established in the articles of association.

YES

Number of shares required to attend general meeting	100
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E.10. Describe and justify the company's policies on proxy votes at General Meetings.

Proxy votes are regulated in Article 7 of the Regulations of the General Meeting.

Any shareholder entitled to attend may be represented at general meetings by another person. The proxy shall be made in writing especially for each general meeting or, as the case may be, through distance communication means in accordance with the appropriate provisions of these Regulations and especially for each general meeting. This right to representation is without prejudice to the legal provisions established for family representation and the granting of general powers of attorney.

In any case, whether the proxy is voluntary or required by law, no shareholder may have more than one representative at any general meeting.

Proxies may be revoked at any time. Personal attendance at the general meeting by the represented shareholder shall have the effect of revoking the proxy.

In cases of public requests for representation, the document establishing the power of attorney shall contain or annex the agenda, together with the request for instructions to exercise the voting right and indications of how the representative will vote if no specific instructions are issued. Such public request shall be deemed to exist whenever any one person represents more than three shareholders.

The proxy may also include any points which, although not included on the agenda in the notice of call, are likely to be dispatched at the meeting, being so permitted by law.

If there are no voting instructions because the General Meeting is going to resolve on issues which, by law, do not need to be included on the agenda, the representative shall cast the vote howsoever he may consider his principal's interests best favoured.

If the represented shareholder has issued instructions, the representative may only vote otherwise in circumstances of which the shareholder was unaware at the time of issuing the instructions and when the represented shareholder's interests are in jeopardy.

In the last two cases, the proxy shall inform the represented shareholder forthwith, in writing, explaining the reasons for his vote.

E.11. Is the company aware of the policies of institutional investors regarding their participation or otherwise in company decisions?

NO

E.12. Address and access to the corporate governance contents on the company's web site.

Ebro Foods's corporate web site <http://www.ebrofoods.es> is set up as a vehicle of continuous, up-to-date information for shareholders, investors and the financial market in general.

In this respect, the home page includes a specific section, called "Information for shareholders and investors", which contains all the information required under the applicable legal provisions.

This section includes, pursuant to current legislation, the chapter on Corporate Governance. The specific address of this chapter is:

<http://www.ebrofoods.es/informacion-para-accionistas-e-inversores/gobierno-corporativo/reglamento-de-la-junta-general/> or:
<http://www.ebrofoods.es/information-for-shareholders-and-investors/corporate-governance/regulations-of-the-general-meeting/>

The Corporate Governance chapter is structured in the following sub-sections:

- Regulations of the General Meeting
- General Meeting of Shareholders
- Shareholders' Agreements
- Board of Directors
- Corporate Governance Report
- Code of Conduct

The contents of this chapter are structured and hierarchical, with a concise, explanatory title, to permit rapid, direct access to each section, in accordance with legal recommendations, at less than three clicks from the home page.

All these sections have been designed and prepared according to the principle of accessibility, aiming to enable fast location and downloading of the required information.

F. EXTENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of compliance by the company with existing corporate governance recommendations. In the event of non-compliance with any recommendations, explain the recommendations, standards, practices or principles applied by the company.

1. The Articles of Association of listed companies should not limit the maximum number of votes that may be cast by an individual shareholder or impose other restrictions hampering takeover of the company via the market acquisition of its shares.

See sections A.9, B.1.22, B.1.23, E.1 and E.2

Complies

2. When both the parent company and a subsidiary are listed, they should both publish a document specifying exactly:

- a) The types of activity they are respectively engaged in and any business dealings between them, and between the listed subsidiary and other group companies;
- b) The mechanisms in place to solve any conflicts of interest.

See sections C.4 and C.7

Complies

3. Although not expressly required in company law, any operations involving a structural alteration of the company should be submitted to the General Meeting for approval, especially the following:
 - a) Conversion of listed companies into holdings, through spin-off or “subsidiarisation”, i.e. reallocating to subsidiaries of core activities thereunto performed by the company, even though the latter may retain full ownership of its subsidiaries;
 - b) Acquisition or disposal of key operating assets, if this involves an effective alteration of its objects;
 - c) Any operations producing effects equivalent to liquidation of the company.

Complies

4. Detailed proposals of the resolutions to be adopted at a General Meeting, including the information contemplated in Recommendation 28, should be published simultaneously with the notice of call to the General Meeting.

Explanation

The proposed resolution to change the composition of the Board in item eleven of the Agenda was agreed by the Board after publication of the notice of call.

5. Substantially independent items shall be voted separately at General Meetings to enable shareholders to express their preferences separately. This rule is particularly applicable:
 - a) To the appointment or ratification of directors, which should be voted individually;
 - b) In the case of Bylaw alterations, to each article or substantially independent group of articles.

See section E.8

Complies

6. Companies should allow split votes, so that financial intermediaries on record as shareholders but acting on behalf of different clients can vote according to the latter's instructions.

See section E.4

Complies

7. The Board should perform its duties with unity in proposal and independent criteria, affording all shareholders the same treatment and guided by corporate interests, which shall mean maximising the value of the company over time.
It shall also ensure that the company complies with the applicable laws and regulations in its relations with stakeholders; fulfils its contracts and obligations in good faith; respects good customs and practice in the sectors and territories in which it operates; and upholds any other social responsibility principles that it may have subscribed to voluntarily.

Complies

8. The Board should undertake, as its principal mission, to approve the company's strategy and the organisation required to put it into practice, and to oversee and ensure that Management meets the targets marked out and respects the objects and corporate interest of the company. For this purpose, the full Board shall approve the following:

- a) General policies and strategies of the Company, particularly:
 - i) The strategic or business plan, management objectives and annual budgets;
 - ii) Investment and financing policy;
 - iii) Definition of the structure of the corporate group;
 - iv) Corporate governance policy;
 - v) Corporate social responsibility policy;
 - vi) Policy on the remuneration and performance assessment of senior officers;
 - vii) Risk management and control policy and the regular monitoring of internal information and control systems;
 - viii) The dividend policy and treasury stock policy, particularly regarding limits.

See sections B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

- i) Upon recommendation by the chief executive, the appointment and possible removal of senior officers, and corresponding severance clauses.

See section B.1.14

- ii) Directors' emoluments and, for executive directors, supplementary remuneration for their executive duties and any other terms and conditions to be included in their contracts.

See section B.1.14

- iii) The financial information that listed companies are obliged to disclose periodically.

iv) Any investments or transactions considered strategic by virtue of their amount or special characteristics, unless approval corresponds to the General Meeting;

v) Creation or acquisition of shares in special purpose vehicles or companies domiciled in countries or territories considered tax havens, and any transactions or operations of a similar nature which could, by virtue of their complex structure, impair the group's transparency.

c) Transactions between the company and its directors, significant shareholders or shareholders with representatives on the Board, or persons related thereto ("related-party transactions").

This authorisation will not be necessary for related-party transactions that meet all of the following three conditions:

1. Made under contracts with standard terms and conditions applied across the board to large numbers of clients;
2. Made at the general prices or rates established by the person supplying the good or service;
3. Made for a sum not exceeding 1% of the company's annual earnings.

The Board is recommended to make approval of related-party transactions dependent on a favourable report by the Audit Committee, or such other committee as may be assigned this duty. Apart from not exercising or delegating their vote, the affected Directors shall leave the room during the corresponding discussion and voting by the Board.

It is recommended that these competences of the Board be non-delegable, except those contemplated in paragraphs b) and c), which may be adopted by the Executive Committee in an emergency, subject to subsequent ratification by the full Board.

See sections C.1 and C.6

Complies

9. The Board should have an adequate size to secure efficient, participative performance of its duties. The recommended size is between five and fifteen members.

See section B.1.1

Complies

10. Non-executive proprietary and independent directors should have an ample majority on the board, while the number of executive directors should be kept to a minimum, taking account of their equity ownership and the complexity of the corporate group.

See sections A.2, A.3, B.1.3 and B.1.14

Complies

11. If any non-executive director cannot be considered proprietary or independent, the company should explain this circumstance and the director's ties with the company or its executives, or with its shareholders.

See section B.1.3

Not applicable

12. Among the non-executive directors, the ratio of proprietary to independent directors should reflect the proportion between capital represented and not represented on the Board.
This strictly proportional distribution may be relaxed so that proprietary directors have a greater weight than that corresponding to the total percentage of capital they represent:
1. In companies with a high capitalisation with few or no shareholdings considered significant by law, but in which certain shareholders have interests with a high absolute value.
 2. In companies with a plurality of unrelated shareholders represented on the Board.

See sections B.1.3, A.2 and A.3

Complies

13. The total number of Independent Directors should represent at least one-third of the total Directors.

See section B.1.3

Explanation

There are 4 independent directors, representing 30.769% of the total board members.

The company considers that the composition of the board reflects the composition of the shareholding body and that for the time being it is not necessary to appoint another independent director, owing to the very small difference in respect of the recommended percentage.

14. The Board should explain the nature of each Director at the General Meeting at which an appointment is to be made or ratified. The type of director should be confirmed or altered, as the case may be, in the Annual Corporate Governance Report, following verification by the Nomination Committee. The reasons why Proprietary Directors have been appointed at the request of shareholders with an interest of less than 5% in the capital shall be explained in that Report, as well as the reasons, where appropriate, for not meeting formal requests for presence on the Board from shareholders with an interest equal or greater than others at whose request proprietary directors have been appointed.

See sections B.1.3 and B.1.4

Complies

15. When there are few or no female directors, the Board should explain the reasons for this situation and the steps taken to correct it. In particular, when vacancies arise on the Board, the Nomination Committee should ensure that:
- There is no hidden bias against women candidates in the selection procedures;
 - The company makes a conscious effort to include women with the target profile among the candidates.

See sections B.1.2, B.1.27 and B.2.3

Explanation

Board members are appointed regardless of candidates' sex, so there is no positive or negative discrimination of any nature in the election of directors.

María Blanca Hernández Rodríguez was appointed director in 2006 and Sol Daurella Comadrán in 2010.

16. The Chairman, being responsible for the effective operation of the Board, should make sure that directors receive sufficient information in advance; stimulate debate and active participation by directors at all Board meetings, protecting their free stand and expression of opinion on any issues; and organise and coordinate periodic assessment of the Board, and the Managing Director or CEO, if any, with the chairmen of the principal committees.

See section B.1.42

Complies

17. When the Chairman of the Board is also the chief executive officer of the company, one of the Independent Directors should be authorised to request the calling of a Board meeting or the inclusion of new items on the agenda; coordinate and express the concerns of the Non-Executive Directors; and direct the assessment by the Board of its Chairman.

See section B.1.21

Complies

18. The Secretary of the Board should especially ensure that the Board's actions:
- Conform to the text and spirit of the laws and regulations, including those adopted by the market watchdogs;
 - Conform to the company's Articles of Association and the Regulations of the General Meeting, the Board and any other internal regulations of the Company;
 - Take account of the good governance recommendations contained in this Unified Code endorsed by the company.

To guarantee the independence, impartiality and professionalism of the Secretary, his/her appointment and removal should require a report by the Nomination Committee and approval by the full Board; and the procedure for appointment and removal should be set down in the Regulations of the Board.

See section B.1.34

Complies

19. The Board should meet as often as may be necessary to secure efficient performance of its duties, following the calendar and business established at the beginning of the year, although any director may propose other items not initially contemplated to be included on the agenda.

See section B.1.29

Complies

20. Non-attendance of Board meetings should be limited to inevitable cases and stated in the Annual Corporate Governance Report. If a director is forced to grant a proxy for any Board meeting, the appropriate instructions shall be issued.

See sections B.1.28 and B.1.30

Complies

21. When the Directors or the Secretary express concern over a proposal, or, in the case of Directors, the company's performance, those concerns should be put on record, at the request of those expressing them.

Complies

22. The full Board should assess once a year:

- a) The quality and effectiveness of the Board's actions;
- b) Based on the report issued by the Nomination Committee, the performance by the Chairman of the Board and Chief Executive Officer of their respective duties;
- c) The performance of its Committees, based on the reports issued by each one.

See section B.1.19

Complies

23. All the Directors should be entitled to obtain such supplementary information as they may consider necessary on business within the competence of the Board. Save otherwise stipulated in the Articles of Association or Board Regulations, their requests should be addressed to the Chairman or Secretary of the Board.

See section B.1.42

Complies

24. All Directors should be entitled to call on the company for specific guidance in the performance of their duties, and the company should provide adequate means for exercising this right, which in special circumstances may include external assistance, at the company's expense.

See section B.1.41

Complies

25. Companies should establish an induction programme to give new Directors a rapid, sufficient insight into the company and its rules on corporate governance. Directors should also be offered refresher courses in the appropriate circumstances.

Complies

26. Companies should require Directors to devote the necessary time and efforts to perform their duties efficiently. Accordingly:

- a) Directors should inform the Nomination Committee of any other professional obligations they may have, in case they may interfere with the required dedication;
- b) Companies should limit the number of directorships that its Directors may hold.

See sections B.1.8, B.1.9 and B.1.17

Complies

27. Proposals for the appointment or re-appointment of directors submitted by the Board to the General Meeting and the provisional appointment of directors by cooptation should be approved by the Board:
- a) At the proposal of the Nomination Committee, in the case of Independent directors.
 - b) Subject to a report by the Nomination Committee for other directors.

See section B.1.2

Complies

28. Companies should publish on their web sites and regularly update the following information on their directors:
- a) Professional and biographical profile;
 - b) Other directorships held, in listed or unlisted companies;
 - c) Type of director, indicating in the case of proprietary directors the shareholders they represent or are related with.
 - d) Date of first and subsequent appointments as company director; and
 - e) Company shares and stock options held.

Partial Compliance

This Recommendation is followed in all sections except b).

29. Independent directors should not remain on the Board as such for more than 12 years in succession.

See section B.1.2

Complies

30. Proprietary directors should resign when the shareholder they represent disposes of its entire shareholding in the company. They should also resign in the corresponding number when the shareholder disposes of part of its shares to an extent requiring a reduction in the number of proprietary directors.

See sections A.2, A.3 and B.1.2

Complies

31. The Board should not propose the removal of any independent director before the end of the period for which he or she was appointed, unless there are just grounds for doing so, as appreciated by the Board subject to a report by the Nomination Committee. Just grounds are deemed to exist when the director has acted in breach of his duties or when he or she falls into any of the circumstances described in point III.5, definitions, of this Code.

The removal of independent directors may also be proposed as a result of takeover bids, mergers or similar corporate operations producing a change in the capital structure of the company, whenever those changes in the structure of the Board correspond to the principle of proportionality established in Recommendation 12.

See sections B.1.2, B.1.5 and B.1.26

Complies

32. Companies should establish rules obliging directors to report and, if necessary, resign in any cases that may jeopardise the company's reputation. In particular, directors should be obliged to inform the Board of any criminal proceedings brought against them and the subsequent development of the proceedings.
- If a director is tried for any of the offences contemplated in section 124 of the Corporations Act, the Board should study the case as soon as possible and, in view of the specific circumstances, decide whether or not the director should remain in office. A reasoned account should be included in the Annual Corporate Governance Report.

See sections B.1.43 and B.1.44

Complies

33. All the directors should clearly express their opposition whenever they consider that any proposed decision submitted to the Board may go against corporate interests. The independent and other directors not affected by the potential conflict of interest should also do so when the decisions may be detrimental to shareholders not represented on the Board.
- And when the Board adopts significant or reiterated decisions regarding which a director has expressed serious reservations, the latter should reach the appropriate conclusions and, if he or she opts to resign, explain the reasons in the letter contemplated in the following recommendation.
- This recommendation also affects the Secretary of the Board, even if he or she is not a director.

Complies

34. If a director resigns or retires from office on whatsoever other grounds before the end of his or her term of office, he or she should explain the reasons in a letter sent to all the Board members. Regardless of whether the retirement is announced as a significant event, the reason shall be indicated in the Annual Corporate Governance Report.

See section B.1.5

Not applicable

35. The remuneration policy approved by the Board should regulate at least the following aspects:
- a) Amount of fixed items, specifying the amount of attendance fees, if any, for Board and Committee meetings and estimating the fixed remuneration for the year;
 - b) Variable pay items, including, in particular:
 - i) Types of director to which they are applicable and an explanation of the relative weight of the variable pay items to the fixed items;
 - ii) Criteria for assessment of results on which any right to remuneration in shares, stock options or any other variable component is based;
 - iii) Essential parameters and basis for any system of annual bonus payments or other non-cash benefits; and
 - iv) An estimate of the aggregate sum of variable remunerations deriving from the proposed remuneration plan, according to the degree of fulfilment of the reference hypotheses or objectives.
 - c) Principal terms of the welfare schemes (e.g. supplementary pensions, life assurance and similar), estimating the amount or equivalent annual cost.

- d) Conditions to be respected in top management and executive director contracts, including:
- i) Term;
 - ii) Notice; and
 - iii) Any other clauses concerning golden hellos or golden parachutes for early termination of the contractual relationship between the company and the executive director.

See section B.1.15

Complies

36. Remunerations in the form of shares in the company or group companies, stock options or instruments linked to the value of the share and any variable remuneration linked to the company's performance or welfare schemes should be limited to executive directors.

This recommendation shall not be applicable to the delivery of shares when subject to the condition that the directors keep them up to their retirement from the Board.

See sections A.3 and B.1.3

Complies

37. The remuneration of non-executive directors should be sufficient to remunerate their dedication, qualifications and responsibilities, but not so high as to compromise their independence.

Complies

38. Earnings-linked remuneration should take account of any qualifications in the external auditor's report that may reduce such earnings.

Not Applicable

39. In the case of variable remuneration, the pay policies should establish such precautions as may be necessary to ensure that such remuneration is related to the professional performance of its beneficiaries, not merely deriving from general trends on the markets or in the company's sector of business or other similar circumstances.

Complies

40. The Board should submit to an advisory vote at the General Shareholders' Meeting, as a separate item on the agenda, a report on the directors' remuneration policy. This report should be made available to shareholders, as a separate document or in whatsoever other form the company may deem fit.

The report should focus especially on the remuneration policy approved by the Board for the current year and that established, if any, for future years. It shall address all the issues contemplated in Recommendation 35, except those points that could entail disclosure of commercially sensitive information. It shall stress the most significant changes in such policies in respect of that applied during the previous year to which the General Meeting refers. It shall also include a global summary of implementation of the remuneration policy in the previous year.

The Board should also inform on the role played by the Remuneration Committee in defining the remuneration policy and, if external assistance has been used, the identity of the external advisers who provided such assistance.

See section B.1.16

Complies

41. The individual remunerations of directors during the year shall be disclosed in the Annual Report, including the following details:
- a) Breakdown of the remuneration of each director, including, where applicable:
 - i) Attendance fees and other fixed sums payable to directors;
 - ii) Additional compensation for being Chairman or member of one of the Committees of the Board;
 - iii) Payments made under profit-sharing or bonus schemes and the reasons for their accrual;
 - iv) Contributions on behalf of the director to defined-contribution pension schemes; or increase in the director's vested rights in contributions to defined-benefit schemes;
 - v) Any indemnities agreed or paid upon termination of their duties;
 - vi) Compensation received as director of other group companies;
 - vii) Remuneration received by executive directors as payment for their senior management duties;
 - viii) Any sums paid other than those listed above, regardless of the nature or the group company paying them, especially when it may be considered a related-party transaction or omission would distort the true and fair view of the total remuneration received by the director.
 - b) Breakdown for each director of any deliveries of shares, stock options or whatsoever other instrument linked to the value of the company's share, specifying:
 - i) Number of shares or options granted during the year and conditions for exercising the options;
 - ii) Number of options exercised during the year, indicating the corresponding number of shares and the exercise price;
 - iii) Number of options pending exercise at year end, indicating their price, date and other conditions for exercise;
 - iv) Any modification during the year of the conditions for exercising options granted earlier.
 - c) Information on the ratio during the previous year of remuneration received by the executive directors and the company's profits or any other measure of its earnings.

Complies

42. When there is an Executive Committee, the balance between the different types of director should roughly mirror that of the Board. The Secretary of the Board should be Secretary of the Executive Committee.

See sections B.2.1 and B.2.6

Complies

43. The Board should be informed at all times of the business transacted and decisions made by the Executive Committee and all Board members should receive a copy of the minutes of Executive Committee meetings.

Complies

44. In addition to the Audit Committee which is mandatory under the Securities Market Act, the Board shall set up a Nomination and Remuneration Committee, or two separate Committees. The rules on composition and procedure of the Audit Committee and the Nomination and Remuneration Committee or Committees should be set out in the Regulations of the Board, including the following:

- a) The Board should appoint the members of these Committees, taking account of the directors' knowledge, expertise and experience and the duties corresponding to each Committee and discuss their proposals and reports. The Committees should report to the Board on their actions at the first full Board meeting after each Committee meeting, being accountable for the work done.
- b) These Committees should have a minimum of three members, who should be exclusively Non-Executive Directors. This notwithstanding, Executive Directors or senior officers may attend their meetings when expressly so decided by the Committee members.
- c) The Committees should be chaired by Independent Directors.
- d) They may obtain external assistance whenever this is considered necessary for the performance of their duties.
- e) Minutes should be issued of Committee meetings and a copy sent to all members of the Board.

See sections B.2.1 and B.2.3

Complies

45. The Audit Committee, Nomination Committee or, if separate, the Compliance or Corporate Governance Committee(s) should be responsible for overseeing compliance with internal codes of conduct and corporate governance rules and regulations.

Complies

46. All members of the Audit Committee, particularly its Chairman, should be appointed in view of their knowledge of and experience in accounting, auditing or risk management.

Complies

47. Listed companies should have an internal audit department, supervised by the Audit Committee, to guarantee the effectiveness and efficiency of the internal reporting and control systems.

Complies

48. The chief audit officer should submit an annual work programme to the Audit Committee, reporting directly on any irregularities arising during its implementation and submitting an activity report at each year end.

Complies

49. The risk management and control policy should define at least:
- a) The different types of risk (operating, technological, financial, legal, reputational...) to which the company is exposed, including under financial or economic risks any contingent liabilities or other off-balance-sheet exposure;
 - b) The level of risk that the company considers acceptable;
 - c) The measures envisaged to soften the effects of the risks identified, should they materialise;
 - d) The internal reporting and control systems to be used to control and manage those risks, including contingent liabilities or off-balance-sheet risks.

See section D

Complies

50. The Audit Committee should:

1. In connection with the internal reporting and control systems:
 - a) Supervise the preparation and integrity of the financial information on the company and, where appropriate, the group, checking for compliance with applicable legal provisions, adequate definition of the consolidated group and correct application of accounting standards.
 - b) Check internal control and risk management systems on a regular basis to ensure that the principal risks are adequately identified, managed and disclosed.
 - c) Oversee the independence and effectiveness of the internal audit department; propose the nomination, appointment, reappointment and removal of the chief audit officer; propose the budget for this department; receive periodical information on its activities; and check that the top management heeds the conclusions and recommendations set out in its reports.
 - d) Establish and supervise a “whistle-blowing” procedure so employees can confidentially and, if considered appropriate, anonymously report any potentially important irregularities they may observe in the company's conduct., especially in financial and accounting aspects.
2. In connection with the external auditor:
 - a) Submit proposals to the Board on the nomination, appointment, reappointment and replacement of the external auditor and its terms of engagement.
 - b) Receive regular information from the external auditor on the audit plan and findings and make sure the senior management acts on its recommendations.
 - c) Guarantee the independence of the external auditor, and for this purpose:
 - i) The company should inform the CNMV as a significant event whenever the auditor is changed, attaching a declaration on any disagreements that may have arisen with the outgoing auditor and their content, if any.
 - ii) The company and the auditor should be ensured to respect all rules and regulations in place regarding the provision of services other than auditing services, limits on concentration of the auditor's services and any other rules established to guarantee the auditors' independence;
 - iii) Investigate the circumstances giving rise to resignation of any external auditor.
 - d) In groups, encourage the auditor of the group to audit the group companies.

See sections B.1.35, B.2.2, B.2.3 and D.3

Complies

51. The Audit Committee may call any employee or executive of the company into its meetings, even ordering their appearance without the presence of any other senior officer.

Complies

52. The Audit Committee should report to the Board on the following matters from Recommendation 8 before the latter adopts the corresponding decisions:

- a) The financial information that listed companies are obliged to disclose periodically. The Committee shall ensure that interim financial statements are drawn up under the same accounting principles as the annual statements, requesting a limited external audit if necessary.
- b) Creation or acquisition of shares in special purpose vehicles or companies domiciled in countries or territories which are considered tax havens, and any transactions or operations of a similar nature which could, by virtue of their complex structure, impair the group's transparency.

c) Related-party transactions, unless this prior reporting duty has been assigned to another supervision and control committee.

See sections B.2.2 and B.2.3

Complies

53. The Board should endeavour to avoid a qualified auditor's report on the accounts laid before the General Meeting, and in exceptional circumstances when such qualifications exist, both the Chairman of the Audit Committee and the auditors shall clearly explain to the shareholders their content and scope.

See section B.1.38

Complies

54. The majority of the members of the Nomination Committee – or Nomination and Remuneration Committee if there is just one – should be independent directors.

See section B.2.1

Complies

55. Apart from the duties specified in preceding Recommendations, the Nomination Committee should:

- a) Assess the expertise, knowledge and experience of Board members; define the duties and skills required of candidates to fill vacancies; and determine the time and dedication considered necessary for them to adequately perform their duties.
- b) Study or organise as appropriate the succession of the Chairman or Chief Executive Officer and, if necessary, make recommendations to the Board to secure an orderly, well-planned handover.
- c) Report on any appointments and removals of senior officers proposed by the Chief Executive Officer.
- d) Report to the Board on the gender issues contemplated in Recommendation 14.

See section B.2.3

Partial Compliance

All the duties contemplated in this Recommendation correspond to the Nomination and Remuneration Committee except the duty mentioned in d).

The Nomination and Remuneration Committee does not report to the board on the gender issues contemplated in Recommendation 14 of the Code of Good Governance because the company does not make any positive or negative discrimination in the election of directors, who are elected regardless of their sex, as indicated in section B.1.27 and in the explanation to Recommendation 14 of this Report.

56. The Nomination Committee should consult the Chairman and Chief Executive Officer, especially on matters concerning Executive Directors.

Any director may request the Nomination Committee to consider potential candidates they consider suitable to fill vacancies on the Board.

Complies

57. Apart from the duties indicated in the preceding Recommendations, the Remuneration Committee should:

- a) Submit proposals to the Board on:
 - i) The remuneration policy for directors and senior officers;
 - ii) The individual remuneration of executive directors and other terms of contract.
 - iii) The basic conditions of senior executive contracts.
- b) Ensure compliance with the remuneration policy established by the company.

See sections B.1.14 and B.2.3

Complies

58. The Remuneration Committee should consult the Chairman and Chief Executive Officer, especially on matters concerning executive directors and senior officers.

Complies

G. OTHER INFORMATION OF INTEREST

If you consider there to be an important principle or aspect regarding the corporate governance practices applied by your company that have not been mentioned in this report, indicate them below and explain the contents.

EXPLANATORY NOTE ONE, CONCERNING SECTION A.5.

For relations between the Ebro Foods companies and their significant shareholders, see section C.2 of this report.

EXPLANATORY NOTE TWO, CONCERNING SECTION B.1.4.

No requests for presence on the board were made during 2010 by shareholders with interests equal to or greater than others at whose request, had it been made, proprietary directors would have been appointed.

EXPLANATORY NOTE THREE, CONCERNING SECTION B.1.7.

María Blanca Hernández Rodríguez is also Chairman of the Board of Trustees of the Ebro Foods Foundation.

EXPLANATORY NOTE FOUR, CONCERNING SECTION B.1.8.

Leopoldo del Pino y Calvo-Sotelo is not, strictly speaking, director of the listed company Grupo Ferrovial, S.A., but represents the corporate director Portman Baela, S.L.

EXPLANATORY NOTE FIVE, CONCERNING SECTION B.1.11.

- Explanations concerning paragraphs a) and b) of this section:

Of the total remuneration of the executive directors in 2010 (€3,441 thousand), €437 thousand correspond to early settlement, in one case, of the Deferred Annual Remuneration Scheme under the Ebro Foods Group

Strategic Plan for the period 2010-2012. The company's separate accounts for 2010 also include a provision of €445 thousand estimated for amounts payable under the Deferred Annual Remuneration Scheme corresponding to that year. This amount will be payable in 2012.

The Deferred Annual Remuneration Scheme is not linked to the value of the Ebro Foods share nor implies receipt by the beneficiaries of shares or any other rights thereover.

- Explanations concerning the following pay items and other benefits reflected in section B.1.11:

1. Provisions stipulated in the Articles: share in profits stipulated in Article 22 of the Articles of Association. See section B.1.14 of this Report.
2. Pension Funds and Schemes. Contributions: no Board members are beneficiaries of supplementary life and retirement insurance. The company has not granted any loans or advances to Board members or contracted any obligations on their behalf under guarantees or bonds.

EXPLANATORY NOTE SIX, CONCERNING SECTION B.1.12.

Of the total remuneration of executives (excluding Executive Directors) of the Ebro Foods Group included in the Deferred Annual Remuneration Scheme under the Group's Strategic Plan 2010-2011, a total provision of €680 thousand was made in 2010, which will be payable in 2012.

EXPLANATORY NOTE SEVEN, CONCERNING SECTION B.1.13.

The contracts of two executives contemplate guarantee clauses in the event of dismissal or takeover, the amount of which exceed the compensation established in the Workers' Statute.

The clauses initially established for other executives are below the compensation established in the Workers' Statute, owing to their accumulated seniority.

EXPLANATORY NOTE EIGHT, CONCERNING SECTION B.1.21.

Any of the directors, not only independent directors, may request the calling of a board meeting or inclusion of new items on the agenda.

EXPLANATORY NOTE NINE, CONCERNING SECTION B.1.40.

- Antonio Hernández Callejas and María Blanca Hernández Rodríguez hold an indirect interest in Ebro Foods, S.A. through the 15.720% interest held in the company by Instituto Hispánico del Arroz, S.A., directly and through Hispafoods Invest, S.L.

See sections A.3 and C.5 of this Report.

- In relation also to section B.1.8, Antonio Hernández Callejas and Demetrio Carceller Arce each hold a direct interest of 0.001% in SOS Corporación Alimentaria, S.A. acquired in 2011. Both these directors have been on the Board of that company since 20 January 2011.

EXPLANATORY NOTE TEN, CONCERNING SECTION B.2.1.

The Audit Committee of Ebro Foods, S.A. is called the Audit and Compliance Committee.

The Nomination Committee of Ebro Foods S.A. is the Nomination and Remuneration Committee.

EXPLANATORY NOTE ELEVEN, CONCERNING SECTIONS C.2 AND C.3.

The sections on related-party transactions were completed taking into account the following changes in the composition of the Board and in the companies included in the Ebro Foods Group produced during 2010:

1. The significant shareholder Instituto Hispánico del Arroz, S.A. was appointed director on 1 June and the transactions effected between 1 January and 31 May (both inclusive) are listed below:

- Related-party contractual transaction (purchase of goods, finished or otherwise) with Boost Nutrition, C.V. for €314 thousand.

- Related-party contractual transaction (sale of goods, finished or otherwise) with Boost Nutrition, C.V. for €295 thousand.

- Related-party contractual transaction (receipt of services) with Herba Foods for €25 thousand.

- Related-party contractual transaction (purchase of goods, finished or otherwise) with Herba Ricemills, S.L.U. for €886 thousand.

- Related-party contractual transaction (sale of goods, finished or otherwise) with Herba Ricemills, S.L.U. for €673 thousand.

- Related-party contractual transaction (purchase of goods, finished or otherwise) with S&B Herba Foods, Ltd. for €589 thousand.

- Related-party contractual transaction (sale of goods, finished or otherwise) with S&B Herba Foods, Ltd. for €435 thousand.

2. Caja España de Inversiones left the Board as of 1 June 2010. The related-party transactions effected by this company between 1 January and 31 May (both inclusive) are listed below:

- Related-party contractual transaction (financing arrangements: loans-borrower) with Ebro Foods, S.A. for €34,390 thousand.

3. Caja de Ahorros de Salamanca y Soria left the Board as of 22 September. The related-party transactions effected by this company between 1 January and 21 September 2010 (both inclusive) are listed below:

- Related-party contractual transaction (financing arrangements: loans-borrower) with Ebro Foods, S.A. for €51,203 thousand.

4. Juan Domingo Ortega Martínez left the Board as of 1 June 2010. The related-party transactions effected between 1 January and 31 May (both inclusive) are listed below:

- Related-party contractual transaction (sale of goods, finished or otherwise) with Puleva Food, S.L.U. for €1,760 thousand.

Puleva Food, S.L. was sold on 2 September 2010, so only those related-party transactions with that company effected between 1 January and 1 September 2010 are included.

In addition to the related-party transaction with Juan Domingo Ortega Martínez, Puleva Food made a related-party contractual transaction (sale of goods, finished or otherwise) with Sociedad Anónima Damm for €325 thousand.

EXPLANATORY NOTE TWELVE, CONCERNING SECTION C.5.

Potential conflicts of interest are described in section C.5 of this Report.

This section may be used to include any other information, clarification or qualification relating to the previous sections of the report, provided it is relevant and not repetitive.

In particular, state whether the company is subject to any laws other than the laws of Spain on corporate governance and, if this is the case, include whatever information the company may be obliged to supply that differs from the information included in this report.

Binding definition of independent director:

State whether any of the independent directors have or have had any relationship with the company, its significant shareholders or its executives which, if sufficiently large or significant, would have disqualified the director from being considered independent pursuant to the definition set out in section 5 of the Unified Code of Good Governance.

NO

Date and signature:

This annual corporate governance report was approved by the Board of Directors of the company on

30/03/2011.

State whether any directors voted against approval of this Report or abstained in the corresponding vote.

NO



Report on Directors' Remuneration>>>>

SUSTAINABILITY REPORT 2010

1. Introduction

Recommendation 40 of the Unified Code of Good Governance of Listed Companies recommends Boards to put to an advisory vote at the Annual General Meeting, as a separate item on the agenda, a report on the directors' remuneration policy.

With the entry into force of the Sustainable Economy Act, this recommendation has become a binding legal obligation for listed companies. Section 61 ter of the Securities Market Act, introduced by that Act, regulates the annual report on directors' emoluments, providing that:

Together with the Annual Corporate Governance Report, the Boards of listed companies shall prepare an annual directors' remuneration report, including full, clear, comprehensible information on the company's remuneration policy approved by the Board for the current year and, if any, the policy established for future years. It shall also include an overview of how the remuneration policy was applied during the year and details of the individual emoluments of each of the directors.

2. The annual directors' remuneration report, the company's remuneration policy approved by the board for the current year, the policy for future years, the overview of how the remuneration policy was applied during the year and details of the individual emoluments of each of the directors shall be published and put to an advisory vote at the Annual General Meeting of Shareholders, as a separate item on the agenda.

...

5. The Minister of Economy and Finance or, by express authorisation, the National Securities Market Commission, shall define the contents and structure of the directors' remuneration report, which may contain information, among other aspects, on: the amount of non-variable and variable components of remuneration and performance criteria selected for its design, as well as the role played by the Remuneration Committee, if any.

This report is issued in fulfilment of the above-quoted provisions, giving transparency to the remuneration policy applied in the Ebro Foods Group in 2010 and with a view to putting it to an advisory vote by shareholders at the forthcoming Annual General Meeting.

2. Internal provisions applicable

The Articles of Association regulate directors' remuneration in Article 22, making a distinction between the share in profits established in the articles and attendance fees corresponding generally to all board members and the remuneration corresponding specifically to executive directors, which may be paid in cash or in kind (shares, contributions to welfare schemes, etc.):

“Article 22: Directors’ Emoluments.

When approving the company’s accounts for the previous year, the general meeting shall set aside for the directors a share of two and a half per cent (2.5%) of the consolidated profits attributable to the company, although this sum may only be taken from the company’s net profit for the year and after meeting the legal reserve requirements, setting aside for the shareholders the minimum dividend established in prevailing legislation and meeting all and any other priority assignments required by law. The directors may waive this remuneration, in full or in part, when drawing up the accounts. The board shall distribute the aforesaid sum among its members, annually and at its discretion, according to the duties assumed by each director on the board.

The directors shall also be entitled to a fee for attending meetings of the corporate bodies of the company, the amount of which shall be established every year by the general meeting.

Directors with executive duties in the company shall, regardless of the nature of their legal relationship with the latter, be entitled to remuneration for the performance of such duties, the amount of which shall be decided for each year at the Annual General Meeting. This remuneration may contemplate welfare payments to cover any public/private pension schemes and insurance systems considered necessary or retirement from office.

In addition and independently of the emoluments contemplated in the preceding paragraphs, directors may receive remuneration in the form of shares, stock options or any other system of remuneration indexed to the price of the shares of the company or any other companies in its group. The general meeting shall decide if and when any of these remuneration systems are to be used, pursuant to the form, terms and conditions stipulated in law.

If executive directors waive their share in the profits, as contemplated in the first paragraph of this article, the sums that would correspond to them as a share in the profits of the company will not be distributed among the remaining directors.

In Article 14.3 regarding the Nomination and Remuneration Committee the Regulations of the Board establish that the Committee shall “study, issue reports and submit proposals for the Board on the following matters:

...

d) Proposal of directors’ emoluments, according to the system of remuneration established in the Articles of Association and the relationship of the executive directors with the Company. The Committee shall also inform in advance on any resolution or proposal of the Board on the remuneration of directors and executives indexed to the value of the shares in the Company or its subsidiaries or consisting of the delivery of shares in the Company or its subsidiaries or the granting of options thereover.

...

f) Supervision of the Top Management remuneration and incentives policy, obtaining information and reporting on the criteria followed by the Company’s subsidiaries in this respect.”

As regards the distribution of the share in the profits among the different Board members, according to the duties of each one on the Board and the different Committees, the scale currently in force for 2010 following the latest review agreed by the Board upon recommendation by the Nomination and Remuneration Committee is as follows:

- ▶ Membership of the Board of Directors: 1 point.
- ▶ Chairman of the Board: 1 point.
- ▶ Vice-Chairman of the Board: 0.5 points.
- ▶ For being on the Executive Committee: 1 point.
- ▶ Committees other than the Executive Committee:
 - For being on the Committee: 0.2 points.
 - Chairman of the different committees: 0.05 points per meeting.
 - Committee members: 0.03 points per meeting

3. Remuneration for 2010

3.1 Share in profits. At its meeting on 28 February 2011 and on recommendation of the Nomination and Remuneration Committee, the Board resolved to set the share corresponding to the Chairman and executive directors in the 2010 profits at 2,565,454 euro and, consequently, to put to shareholders at the Annual General Meeting a proposal to apply 0.66% of the consolidated net profit attributed to the company in 2010 to such remuneration.

3.2. Attendance fees for committee meetings. The Board further decided to maintain in 2010 the attendance fees of 1,600 euro for attending the Ebro Foods board meetings and 800 euro for attending the different committee meetings (giving a total sum in 2010 of 347,400 euro).

Attendance fees for board meetings of a Group subsidiary during 2010 were set at 700 euro. Consequently, those directors of Ebro Foods, S.A. who are also directors of the subsidiary were paid a total sum of 7,700 euro in 2010.

Therefore, the sum total of fees received by the directors of Ebro Foods, S.A., in both the parent company and the subsidiary, was 355,100 euro in 2010.

No attendance fees are paid to board members in other subsidiaries of the Group.

3.3. Executive directors. These directors render their services under contracts having a number of common aspects:

- ▶ Term: indefinite.
- ▶ Notice: four months.
- ▶ Compensation for removal or takeover: none.

Executive directors were paid the following remuneration in 2010:

- ▶ Non-variable remuneration: 1,611,753 euro.
- ▶ Variable remuneration: After examining the degree to which targets have been met (50% corresponding to EBITDA and 50% to average current assets, both targets weighted at 100% in consolidated terms for directors with executive duties in the parent company, 20% for consolidated targets and 80% for those of a specific business for one director performing executive duties in the subsidiary Herba), the Board approved the sum of 1,392,983 euro.
- ▶ No board member is beneficiary of supplementary life and retirement insurance.

3.4. Summary. The overall remuneration accrued by Ebro Foods board members in all the group companies amounted to €6,361 thousand in 2010, as shown in the following table, which also shows the figures of the previous year for purposes of comparison (in thousand euro):

DIRECTORS' REMUNERATION AND OTHER EMOLUMENTS

Pay Items	2010	2009
Attendance fees	355	300
Share in profit	2,565	2,332
Total non-executive directors	2,920	2,632
Wages, salaries & professional fees	3,441	7,298
Compensation & other transfer instruments		
Total executive directors	3,441	7,298
Total remunerations	6,361	9,930
Other emoluments		
Life insurance and retirement schemes	0	52

3.5. Individual remuneration earned by each of the directors:

Director	Share in profits stipulated in articles	Attendance fees	Fees for attending board meetings in other group companies	Fixed remuneration for executive duties	Variable remuneration for executive duties	Total
Antonio Hernández Callejas	352	26	3.5	661	659	1,702
Jaime Carbó Fernández	0	0	0	584	1,019	1,603
Félix Hernández Callejas	0	9	1.5	367	151	529
Instituto Hispánico del Arroz, S.A.	123	11	0	0		134
Caja España de Inversiones	75	15	0	0		90
Eugenio Ruiz-Gálvez Priego	127	24	0	0		151
Caja de Ahorros de Salamanca y Soria	154	21	0	0		175
José Nieto de la Cierva	39	8	0	0		47
José Ignacio Comenge Sánchez-Real	145	27	0	0		172
Leopoldo del Pino y Calvo Sotelo	242	26	1.5	0		269
Fernando Castelló Clemente	170	31	0	0		201
Alimentos y Aceites, S.A.	174	24	0	0		198
José Barreiro Seoane	289	27	0	0		316
Blanca Hernández Rodríguez	170	31	0	0		201
Juan Domingo Ortega Martínez	73	12	0	0		85
Corporación Económica Damm, S.A.	0	14	0	0		15
Demetrio Carceller Arce	271	15	1.5	0		286
Rudolf-August Oetker	64	11	0	0		75
Sol Daurella Comadrán	97	15	0	0		112
Total	2,565	347	8	1,612	1,829	6,361

4. Remuneration policy for coming years

At a meeting held on 1 June 2010 and on recommendation of the Nomination and Remuneration Committee, the Board of Directors of Ebro Foods, S.A. approved a Deferred Annual Bonus Regime linked to fulfilment of the Strategic Plan 2010-2012 for the top management of the Ebro Foods Group, including executive directors.

This deferred annual bonus regime corresponds to the proposed modification of the Unified Code of Corporate Governance presented by the National Securities Market Commission on 17 December 2009 to incorporate the Commission Recommendation of 30 April 2009 complementing Recommendations 2004/913/EC and 2005/162/EC as regards the regime for the remuneration of directors of listed companies.

The deferred bonus will depend on whether the regime targets are met, these being:

- ▶ Annual EBITDA and ROCE for 2010 and 2011.
- ▶ EBITDA, ROCE and acquisitions of the 3-year period for 2012.

The deferred annual bonus will not accrue or be payable until eleven months after it has been decided in view of the financial results of each year. Accordingly, the deferred annual bonus for 2010 will not be received until the spring of 2012, the 2011 remuneration in spring 2013 and the 2012 remuneration in spring 2014.

The deferred annual bonus regime is not linked to the value of the Ebro Foods share or affected by the perception by beneficiaries of shares or any other right thereover.

In 2010, of the total remuneration of the executive directors, amounting to 3,441 thousand euro, 437 thousand euro correspond to the early settlement of the deferred annual bonus of the director Jaime Carbó Fernández. In addition, the 2010 accounts include provisions in a sum of 445 thousand euro as the provisional estimate of this regime for that year, payable in spring 2012.

At the date of this report, the board has not adopted any other resolutions on remuneration referring to or affecting future years.

5. Other information

The company has not granted any loans or advances to board members or contracted any obligations on their behalf through guarantees or bonds.

At present, in general, none of the existing remuneration policies established for board members contemplates the delivery of shares in the company or its subsidiaries.

The only exception to this is the Share Delivery Remuneration Plan for Executives of the Ebro Foods Group approved by the board of directors on 1 June 2010, under which Jaime Carbó Fernández was allotted shares in Ebro Foods, S.A. for a value of 11,981.08 euro; this was not an effective increase in his remuneration since, in accordance with the conditions of that Plan and as authorised by the General Meeting on 1 June 2010, the aforesaid amount was deducted from his monetary remuneration.

Finally, shareholders are advised that Garrigues Human Capital Services counselled the company in the preparation of the deferred annual bonus regime linked to fulfilment of the Ebro Foods Group Strategic Plan 2010-2012, no further collaboration having been received from any other external consultant on the subjects contemplated in this report.

This is the Report drawn up by the Board of Directors of Ebro Foods, S.A. following the recommendations of the Unified Code of Good Governance of Listed Companies, issuing instructions for it to be made available to the company's shareholders along with the other documents and information provided for the forthcoming Annual General Meeting of Ebro Foods, S.A. This Report is issued on 27 April 2011.



Report of the Audit and Compliance Committee>>>>

SUSTAINABILITY REPORT 2010

Report of the Audit and Compliance Committee>>>

In pursuance of Supplementary Provision Eighteen to the Stock Market Act 24/1988 of 28 July and the recommendations of the National Securities Market Commission (CNMV), this report sets out the duties and activities performed by the Audit and Compliance Committee and its work as liaison between the Board and the Auditors during the year ended 31 December 2010.

The main activities performed during 2010 can be classified into two major groups, corresponding to the duties of the Commission:

- ▶ Checking of all financial information distributed by the company and coordination with the auditors.
- ▶ Analysis of the internal control systems and supervision of the Internal Audit Department.

1. Checking of all financial information distributed by the company and coordination with the auditors

According to the Regulations of the Board, the Audit and Compliance Committee must be informed of the procedures and systems used for drawing up the financial statements of the Company, supervising the periodical information submitted to the stock exchange councils and all other financial information distributed by the Company.

It must also ensure adequate functioning of the systems used to prepare the separate and consolidated annual accounts and directors' report, ensuring that they give a true and fair view of the equity, financial position and results of the Company, maintaining regular contacts with the auditors, receiving information on any issue that may jeopardise their independence and receiving information and exchanging communications with them in accordance with prevailing auditing standards and legislation.

During 2010, the Audit and Compliance Committee examined the contents of the financial information distributed to third parties, at least at the following meetings:

- ▶ Review and analysis of the 2H 2009 financial report (Committee meeting of 26 February 2010).
- ▶ Review and analysis of the separate and consolidated annual accounts 2009 and examination of the provisional report by the external auditors (Committee meeting of 25 March 2010).
- ▶ Review and analysis of the 1Q 2010 financial report to be filed with the CNMV (Committee meeting of 28 April 2010).
- ▶ Review and analysis of the 1H 2010 financial report to be filed with the CNMV (Committee meeting of 28 July 2010).
- ▶ Review and analysis of the economic and financial information for the third quarter 2010, together with the financial report to be filed with the CNMV (Committee meeting of 27 October 2010).

2. Analysis of the internal control systems by the Internal Audit Department

One of the duties commissioned by the Regulations of the Board is to check the procedures and systems used for the Company's financial reporting, supervised by the internal audit services. The Internal Audit Department draws up an Annual Plan, which it submits to the Audit Committee for subsequent monitoring.

The work done by the Internal Audit Department includes audits of operations and procedures to analyse the internal control systems of the parent company and its subsidiaries. The conclusions of these audits have been presented to the audited companies for discussion and to the Ebro Foods Audit and Compliance Committee.

Financial audits have also been made of some of the group's subsidiaries, to supplement the work done by the external auditors.

Some of the most important work done by the internal audit services and analysed at Committee meetings are listed below.

Financial audits:

- ▶ Herba Egypt - Egypt (Committee meeting of 26 February 2010).
- ▶ Stevens & Brotherton Herba Foods (Committee meeting of 26 February 2010).
- ▶ Arotz Foods (Committee meeting of 28 April 2010).
- ▶ Birkel Germany (Committee meeting of 28 July 2010).
- ▶ Bosto Poland (Committee meeting of 28 July 2010).
- ▶ Danrice - Denmark (Committee meeting of 27 October 2010).
- ▶ Puleva Food (Committee meeting of 27 October 2010).
- ▶ Ronzoni Foods Canada (Committee meeting of 30 November 2010).

Finally, the Audit and Compliance Committee also addressed the following issues during 2010:

- ▶ Risks and conflicts of interest (Committee meeting of 26 February 2010).
- ▶ Definition of the industrial and intellectual property rights of Biosearch Life and other companies of the Ebro Foods Group (Committee meeting of 26 February 2010.)
- ▶ Proposed fees of the External Auditor for 2011. (Committee meeting of 28 July 2010).
- ▶ Situation regarding the Internal Control of Financial Information in Listed Companies and future development of legislation on the responsibility of the Audit and Compliance Committee for internal control (Committee meeting of 27 October 2010).