

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

1. Introduction

Mercedes Costa García was appointed director of Ebro Foods, S.A. (“**Ebro**” or the “**Company**”) for the statutory term of four years by a resolution adopted by the General Meeting of Shareholders on 1 June 2017. Mercedes Costa García is an independent director.

Pursuant to section 222 of the Corporate Enterprises Act, when her term of office expires that appointment will end as of the date of the annual general meeting or at the end of the time limit for holding the general meeting at which the shareholders are to resolve on approval of the previous year’s accounts.

Accordingly, in view of the imminent expiry of Mercedes Costa García’s term of office as director of Ebro Foods, S.A. and as the Annual General Meeting is scheduled for 29 June 2021 (on first call) and 30 June 2021 (on second call), the Nomination and Remuneration Committee has submitted a proposal to the Board of Directors to table a motion at the forthcoming General Meeting to re-elect Mercedes Costa García for the statutory term of four years. In addition, the proposal submitted by the Nomination and Remuneration Committee, contains the report contemplated in Article 25.4(a) of the Regulations of the Board and the analysis of the composition and present needs of the Board of Directors as required by the Company’s Policy on the Selection of Directors and Diversity in the Composition of the Board.

That proposal submitted by the Nomination and Remuneration Committee, is appended in Annex 1 hereto.

The professional profile of Mercedes Costa García, provided by the Nomination and Remuneration Committee, is also appended hereto, in Annex 2.

Annex 3 contains the text of the proposed resolution submitted by the Board to be tabled at the General Meeting for re-election of the director Mercedes Costa García for the statutory term of four years.

This report and the annexes hereto will be made available to shareholders through their publication on the corporate website www.ebrofoods.es, coinciding with the publication of the notice of call to the forthcoming Annual General Meeting 2021. They will also be incorporated in the minutes of the corresponding Board and General Meetings.

2. Legal and regulatory aspects

2.1. Category of independent director

Pursuant to the Corporate Enterprises Act, section 529.duodecies.4, independent directors are appointed by virtue of their personal and professional qualities and are able to perform their duties without being conditioned in any way by relations with the Company or its Group, significant shareholders or executives. Directors falling into any of the cases contemplated in that section may not be considered independent.

Accordingly, Mercedes Costa García would be considered an independent director.

2.2. Re-election and appointment of a director by the General Meeting

The possible re-election of directors at the end of their term of office is contemplated in section 221.2, second paragraph of the Corporate Enterprises Act, Article 20 of the Articles of Association and in Article 30.1 of the company's Regulations of the Board.

Section 529 decies establishes that the Board members of a listed company must be appointed by the General Meeting of Shareholders.

Section 529 decies of the Corporate Enterprises Act also establishes in paragraphs 4 and 5 that the Nomination and Remuneration Committee is competent to propose the appointment of independent directors and requires that proposal to be accompanied in all cases by a supporting report by the Board assessing the competence, experience and merits of the proposed candidate, which must be appended to the minutes of the General Meeting or Board meeting, as the case may be.

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

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

The Board considers that Mercedes Costa García has the necessary competence, experience and merits to continue as director of Ebro, in view of the following qualities:

- Over the time she has been on the Board, since 2017, she has acquired a sufficiently broad knowledge of the Ebro Foods Group to be considered a valuable asset for the Board.
- Both her excellent academic background with a BA in Law from the Central University of Barcelona and LL.M. from IE Law School, and her extensive professional experience as a commercial lawyer, lecturer and researcher of the entire negotiation process and member of the IE Good Governance Centre, give the Board a greater diversity of expertise and professional profiles.

- Her continuity on the Board is in keeping with the principles of the company's Policy for Selecting Directors and Diversity in the Composition of the Board of Directors. In particular, it: (i) favours the diversity of both professional expertise and experience and gender on the board; and (ii) allows Ebro to further progress towards the target of 40% women (as the gender least represented on the Board) by the end of 2022.

In accordance with: (i) the company's Policy on the Selection of Directors and Diversity in the Composition of the Board, (ii) Article 32.2 of the Regulations of the Board; and (iii) Recommendation 25 of the Good Governance Code for Listed Companies, Mercedes Costa García has informed the company that she still has sufficiently availability to be able to correctly perform her duties.

Finally, the Board has also assessed the proposal to re-elect Mercedes Costa García as Lead Independent Director, member and Chair of the Audit and Compliance Committee and member of the Nomination and Remuneration Committee, considering that both the diversity of expertise and professional profiles and the presence of women and independent directors on those Committees will thus be maintained, in keeping with the good governance recommendations and the company's Policy for Selecting Directors and Diversity in the Composition of the Board.

4. Conclusion

In view of the foregoing, the Board considers that:

- 4.1. The requirements established in law, the articles of association and regulations are met for re-election of the director Mercedes Costa García for the statutory term of four years.
- 4.2. The proposal submitted by the Nomination and Remuneration Committee complies with the requirements established by the Corporate Enterprises Act, the Articles of Association and the Regulations of the Board, and with the principles of the company's Policy for Selecting Directors and Diversity in the Composition of the Board of Directors.
- 4.3. Mercedes Costa García has so far done an excellent job as director and has made a valuable contribution to the board, thanks to the knowledge she has acquired of the business activities of the Ebro Group.
- 4.4. Mercedes Costa García has the necessary qualifications and professional background required for this position, considering the needs of the board, and is sufficiently available to perform her duties adequately, so it is appropriate to table a motion at the General Meeting for her re-election as company director for the statutory term of four years.
- 4.5. The classification of Mercedes Costa García as an independent director is based on the principles behind the company's Policy for Selecting Directors and Diversity in the Composition of the Board of Directors. In particular, moreover, her presence

boosts the diversity of expertise and experience on the Board, which will at the same time maintain the current number of independent and female directors.

In short, the board considers Mercedes Costa García suitable as company director and, as such, she would be an independent director. She is also considered a suitable candidate to continue as Lead Independent Director, member and Chair of the Audit and Compliance Committee and member of the Nomination and Remuneration Committee.

Madrid, 24 May 2021

Annexes:

- Annex 1. Proposed resolution submitted by the Nomination and Remuneration Committee
- Annex 2. Professional profile of Mercedes Costa García
- Annex 3. Proposed resolution for the Board to lay before the shareholders at the Extraordinary General Meeting

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

Annex 1

PROPOSAL SUBMITTED BY THE NOMINATION AND REMUNERATION COMMISSION OF EBRO FOODS, S.A. FOR RE-ELECTION AND APPOINTMENT OF THE DIRECTOR MERCEDES COSTA GARCÍA

1. Introduction

Mercedes Costa García was appointed director of Ebro Foods, S.A. (“**Ebro**” or the “**Company**”) by a resolution adopted by the General Meeting of Shareholders on 1 June 2017, as an independent director and for the statutory term of four years.

Pursuant to section 222 of the Corporate Enterprises Act, when her term of office expires that appointment will end as of the date of the annual general meeting or at the end of the time limit for holding the general meeting at which the shareholders are to resolve on approval of the previous year’s accounts.

Pursuant to section 221.2, second paragraph, of the Corporate Enterprises Act, Article 20 of the Articles of Association and Article 30.1 of the Regulations of the Board, directors may be re-elected on one or several occasions for the term stipulated in the Articles of Association.

Accordingly, in view of the imminent expiry of Mercedes Costa García’s term of office as director of Ebro Foods, S.A. and as the Annual General Meeting is scheduled for 29 June 2021 (on first call) and 30 June 2021 (on second call), the Nomination and Remuneration Committee submits this proposal to the Board of Directors to table a motion at the forthcoming General Meeting to re-elect Mercedes Costa García for the statutory term of four years, pursuant to section 529.decies of the Corporate Enterprises Act. Mercedes Costa García is an independent director. In addition, this proposal contains the report required by Article 25.4(a) of the Regulations of the Board, which stipulates that the Nomination and Remuneration Committee shall always submit a report to the Board before any proposal is presented to the General Meeting.

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

In accordance with the Good Governance Code of listed companies and the Policy on the Selection of Directors and Diversity in the Composition of the Board, the Nomination and Remuneration Committee analyses the skills and competence required by the Board, and its composition and present needs.

Following the resolutions passed at the Annual General Meeting of Shareholders held on 29 July 2020, at the date of this report the Board has fourteen (14) members, whose competence provide adequate diversity of expertise, experience and gender in the composition of the Board. These aspects were assessed by this Committee when each and all of the company’s current directors were appointed and re-elected and no circumstances are detected at present that would lead to a change in the assessments made on those occasions or in the present needs of the Board.

As regards the composition of the Board from the point of view of the types of director and the presence of women, it is noted that of the fourteen (14) directors on the board at present, two (2) are classified as executive directors, eight (8) as proprietary directors and four (4) as independent directors, and there are five (5) female directors.

With regard to these details, the Nomination and Remuneration Committee assesses:

- (i) The degree of compliance with Recommendation 17 of the Good Governance Code, which provides that: *“In companies that are not high cap (such as Ebro), independent directors should represent at least one-third of the total number of directors.”*

Seeing that the number of independent directors (4) is still rather less than one-third (4.66) of the total directors (14) recommended for companies that are not high cap, the Nomination and Remuneration Committee considers the proposal to the General Meeting to re-elect Mercedes Costa García appropriate to maintain the number of independent directors. The Committee also indicates the need to continue striving to increase the number of independent directors until at least the recommended one-third is reached.

- (ii) Finally, the degree of compliance with Recommendation 15 of the Good Governance Code, which provides that: *“The number of female directors shall represent at least 40% of the board members before the end of 2022 and beyond, previously not falling below 30%.”*

Since the percentage of women on the board (five) is 35.71%, the Nomination and Remuneration Committee maintains its intention, with respect to future incorporations of new directors, to promote as far as possible, and in accordance with the Policy on the Selection of Directors and Diversity in the Composition of the Board, to increase the presence of women on the board with a view to achieving the recommended 40% representation by the end of 2022.

3. Resolution proposed by the Nomination and Remuneration Committee

The Nomination and Remuneration Committee submits to the Board for assessment and, if appropriate, presentation at the Annual General Meeting, scheduled for 29 June 2021 on first call and 30 June 2021 on second call, a proposal to re-elect the director Mercedes Costa García for the statutory term of four years. Mercedes Costa García is classified as an independent director.

4. Assessment of the candidate for report to the Board

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

Accordingly, the proposal for re-election set out above is based on the assessment of the candidate's suitability, considering the following aspects:

- a) The excellent work performed by Mercedes Costa García as a director to date, demonstrating her capacity and professional worth in the performance of her duties and her valuable contribution to the board.
- b) Mercedes Costa García has sufficient merits for the position of director, considering her academic qualifications, with a BA in Law from the Central University of Barcelona and LL.M. from IE Law School, and her extensive professional experience as a commercial lawyer, lecturer and researcher of the entire negotiation process and member of the IE Good Governance Centre, which gives the Board a point of view considered valuable for the Group's business, reinforcing the already broad diversity of expertise in the composition of that body.
- c) The fact that Mercedes Costa García is sufficiently available to be able to correctly perform her duties.
- d) It is considered convenient for Mercedes Costa García to remain on the Board in order to maintain optimum stability and balance in the composition of this body.
- e) The re-election of Mercedes Costa García is consistent with meeting the requirements of diversity, of both gender and expertise, non-discrimination and equal treatment stipulated in the Code of Conduct and the Policy on the Selection of Directors and Diversity in the Composition of the Board.
- f) In the performance of her duties as director, Mercedes Costa García has not been conditioned in any way by relations with the Company or its Group, the controlling shareholders or executives, so she is classified as an independent director.

Provided the Annual General Meeting of Shareholders resolves to re-elect Mercedes Costa García as director and she accepts that re-election, the Nomination and Remuneration Committee has also assessed and resolved to issue a favourable report to the Board regarding her continuity as Lead Independent Director, member and Chair of the Audit and Compliance Committee and member of the Nomination and Remuneration Committee.

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

Madrid, 24 May 2021

Annex 2

Professional profile of Mercedes Costa García

(Lleida, 23-09-1964)

B.A. in Law from the Central University of Barcelona and LL.M. from IE Law School.

Extensive professional experience as a commercial lawyer in the law firm of José Mario Armero; lecturer and researcher of the entire negotiation process.

Currently Manager of the Negotiation and Mediation Centre and negotiation lecturer in the Master Programmes, Advanced Courses and Executive Education Programmes at IE Business School in Madrid, both on-site and online; as well as Manager of the Negotiate Forum and member of the Good Governance Centre at IE Business School.

Annex 3

Proposed resolution submitted to the Annual General Meeting

“Re-election of the director Mercedes Costa García

To re-elect the director Mercedes Costa García for the statutory term of four years.
Mercedes Costa García is classified as an independent director.”
