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REASONED PROPOSAL BY THE BOARD OF DIRECTORS OF EBRO FOODS, S.A. ON THE DIRECTORS' REMUNERATION POLICY 2022-2024

1. Introduction

Section 529.novodecies of the Corporate Enterprises Act establishes the obligation of listed companies to have a Directors' Remuneration Policy approved by the General Meeting of Shareholders under a separate item on the agenda for application over a maximum period of three years. And following the reform made by Act 5/2021 of 12 April[1], that provision now stipulates that the proposals of new directors' remuneration policies must be laid before the General Meeting of Shareholders before the end of the last applicable year of the previous policy.

Accordingly, since the Directors' Remuneration Policy of Ebro Foods, S.A. (the "**Company**") currently in force spans the years 2019, 2020 and 2021, the new Directors' Remuneration Policy for the years 2022, 2023 and 2024 must be approved by the General Meeting in 2021.

In pursuance of section 529.novodecies.4 of the Corporate Enterprises Act, the proposal of the new Directors' Remuneration Policy 2022-2024 (the "**Policy**") must include: (i) the reasons stated for the Policy by the Board of Directors; and (ii) a specific report by the Nomination and Remuneration Committee. Both documents must be made available to shareholders on the Company's website as from the date of calling the General Meeting, and shareholders may also request delivery or remittance of copies thereof, free of charge.

2. Reasons for the Policy

The new Policy is proposed in compliance with the above-mentioned legal obligation.

The Policy is substantially identical to the one currently in place (which ends in 2021), maintaining the remuneration structure for the Directors, both for their duties as such and for the performance of executive duties, on substantially identical terms.

This notwithstanding, the Policy has been modified as necessary to adjust to the new provisions included in the Corporate Enterprises Act by Act 5/2021 of 12 April amending the recast Corporate Enterprises Act approved by Legislative Royal Decree 1/2010 of 2 July, and other financial provisions, as regards the encouragement of long-term shareholder engagement in listed companies.

It should be noted in this regard that although the reform of section 529.novodecies of the Corporate Enterprises Act will not yet be in force when the Policy is laid before the General Meeting for approval (since it will enter into force as of 13 October 2021), the Policy has been drafted in accordance with the contents of that reform.

Apart from the modifications required by the aforesaid reform of the applicable legal regulation, the Policy essentially repeats the remuneration scheme established in the

[1] As indicated hereinbelow, the reform mentioned will not yet have entered into force when the new Directors' Remuneration Policy 2022-2024 is submitted for approval by the General Meeting, although it has been drafted in accordance with the new provisions, since the Policy will still be in force when the reform becomes effective.

current Directors' Remuneration Policy 2019-2021 as regards the structure of Directors' remuneration, both for their duties as such and for the Executive Directors.

The Policy thus maintains: (i) in respect of the remuneration of all Directors for their duties as such, the annual fixed remuneration (to be set by the General Meeting) and the attendance fees for Board and Committee meetings; and (ii) in respect of the Executive Directors, the annual fixed remuneration, the short-term variable remuneration (annual bonus) and the deferred annual variable remuneration (deferred bonus), all on similar terms to those in place at present. In this regard, the Board takes into account that this is the remuneration scheme considered most appropriate in the current situation of the Company (particularly regarding the special relationship between the Company and its Chairman, as the only Director with executive duties) and that the existing Directors' Remuneration Policy (2019-2021) was approved by an ample majority at the General Meeting.

One significant change in respect of the current Directors' Remuneration Policy 2019-2021 is that the new Policy 2022-2024 ties part of the Executive Directors' bonus to non-financial criteria. Apart from that, and the modifications required by the new legal regulation of remuneration policies, the Policy 2022-2024 seeks continuity, maintaining the criteria and principles behind the Policy currently in place.

3. Specific report by the Nomination and Remuneration Committee

In pursuance of section 529.novodecies.4, the Nomination and Remuneration Committee has issued a specific report on the proposed new Directors' Remuneration Policy 2022-2024, providing detailed information on the extent of and justification for that Policy.

This report is appended in **Annex 1**.

4. Text of the Directors' Remuneration Policy 2022-2024

The text of the new Directors' Remuneration Policy 2022-2024 is appended in **Annex 2** hereto.

5. Validity

The new Directors' Remuneration Policy 2022-2024 will be applicable for those three years.

Any amendment or replacement of this Policy during its effective period will require prior approval by the General Meeting of Shareholders.

Issued in Madrid, on 24 May 2021.

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

Specific report by the Nomination and Remuneration Committee

SPECIFIC REPORT BY THE NOMINATION AND REMUNERATION COMMITTEE OF EBRO FOODS, S.A. ON THE DIRECTORS' REMUNERATION POLICY 2022-2024

1. Introduction

Section 529.novodecies of the Corporate Enterprises Act establishes the obligation of listed companies to have a Directors' Remuneration Policy approved by the General Meeting of Shareholders under a separate item on the agenda for application over a maximum period of three years. And following the reform made by Act 5/2021 of 12 April[2], that provision now stipulates that the proposals of new directors' remuneration policies must be laid before the General Meeting of Shareholders before the end of the last applicable year of the previous policy.

The proposed remuneration policy, stating reasons and submitted to the General Meeting by the Board of Directors, must be accompanied by a specific report by the Nomination and Remuneration Committee; and those documents must be made available to shareholders on the Company's website as from the date of calling the General Meeting.

The current Directors' Remuneration Policy (2019-2021) of Ebro Foods, S.A. (the "**Company**") has been and still is in force for the years 2019, 2020 and 2021. Therefore, it is now time to put to the General Meeting the approval of a new Directors' Remuneration Policy for the years 2022, 2023 and 2024. That new Directors' Remuneration Policy must be proposed to the Board of Directors by the Nomination and Remuneration Committee (pursuant to section 529.quindecies.3(g) of the Corporate Enterprises Act), for which purpose the Nomination and Remuneration Committee has drawn up this specific report.

The proposed Directors' Remuneration Policy for the years 2022, 2023 and 2024 (the "**Proposal**") is appended as an annex to this report.

2. Report

The Proposal contains a policy substantially identical to the one in place over the period 2019-2021, applying again both the principles on which directors' remuneration is based and the structure of remuneration for both Directors for their duties and such and Executive Directors for their executive duties.

Accordingly, the Directors' remuneration for their duties as such and for the executive duties of Executive Directors is again based on the following principles:

(i) Directors should be remunerated according to their duties, responsibilities and dedication.

[2] As indicated hereinbelow, the reform mentioned will not yet have entered into force when the new Directors' Remuneration Policy 2022-2024 is submitted for approval by the General Meeting, although it has been drafted in accordance with the new provisions, since the Policy will still be in force when the reform becomes effective.

(ii) This remuneration should be sufficient to retain talent and acknowledge the Directors' track record, without compromising their independence of judgement, especially that of non-executive directors.

(iii) The remuneration should be set according to the importance of the Company and its economic situation from time to time, as well as comparable market standards.

(iv) The remuneration scheme of Directors, especially the scheme applicable to Executive Directors for the performance of their executive duties, should be designed to boost the Company's long-term sustainability and profitability and maximise its value for the benefit of all its shareholders, avoiding excessive exposure to risks and reward for unfavourable results.

In addition and in line with the applicable legal provisions, the Proposal explains how it contributes to the business strategy and interests and the long-term sustainability of the Company and its Group, and how the pay and employment of the Company and Group employees have been taken into account when establishing the remuneration policy.

The Proposal contemplates both the remuneration corresponding to all the Directors for their duties as such and the remuneration corresponding to the Executive Directors for their executive duties.

With regard to the remuneration of Directors for their duties as such, the Proposal maintains the structure based on two parts:

a) The fixed allocation, consisting of the global fixed amount for the Board as a whole, established by the General Meeting of Shareholders each year (in respect of the previous year).

   The amount established by the General Meeting within the specified limit will be distributed among the Board members taking account of the specific duties undertaken by each Director both within the Board and on the different Board Committees. That distribution, subject to a report by the Nomination and Remuneration Committee, is made according to a scale of points set by the Board, which is maintained on the same terms.

b) Attendance fees for Board and Committee meetings, maintaining the same amounts as those paid under the existing Policy.

With regard to the remuneration of Executive Directors for their executive duties, the structure established in the current policy is also maintained, based on three parts:

a) The fixed annual remuneration, which, as a rule, will be subject to annual review on the same terms as those applicable to all the executives of the Company (as parent of the Group). This notwithstanding, subject to a proposal and favourable report by the Nomination and Remuneration Committee, the Board may consider an extraordinary review apart from the general review applicable to all Company directors whenever there are special circumstances that justify this.

b) The annual variable remuneration (annual bonus), which will accrue subject to the level of achievement of the target set for the consolidated EBITDA in the budget for the year in question, maintaining the same limits (in respect of both the level of achievement and the amount of the variable remuneration) as those established in the current policy.

c) The deferred annual variable remuneration (deferred bonus), linked to fulfilment of the Group's three-year strategic plans, which is maintained on substantially identical terms as regards amounts, rules for accrual, possible repayment and other provisions, but incorporating, as a new feature not present in the Policy currently in place, the tying of part of the bonus to the level of achievement of the non-financial targets set in the applicable strategic plan. In this respect, the deferred annual variable remuneration contained in the Proposal (for the years 2022, 2023 and 2024) is linked to the Strategic Plan 2022-2024, currently being drawn up and which, along with the general financial aspects, will include other non-financial goals, making the deferred annual variable remuneration of the Executive Directors conditional upon their achievement.

Apart from this, the other items currently making up the remuneration scheme and the contractual relationship of the Executive Directors for the performance of executive duties are maintained in the Proposal, although it should be noted that some of them (such as the non-existence of termination benefits or minimum employment commitments or post-contract no competition clauses) correspond in the present version to the relationship of the only Executive Director who performs executive duties, as core shareholder of the Company[3].

3. Validity

If the Board of Directors endorses the Proposal contemplated in this report, decides to submit it to the General Meeting for approval and it is approved, the Directors' Remuneration Policy contained therein will be effective for the years 2022, 2023 and 2024.

Any amendment or replacement of this Policy during its effective period will require prior approval by the General Meeting of Shareholders.

4. Conclusions

The Nomination and Remuneration Committee considers that the policy contained in this Proposal: (i) respects the provisions on directors' remuneration set out in law, regulations and the Articles of Association, (ii) conforms to the defining principles, and (iii) is in keeping with the Company's corporate governance principles. Consequently, this Committee concludes that the Policy is adequate and aligned with the interests of the Company, its shareholders and other stakeholders.

It has also taken account of the fact that since the Policy substantially coincides with the Policy that has been and is being applied in the years 2019, 2020 and 2021 (which was approved by the General Meeting), has proved its effectiveness over time.

[3] At the date of preparing this Proposal, the Company has a single Executive Director performing executive duties: the Executive Chairman. Although the Director Hercalianz Investing Group, S.L. is classified as an Executive Director (because it is represented on the Company's Board of Directors by a Group executive), it has never performed executive duties in Ebro Foods, S.A. or in any subsidiary of the Group, so it has not received and does not receive any remuneration for the performance of executive duties.

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Accordingly, the Nomination and Remuneration Committee submits this report, with its favourable report, to the Board of Directors for consideration and for the latter, in turn, to submit the Proposal for approval at the Annual General Meeting in pursuance of the current legal requirements.

Issued in Madrid, on 24 May 2021.

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Annex 2

Text of the Directors' Remuneration Policy 2022-2024

DIRECTORS' REMUNERATION POLICY OF EBRO FOODS, S.A.

2022-2024

2021

1. Introduction

Legislative Royal Decree 1/2010 of 3 July approving the recast Corporate Enterprises Act following the changes made by Act 31/2014 of 3 December amending the Corporate Enterprises Act to enhance Corporate Governance (“**Corporate Enterprises Act**”) contemplates the obligation of listed companies to have a directors’ remuneration policy (the “**Directors’ Remuneration Policy**” or the “**Policy**”).

The Corporate Enterprises Act, section 529.novodecies, provides inter alia that the Directors’ Remuneration Policy:

(i) shall be in keeping, as appropriate, with the remuneration system established in the articles of association;

(ii) shall be approved by the General Meeting of Shareholders at least every three years and be put to the vote in a separate item on the agenda;

(iii) and shall be laid before the General Meeting before the end of the last applicable year of the previous policy, shall remain in force for three years after the year of its approval, although the General Meeting may determine that the new policy is to be applicable as from the date of its approval and for the following three years;

(iv) the Board’s proposal regarding the remuneration policy must be reasoned and accompanied by a specific report issued by the Nomination and Remuneration Committee. Both documents must be made available to shareholders on the Company’s website as from the date of calling the General Meeting, and shareholders may also request delivery or remittance of copies thereof, free of charge.

Accordingly, and to ensure that the Ebro Foods, S.A. (“**Ebro**” or the “**Company**”) will have a Remuneration Policy approved by the General Meeting for the next three years, this new Directors’ Remuneration Policy, which will be valid (unless modified with approval by the General Meeting) for the years 2022, 2023 and 2024, is to be submitted for approval at the Annual General Meeting in 2021.

The Board has set out its reasons in respect of this Policy, for which the necessary specific report by the Nomination and Remuneration Committee has been issued.

This new Directors’ Remuneration Policy 2022-2024 gives continuity to the previous Policy, which will remain in place up to 31 December 2021, in respect of the principles, structure and contents of the Directors remuneration package (for both their duties as such and the performance of executive duties), which was widely accepted by the Company’s shareholders (it was passed in 2018, when 71.979% of the capital present and represented at the General Meeting voted for its approval). However, the new Policy also incorporates the new requirements of the Corporate Enterprises Act following its reform by virtue of Act 5/2021 of 12 April amending the recast Corporate Enterprises Act approved by Legislative Royal Decree 1/2010 of 2 July, and other financial provisions, as regards the encouragement of long-term shareholder engagement in listed companies (“**Act 5/2021**”). In this regard, although the reform made by that Act 5/2021 referring to the approval of

Directors’ Remuneration Policies (amendments made to section 529.novodecies of the Corporate Enterprises Act) will not enter into force until six months after publication of Act 5/2021 in the Official State Gazette -BOE- (i.e. until 3 November 2021), as indicated in Transitional Provision One, this new Policy complies with the requirements stipulated therein in order to avoid having to submit a modification to the General Meeting in 2022 to adjust it to the new regulation.

2. Internal regulation on Directors’ remuneration

Based on the legal regulation of Directors’ remuneration, both for their duties as such and for their executive duties, the basic internal regulation of Directors’ remuneration is set out in Article 22 of the Articles of Association, which, after its alteration laid before the Annual General Meeting that is to decide on the approval of this Policy, provides as follows:

“*Remuneration of all the Board members for their duties as such (that is, for their supervisory and other non-executive duties) shall comprise: (i) a fixed annual allocation; and (ii) fees for attending meetings of the Company’s corporate bodies. Both the fixed annual allocation for the Board as a whole and the amount of attendance fees shall be determined by the General Meeting and shall remain in force until a resolution is passed to change them. The Board of Directors, subject to a report by the Nomination and Remuneration Committee, shall set the individual remuneration of each director for their duties as such, taking into account the positions held by the directors on the Board, their membership of Board committees and any other objective circumstances that the Board may consider appropriate, within the confines of the Articles of Association and the Remuneration Policy. The Board shall also decide on the timing of payments.*

The Directors’ remuneration shall in any case be reasonably aligned with the importance of the Company, its economic situation from time to time and the market standards of comparable companies. The remuneration system established shall focus on promoting the long-term yield and sustainability of the Company and shall contemplate such precautions as may be necessary to avoid excessive exposure to risk or rewarding unfavourable results.

The remuneration policy for directors shall comply with all applicable provisions on the remuneration system in the Articles of Association and shall be approved by the General Meeting as a separate item on the agenda, applicable for a period of up to three years. This notwithstanding, a proposal for a new Directors’ remuneration policy shall be submitted to the General Meeting of Shareholders prior to the end of the last year of application of the previous policy, and the General Meeting may decide that the new policy will be applicable from the date of its approval and for the following three years. Any amendment or replacement of the policy during that time will require prior approval by the General Meeting in accordance with the procedure established for its approval.

In addition, regardless of the nature of their legal relationship with the Company, directors with executive duties in the Company will be entitled to remuneration for the performance of those duties. That remuneration will consist of one or several of the following items: (i) fixed annual allocation; (ii) variable remunerations linked to different *indicators, both financial and non-financial; (iii) benefits from pension or welfare systems; and (iv) indemnity in the event of removal or any other form of termination of their legal relationship with the Company not due to any breach by the director, exclusivity agreements, post-contract no competition agreements or similar. The Board shall determine the individual remuneration of each director for the performance of any executive duties they may have within the confines of the remuneration policy and in accordance with the terms of their contracts, subject to a report by the Nomination and Remuneration Committee.*

The relationship between the Company and its executive directors shall be set down in a contract, which must be approved by the Board in the manner and with the majorities stipulated in law.

In addition and independently of the remuneration 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 Company's shares or those of any other companies in its Group. Nevertheless, the use of those remuneration systems shall be decided by the General Meeting, in the form and on the terms and conditions stipulated in law.

If the executive directors waive the remuneration to which they are entitled for their duties as directors (that is, for their supervisory and other non-executive duties), the fixed remuneration that would correspond to them will not be distributed among the remaining directors.

The company shall also take out liability insurance for its directors."

As mentioned above, the text of Article 22 of the Articles of Association set out above is the text laid before the Annual General Meeting 2021, which is also to decide whether to approve this Policy, assuming that the new wording of that article will be approved by the General Meeting.

3. Principles and targets governing Directors' remuneration. Contribution of the policy to the strategy, interests and long-term sustainability

The Directors' Remuneration Policy is based on the following principles (which in turn correspond to the applicable legal provisions and the criteria underlying the relevant good governance recommendations):

(i) Directors shall be remunerated according to their duties, responsibilities and dedication. This remuneration shall be such as to retain talent and acknowledge the directors' track record.

(ii) The remuneration shall be set according to the importance of the company, its economic situation from time to time and comparable market standards.

(iii) Directors' remuneration should be reasonable without compromising their independence of judgement, especially that of non-Executive Directors.

(iv) The remuneration system of Directors, especially that of Executive Directors for their executive duties, shall be designed to boost the Company's long-term sustainability and profitability and maximise its value for the benefit of all its shareholders, avoiding excessive exposure to risks and reward for unfavourable results. In this regard, an attractive remuneration scheme has been designed for Executive Directors (and other senior executives of the Group) with a view to attracting and retaining talent and professional worth on the one hand, and securing an adequate balance between the profit of the Company and its Group and risk exposure on the other.

The above principles are supplemented, in respect of Directors' remuneration, with those included in the Sustainability, Environment and Corporate Social Responsibility Policy of the Ebro Foods Group. In particular, within the strategic focus contemplated in that policy under the title "Our Team" (considering this to mean all the Group's professionals, including directors, executives and employees), the underlying principles are: (i) the generation of a framework of labour relations that favours training and personal and professional development, respects the principle of equal opportunities and diversity and promotes a safe, healthy working environment; (ii) the promotion of personal and professional development of directors, executives and employees of the Group; (iii) encouragement to improve their skills and abilities; and (iv) offering professionals fair pay in keeping with the labour market.

Within this framework, offering adequate remuneration to retain talent is a key factor for encouraging Directors to stay and stimulating their engagement, motivation and loyalty, which guarantees the necessary stability to set and achieve long-term objectives, and the necessary dedication to ensure adequate monitoring of those goals.

Similarly, with regard to the remuneration of Directors for the performance of executive duties, establishing medium/long-term remuneration structures tied to the Group's three-year strategic plans effectively contributes towards achieving the Company's interests and long-term sustainability, promoting the creation of value for the different stakeholders.

Accordingly, this Policy is an additional building block, along with the other internal principles and policies of the Group, contributing to the business strategy and the interests and long-term sustainability of the Company and the Ebro Foods Group.

4. Process for determining the Directors' Remuneration Policy

In accordance with the applicable provisions of law and the Articles of Association, the Nomination and Remuneration Committee: (i) submits its report and proposal to the Board on the Directors' Remuneration Policy, overseeing compliance; (ii) submits its report and proposal to the Board on the individual remuneration and other terms of contract of the Executive Directors, overseeing compliance; and (iii) informs the Board on the individual allocation of remuneration to each Director for their duties as such.

Accordingly, with regard to determining this Policy and based on the applicable provisions of law and the Articles of Association and the principles set out above, the Company's Nomination and Remuneration Committee draws up a proposal for the

Directors' Remuneration Policy for each three-year period and submits it to the Board for consideration, together with the corresponding specific report. The Board must then make a reasoned decision on whether to table a motion for its approval at the General Meeting, pursuant to section 529.novodecies of the Corporate Enterprises Act.

In the process of preparation, determination, review and application of the Remuneration Policy in place from time to time, adequate handling is guaranteed of any conflicts of interest that may arise. In this regard:

(i) The Nomination and Remuneration Committee, which adopts decisions on the Remuneration Policy (concerning the proposal of a new policy of any review or modification of an existing one), is made up mainly of independent Directors, there are no Executive Directors on the Committee and it requests assistance from external third-party experts whenever it considers this necessary or convenient.

(ii) The Directors' remuneration structure for executive duties is aligned with the remuneration scheme established for senior executives in the Group (who have absolutely nothing to do with the composition and procedures of the Nomination and Remuneration Committee), thus guaranteeing the absence of any interference by the Executive Directors in the preparation of remuneration policies.

(iii) The Nomination and Remuneration Committee reviews each year the fulfilment of the policy in force and achievement of the requisites stipulated for accrual of the bonuses of Executive Directors, submitting a report to the Board on this aspect.

(iv) The Executive Directors do not participate in the debate and discussion of resolutions adopted by the Board each year under the remunerations policy in place from time to time.

The measures described above at least minimise, if not eliminate, any effect that a conflict of interest could have on the determination, review and application of the remuneration policy in place from time to time.

The Nomination and Remuneration Committee assessed and resolved to propose this Directors' Remuneration Policy 2022-2024 to the Board, together with the necessary specific report, on 24 May 2021. At a meeting on the same date, the Board resolved to submit the proposed Policy for approval at the Annual General Meeting 2021.

5. Consideration of the employment and pay conditions of the Company's employees when drawing up the remuneration policy

In accordance with its Sustainability, Environment and Corporate Social Responsibility Policy, the Ebro Foods Group has set itself the binding principle of offering all its professionals (which include directors, executives and other employees) fair pay in keeping with the labour market. In doing so, the Group seeks to retain talent and stimulate the motivation of all its professionals as a means to guarantee the long-term sustainability of its business.

The remuneration of all employees, executives or otherwise, is set according to criteria of office, duties and competences, professional worth and level of responsibility, as well as the particular circumstances of the company, country and market in which each employee works. Based on these criteria, the Group's remuneration system is considered fair and reasonable at all levels.

The remuneration packages of Directors, especially those with executive duties, are structured in a similar way to those of the senior executives[1] in the Group. In particular:

a) All the executives and Executive Directors receive a fixed annual remuneration, determined for each of them in consideration of their office, duties and competences, dedication, track record and, especially, the responsibilities corresponding to their respective positions. The fixed annual remuneration is subject to annual review and, except in specific special cases assessed by the Nomination and Remuneration Committee, is determined in view of the evolution of the cost of living and the particular circumstances of the different countries in which the professionals work.

b) All the executives and Executive Directors receive a variable annual remuneration, as a percentage (which varies according to their category and the particular circumstances of the different countries in which they work) of their fixed remuneration, linked to achievement of the targets set each year by the Board of Directors at the proposal of the Nomination and Remuneration Committee. Those targets include both objective aspects (generally, meeting business targets, either of the company/business unit to which the executive belongs or of the consolidated Group) and subjective aspects (personal performance of the executive, measured against the personal objectives agreed at the beginning of each year between the executive and their superior). By exception, in the case of the Executive Chairman (the only Director with executive duties)[2], the entire variable remuneration is linked to the achievement of consolidated objective requirements.

c) The top executives of the most important corporate units or departments[3] and the Executive Directors participate in a Deferred Annual Bonus Scheme, linked to

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[1] On this point, the concept of "Executives" refers to the department managers and most senior officers in the different departments of the Group's different business units, regardless of whether they have an ordinary employment or senior management relationship with the relevant Group company, or the equivalent in the different jurisdictions in which the Group operates.

[2] At the date of preparing this Directors' Remuneration Policy, the Company has a single Executive Director performing executive duties. It should be borne in mind that although the director Hercalianz Investing Group, S.L. is classified as an Executive Director (because it is represented on the Company's Board of Directors by a Group executive), it has never performed executive duties in Ebro Foods, S.A. or any subsidiary of the Group, so it has not received and does not receive any remuneration for the performance of executive duties.

[3] These "top directives" are very few in number. Precisely in 2021 (when this Policy was prepared), only 12 executives in the entire Group, including the Executive Chairman (the only Director with executive duties) participate in the Deferred Annual Bonus Scheme.

achievement of the business targets set, either for each unit or on a consolidated level, in the Group's three-year strategic plans.

6. <u>Remuneration of the Directors for their duties as such</u>

6.1 Regulation in the Articles of Association

As mentioned earlier, Article 22 of the company's Articles of Association establishes the following principles regarding Directors' remuneration for their duties as such:

- Directors' remuneration shall consist of a fixed allocation each year.
- The General Meeting shall determine the fixed allocation each year. The amount thus established shall remain in force until the General Meeting approves its modification.
- The Board shall distribute the aforesaid sum among its members each year, in accordance with the criteria established in the Directors' Remuneration Policy in place from time to time, and determine the timing of its payment.
- The Directors will also be entitled to a fee for attending meetings of the Company's governing bodies, the amount of which will be established every year by the General Meeting.
- The Directors' remuneration shall in any case be reasonably aligned with the importance of the Company, its economic situation from time to time and the market standards of comparable companies.
- The remuneration system established shall focus on promoting the long-term yield and sustainability of the Company and shall contemplate such precautions as may be necessary to avoid excessive exposure to risk or rewarding unfavourable results.
- Whenever so approved by the General Meeting, 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.
- It is expressly established that if the Executive Directors waive the fixed allocation to which they are entitled for their duties as Directors, that allocation will not be distributed among the remaining Directors.

Based on those regulations and the principles included in this Directors' Remuneration Policy, the Nomination and Remuneration Committee: (i) studies and reports (for the Board to assess prior to laying it before the General Meeting for approval) on the remuneration of Directors for their duties as such in each year, and (ii) prepares and proposes to the Board (which decides whether to submit it to the General Meeting for an advisory vote) the Annual Report on Directors' Remuneration contemplated in section 541 of the Corporate Enterprises Act.

6.2 Structure

The remuneration of the Directors for their duties as such, according to the Articles of Association, consists of the following two parts:

a) Fixed allocation

The fixed allocation is a fixed global amount for the Board as a whole, decided by the General Meeting each year (in respect of the previous year).

In February 2021, when this Policy was prepared, based on the proposal and favourable report by the Nomination and Remuneration Committee, the Board of Directors resolved to propose at the Annual General Meeting (to be held in 2021) the sum of EUR 2,850,000 as the fixed allocation for the Board as a whole for 2020.

At the time of preparing this Policy, the maximum fixed allocation of EUR 2,850,000 for the Board as a whole is expected to be maintained for all the years covered by this Policy (i.e. 2022, 2023 and 2024). If, for any reason, the Board considers it appropriate to review that amount and submit a different amount for approval by the General Meeting, the corresponding amendment of this Policy will be laid before the same General Meeting, should this be deemed fit.

Once the amount has been set by the General Meeting, the Board distributes it among its members, subject to a report by the Nomination and Remuneration Committee. That distribution is made according to the duties of each director on the Board and the different Committees and a scale set by the board. That scale (as defined at present), set by the Board in 2006 upon recommendation by the Nomination and Remuneration Committee, is as follows:

- 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
  - Chair: 0.05 points per meeting
  - Members: 0.03 points per meeting

So the total amount set by the Board is divided by the total number of points, taking account of the time that the status of Director (and Committee member, where appropriate) has been maintained and the Board and Committee meetings held in each period of time. This gives the value per point (or portion of point). Once the points corresponding to each Director are known, the fixed allocation corresponding to each one is the result of multiplying their respective points (or portions of points) by the value of the point.

In February of each year, the Nomination and Remuneration Committee informs the Board on the fixed annual remuneration corresponding to all the Directors for their duties as such in the previous year. The Board assesses this information and decides whether to submit the corresponding proposal at the Annual General Meeting to be held that year.

b) Attendance fees for Board and Committee meetings

Directors (for their duties as such) also receive a fee for attending Board meetings.

The General Meeting sets the amount of those fees at the proposal of the Board, following a report by the Nomination and Remuneration Committee, which is submitted for approval together with the fixed allocation.

In February 2021, when this Policy was prepared, based on the proposal and favourable report issued by the Nomination and Remuneration Committee, the Board resolved to table a motion at the AGM in 2021 to maintain the attendance fees at the same amounts as in previous years: EUR 1,600 for attending Board meetings and EUR 800 for attending the different Committee meetings.

At the time of preparing this Policy, the attendance fees are expected to be maintained for all the years covered by this Policy (i.e. 2022, 2023 and 2024). If, for any reason, the Board considers it appropriate to review the amount of those attendance fees and submit a different amount for approval by the General Meeting, the corresponding amendment of this Policy will be laid before the same General Meeting, should this be deemed fit.

c) Other pay items of Directors for their duties as such

As mentioned earlier, the Articles of Association contemplate the possibility that, whenever so resolved by the General Meeting with the formalities stipulated in law, Directors may receive remuneration for their duties as such 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.

This notwithstanding and in keeping with the good governance recommendations current in place, the Company has not considered it necessary to introduce this measure, considering that the present system of remunerating directors for their duties as such is in keeping with the principles of this Directors' Remuneration Policy and the relevant good governance recommendations applicable to the Company.

Moreover, the Company does not foresee introducing that type of system during the effective term of this Directors' Remuneration Policy.

In addition, in line with common practice in other comparable companies and as expressly provided in Article 22 of the Articles of Association (following its reform to be laid before the General Meeting that is to decide on the approval of this Policy), the Company has taken out and maintains in force a liability insurance policy for its directors and executives.

d) Other aspects regarding Directors' relationship as such with the company

The Directors do not receive any other remuneration or compensation from the Company by virtue of their office as directors. In particular, the Company does not make any contributions to pension funds or schemes in favour of Board members.

The Directors, as such, have no special commitments to the Company in excess of those corresponding to them as Directors, as stipulated in the applicable laws, regulations and the Articles of Association. So beyond the applicable provisions of the law, regulations and Articles of Association, the Directors have no special obligations of exclusive dedication or no competition, even after they stand down as directors for whatsoever reason. They are, therefore, not entitled to any compensation for these concepts.

e) Transparency of the remunerations of Directors for their duties as such

The individual amounts actually earned by each Board member as Director for each of the pay items described above are disclosed in the Annual Report on Directors' Remuneration published each year.

7. Remuneration of Executive Directors

7.1 Regulation in the Articles of Association

As mentioned earlier, Article 22 of the Company's Articles of Association provides that, regardless of the nature of their legal relationship with the Company, Directors who perform executive duties will be entitled to remuneration for those duties, on the terms established by the Board in accordance with the Directors' Remuneration Policy in place from time to time. In addition, pursuant to current legal provisions, the relationship between the Company and its Executive Directors who perform executive duties shall be regulated in a contract, which must be approved by the Board in the manner and with the majorities stipulated in law.

7.2 Structure

The remuneration of Executive Directors for performing executive duties shall (just as the remuneration scheme of the senior executives of the Group) consist of three pay items:

a) Annual fixed remuneration

The fixed remuneration of Executive Directors for the performance of executive duties is established in their contracts with the Company.

The amount of that fixed remuneration will be determined in each specific case according to the general principles and targets set out in this Directors' Remuneration Policy (see section 3). The Nomination and Remuneration Committee submits the corresponding proposal and report to the Board for this purpose.

As a rule, the fixed remuneration is subject to annual review, applying the general criteria resolved by the Board, based on an assessment and report by the Nomination and Remuneration Committee, for all the company executives. By exception, whenever the board considers this justified and following a proposal and favourable report by the Nomination and Remuneration Committee, the fixed remuneration of Executive Directors for the performance of those executive duties may be submitted to an extraordinary review apart from the general review applicable for all company executives, in which case the corresponding modification of the Policy would be submitted for consideration at the following General Meeting.

In 2021, when this Policy was prepared, the annual fixed remuneration of the Executive Chairman (the only Director with executive duties) was EUR 1,500,000 gross.

During the effective term of this Policy, the fixed remuneration of the only Director with executive duties (the Executive Chairman) is expected to be reviewed exclusively applying the general criteria agreed by the Board, in view of a proposal and report by the Nomination and Remuneration Committee, for all the executives of the Company (as parent of the Group). For this purpose, it is put on record that the reviews of fixed remuneration of executives in the parent of the Group in recent years gave rise to the following amounts: +1.1 (2017), +1.2% (2018), +0.8% (2019) y +0.5% (2020).

b) Short-term variable remuneration

Just as the other executives of the Company, Executive Directors will be entitled to an annual variable remuneration (annual bonus) for performing those executive duties, in addition to the fixed remuneration. This variable bonus will take account of the level of achievement of the targets set each year by the Board, in view of a report by the Nomination and Remuneration Committee. This bonus is proportional to the level of achievement of the targets set, establishing a floor (below which variable remuneration is zero) and a ceiling (above which variable remuneration is capped at 150% of the fixed remuneration).

For Executive Directors, the annual variable remuneration is set by the Board, in view of a proposal and report by the Nomination and Remuneration Committee, taking account of the level of achievement of the target set for the consolidated EBITDA of the Ebro Group in the budget for the year in question.

Accordingly:

(i) If the consolidated EBITDA targets are fully met (100%), the annual variable remuneration of the Executive Director for performing those duties will be 100% of the fixed remuneration.

(ii) If the consolidated EBITDA targets are exceeded, the annual variable remuneration of the Executive Director for performing those duties will be raised in proportion to the percentage fulfilment achieved (in excess of 100%). This increase is capped at 115%, so if the target is met in a proportion of 115% or over, the ordinary annual variable remuneration will be 150% of the fixed remuneration. If the consolidated EBITDA targets are exceeded by between 100% and 115%, the ordinary annual variable remuneration will be raised proportionally.

(iii) If the consolidated EBITDA targets are not met, the ordinary annual variable remuneration of the Executive Director for performing those duties will be lowered in proportion to the percentage fulfilment achieved (below 100%), with a floor of 85%. Accordingly, if targets are met in a proportion of less than 85%, no ordinary annual variable remuneration will accrue. If the level of achievement of the consolidated EBITDA targets is between 100% and 85%, the annual variable remuneration will be lowered proportionally.

As an exception, considering any special dedication by the Executive Director in the performance of their executive duties and the current situation in the Company or Group, the Board may, upon recommendation by the Nomination and Remuneration Committee, decide to raise the annual variable remuneration earned by the Executive Director for performance of their executive duties, although capped at all times at 150% of his fixed remuneration.

The annual bonus of the Executive Director for performing those duties will be determined each year for the previous year, once the economic profit or loss of the company and its Group is final and known. In view of those figures, the Nomination and Remuneration Committee will determine the level of achievement of the consolidated EBITDA target and, on the basis thereof (and considering such other circumstances, if any, as it may deem fit), it will submit the corresponding proposal to the Board.

The level of achievement of the consolidated EBITDA target will be determined taking account of the effect on that value of any circumstances that were not considered when preparing the annual budget as they were not then known, such as changes in the Group's scope of consolidation (for example, the EBITDA contributed to the Group by companies acquired that were not considered in the preparation of the budget is not counted for this purpose), changes in the exchange rate applicable to any currency other than the euro or similar circumstances. Similarly, when determining the annual bonus of the only Director with executive duties, the Nomination and Remuneration Committee and the Board of Directors will take account of any qualifications in the auditors' report issued by the external auditors that may reduce the profits.

At the date of preparing this Directors' Remuneration Policy and throughout the effective validity hereof, no changes are expected in the quantitative target (consolidated EBITDA) to which the annual variable remuneration of the Executive Directors for their executive duties is linked.

c) Deferred annual variable remuneration

Just as certain Group executives[4], Executive Directors performing executive duties will be entitled to participate in the Deferred Annual Bonus Schemes linked to fulfilment of the Group's strategic plans approved by the Company's Board of Directors. According to the general conditions of those schemes, the aim is to secure and reward the loyalty of its key professionals.

In 2022, just as over recent three-year periods, the Company intends to implement a Deferred Annual Bonus Scheme linked to the Strategic Plan 2022-2024. In that Scheme, the Executive Chairman (who participates in the Scheme) will be entitled to receive, if appropriate, a deferred annual variable remuneration (deferred bonus) linked to the degree of achievement of the annual consolidated EBITDA and ROCE targets set in the Group's Strategic Plan 2022-2024 and of the non-financial targets indicated below. Within those targets, in each year of the Scheme the consolidated EBITDA accounts for 80% of the deferred bonus and the consolidated ROCE accounts for the remaining 20%. In addition, part of the three-year bonus is subject to: (i) meeting the cumulative EBITDA over the three-year period of the Strategic Plan, (ii) the degree of achievement of the non-financial targets established for the three-year period and (iii) the global assessment of achievement of the Strategic Plan at the end of the period.

Thus, under the Scheme, linked to the Strategic Plan 2022-2024, the remuneration accrued by the Executive Director each year will be calculated according to the following rules:

a) During each of the first two years of the three-year period, an annual variable remuneration will accrue, if appropriate, up to 25% of the total variable remuneration for the three-year period. In the last year, if appropriate, such remuneration will accrue up to the remaining 50%.

b) For this purpose, in the first two years of the period, the consolidated EBITDA (80%) and ROCE (20%) for each of those years will be determined and checked against the amounts estimated in the Strategic Plan, thus obtaining the degree of achievement. When determining the degree of achievement, the consolidated EBITDA represents 80% of the total bonus and the consolidated ROCE 20% of the total bonus corresponding to the Executive Director each year.

[4] See Note 3 above.

c) In the final year, 50% will be determined as follows: 25% based on the consolidated EBITDA and ROCE for that year (as in the previous two years) and the other 25% based on: (i) the aggregate consolidated EBITDA over the three-year period, (ii) the degree of achievement of the non-financial targets established for the three-year period and (iii) the qualitative assessment of global achievement of the Strategic Plan. In this last 25%, the cumulative EBITDA of the three-year period represents 50% of the total, the degree of achievement of the non-financial targets established for the three-year period represents 25% and the qualitative assessment of global achievement of the Strategic Plan represents the other 25%.

d) The Nomination and Remuneration Committee will determine the level of achievement of the consolidated EBITDA and ROCE targets.

   The Audit and Compliance Committee (responsible for monitoring the Sustainability, Environment and Corporate Social Responsibility Policy) will monitor and assess the level of achievement of the non-financial targets established for the three-year period. This Committee will submit its proposed assessment to the Nomination and Remuneration Committee, which will review it then report and submit to the Board such proposal as it may deem fit.

   The Strategy and Investment Committee will be responsible for monitoring and assessment to determine the qualitative assessment of achievement of the Strategic Plan. Following assessment, that Committee will submit a proposal to the Nomination and Remuneration Committee, which will review and report on the proposal received and in turn present to the Board such proposal as it may deem fit.

e) The level of achievement of the annual consolidated EBITDA and ROCE targets and the three-year cumulative EBITDA will be determined considering the effect thereon, if any, of any circumstances that were not taken into account when preparing the Strategic Plan, not being known when it was prepared and approved, such as changes in the Group's scope of consolidation, changes in the exchange rate applicable to any currency other than the euro or similar circumstances.

f) The amounts accrued by the Executive Director in each year of the Scheme will be received with a time lag of one year. For example, any amounts corresponding to the Executive Director under the scheme for 2022 will be determined in 2023 (when the final earnings for 2022 are available) and received in 2024.

g) The sums thus accrued will only be received by the Executive Director participating in the Scheme if they are still in the Ebro Group at the date of payment (one year after they are determined), since the scheme aims to get beneficiaries to remain in the Group for a certain period of time after determining the amount of this deferred bonus. In exceptional circumstances, the Executive Director will only be entitled to receive the bonus earlier: (i) if their employment relationship with the Company ends during the period of the scheme owing to their death or a final declaration of total, absolute or major disability; or (ii) in the event of a takeover in the Group or any similar corporate operation.

Under the Scheme, the amount of the deferred variable remuneration will be:

(i) In the first two years of the Scheme:

a. If the consolidated EBITDA and ROCE targets are fully met (100%), the deferred bonus of the Executive Director for performing those duties in each year will be 100% of 25% (i.e. 25%) of the fixed remuneration corresponding to the three-year period.

b. If the consolidated EBITDA and ROCE targets are exceeded in either of the first two years of the period, the deferred bonus of the Executive Director for performing those duties in each of those two years will be raised in proportion to the percentage fulfilment achieved (in excess of 100%), up to the limit of 125%. Accordingly, if the targets are met in a proportion of 125% or over, the deferred variable remuneration accrued under the Scheme in that year will be 125% of 25% (i.e. 31.25%) of the fixed remuneration corresponding to the three-year period.

c. If the consolidated EBITDA and ROCE targets are not met in either of the first two years of the period, the deferred annual variable remuneration of the Executive Director for performing those duties in each of those two years will be lowered in proportion to the percentage fulfilment achieved (below 100%), with a floor of 85%. Accordingly, if targets are met in a proportion of less than 85%, no deferred variable remuneration will accrue under the Scheme.

(ii) In the third and final year of the Scheme:

a. If the consolidated EBITDA and ROCE targets are met that year, 25% of the fixed remuneration for the three-year period will accrue, the provisions of paragraph (i) above being applicable for this purpose.

b. The final 25% of the fixed remuneration for the three-year period will accrue, if appropriate, as follows:

i. Fifty per cent (50%) according to the degree of achievement of the three-year cumulative consolidated EBITDA target, applying the same rules on over- and under-achievement set out in (i) above.

ii. Twenty-five per cent (25%) in the proportion determined by the Board in view of a proposal and report by the Nomination and Remuneration Committee, taking into consideration the global assessment of achievement of the non-financial targets established in the Strategic Plan.

iii. And the remaining twenty-five per cent (25%) in the proportion determined by the Board in view of a proposal and report by the Nomination and Remuneration Committee, taking into consideration the global assessment of overall achievement of the Strategic Plan.

That qualitative assessment will be made by the Board, after receiving a proposal and report from the Nomination and Remuneration Committee, which will in turn receive a report from the Audit and Compliance Committee (in respect of the degree of achievement of the non-financial targets) and from the Strategy and Investment Committee (in respect of the global assessment of achievement of the Strategic Plan.

(iii) The Board is authorised to adopt such resolutions as may be necessary to ensure that if a corporate operation or event or any other extraordinary circumstance were to occur that might affect the calculation of the amount of the deferred annual remuneration, the gross remuneration will be equivalent to the amount that would have corresponded to the Executive Director had that circumstance not existed.

(iv) The scheme includes a clawback clause whereby the Board may require Directors to repay all or part of any deferred bonus paid under the scheme when it considers such amounts to have been unduly paid, either because the amounts paid under the scheme do not correspond to the degree of fulfilment of the required targets, or because they were calculated on the basis of data subsequently proved to be misstated.

It should be remembered, in this respect, that the scheme is structured in such a way as to ensure that the deferred bonus for any of the years of the scheme will be paid 11 months after it is calculated (after determining the degree of fulfilment of the targets). Consequently, by the date of payment sufficient time has passed to be able to appreciate any inaccuracies or errors in the information on which the calculations of amounts payable are based.

d) <u>Other pay items of Executive Directors for performing executive duties</u>

Executive Directors do not receive any remuneration for performing their executive duties other than those described above. In particular, the Company does not make contributions to pension funds or schemes in favour of Executive Directors.

This notwithstanding:

(i) Executive Directors may receive payment in kind to the extent of private use made of the company car allocated to them. In this regard, the value of the payment in kind received in 2020 (the last year closed when this Policy was prepared) by the only Executive Director for the performance of those duties was EUR 5,316 gross, as indicated above.

(ii) Executive Directors on the boards of other Group companies, or any in which this Company (or any other Group company) has a shareholding interest, when that position is remunerated, will receive the remuneration corresponding to them for those directorships.

In addition, the Company has a Flexible Remuneration Scheme, through which it is possible to design the composition of remuneration of the beneficiaries of the scheme, including the Executive Directors. That Flexible Remuneration Scheme allows its beneficiaries to receive part of their remuneration in the form of products and services previously selected by the company, the amount of which is discounted from the beneficiary's gross salary and they are instead allocated the income in kind corresponding to the product or service. These products and services include a group medical insurance, housing rental, nursery, vehicle hire/lease and training of the employee. This flexible remuneration does not entail additional remuneration to that received by the Executive Director for performing executive duties, since the amounts paid by the company to the corresponding service providers are deducted from the cash remuneration.

The remuneration of the only Executive Director who performs executive duties does not include any pay indexed to the value of the company's share or involve the receipt of any shares or other rights over such shares. The special status as controlling shareholder of the only Executive Director who performs executive duties should be borne in mind in this regard.

e) <u>Other aspects concerning the relationship of Executive Directors with the Company by virtue of their performance of executive duties</u>

The principal terms of the Executive Director's contract with the Company (for his executive duties) are:

- The term of the contract is indefinite
- Three months' notice is required for voluntary termination of contract
- No termination benefits are included
- No continued service or post-contract no competition clauses are included

The special relationship of the only Executive Director of the Company at present who performs executive duties as controlling shareholder of the Company should be born in mind with regard to the last two conditions indicated.

7.3 Aspects to be considered in the event of future incorporation of other Executive Directors

The present remuneration system of Executive Directors for performing executive duties and other aspects of their contractual relationship with the Company take into account that the only Executive Director[5] who performs those duties is a controlling shareholder of the Company.

Consequently, if any new Executive Directors performing executive duties were to join the Company during the effective term of this Directors' Remuneration Policy, it might be necessary to review some of those aspects, such as: (i) the establishment of continued service and/or no competition clauses (and the corresponding remuneration); or (ii) the inclusion in their remuneration of items indexed to the value of the Company's share or that involve receiving shares or any other right over those shares. In this case, this Policy would be modified and the modification would be submitted to the General Meeting for approval, in accordance with the applicable legal provisions.

8. <u>Validity</u>

Pursuant to section 529.novodecies of the Corporate Enterprises Act, this Directors' Remuneration Policy will be effective for the next three years, i.e. from 1 January 2022 to 31 December 2024, without prejudice to its possible modification or replacement during that time, subject to approval by the General Meeting.

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

[5] See note 1 above.