

## **REPORT BY THE BOARD OF DIRECTORS OF EBRO FOODS, S.A. REGARDING THE PROPOSAL SUBMITTED BY THE NOMINATION AND REMUNERATION COMMISSION FOR RATIFICATION OF THE APPOINTMENT BY COOPTATION OF THE DIRECTOR MARC THOMAS MURTRA MILLAR**

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### **1. Introduction**

The Board of Directors of Ebro Foods, S.A. (“**Ebro**” or the “**Company**”) resolved on 31 January 2022 to appoint Marc Thomas Murtra Millar Director by the system of cooptation, based on the proposal and report submitted by the Nomination and Remuneration Committee. That appointment has been entered on the company’s page of the Madrid Trade Register, page no. M-271855.

The appointment by cooptation of Marc Thomas Murtra Millar as Director, pursuant to section 244 of the Corporate Enterprises Act, is effective up to the date of the next General Meeting of Shareholders and will end if approval of his appointment by the General Meeting is not entered in the Trade Register after that General Meeting (pursuant to Article 145 of the Trade Registry Regulations).

Since the first Annual General Meeting after the Board’s appointment of Marc Thomas Murtra Millar as Director is scheduled for 29 June 2022 on first call and 30 June 2022 on second call, the Nomination and Remuneration Committee of the Company has submitted a proposal to the Board, for consideration and, as the case may be, to be tabled at the forthcoming Annual General Meeting, for ratification of the appointment by cooptation of Marc Thomas Murtra Millar as Director.

The proposal submitted by the Nomination and Remuneration Committee is annexed in **Annex 1** to this report and contains:

- (i) the report contemplated in Article 25.4(a) of the Regulations of the Board;
- (ii) the analysis of the composition and current needs of the Board of Directors, pursuant to the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors;
- (iii) the assessment made by the Nomination and Remuneration Committee regarding the classification of Mr Murtra Millar, concluding that he should be classified as an independent Director; and
- (iv) the assessment of the expertise, experience and merits of Mr Murtra Millar and his contribution to the Board of Directors of the Company and the diversity of expertise and profiles on the Board.

The professional profile of Marc Thomas Murtra Millar, provided by the Nomination and Remuneration Committee, is also appended hereto, in **Annex 2**.

**Annex 3** contains the text of the proposed resolution drawn up by the Board to be tabled at the Annual General Meeting concerning the ratification of the appointment by cooptation of Marc Thomas Murtra Millar as Director.

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

## **2. Legal and regulatory aspects**

### **2.1. Category of independent Director**

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

When Mr Murtra Millar was appointed by the procedure of cooptation, the Nomination and Remuneration Committee conducted such investigations as it deemed fit, concluding that the category corresponding to Mr Murtra Millar was that of independent Director. Now, with a view to proposing the ratification of that appointment by the General Meeting, it has confirmed that there have been no changes in the aspects analysed and, therefore, the Committee concludes once again that the category corresponding to Mr Murtra Millar is that of independent Director.

The Board has also confirmed that since he joined the Board on 31 January 2022, Marc Thomas Murtra Millar has been performing his duties as Director with the independence required of his category, without being conditioned in any way by relations with the Company or its Group, significant shareholders or executives.

Accordingly, the Board has concluded that Marc Thomas Murtra Millar is an independent Director.

### **2.1. Ratification by the General Meeting of a Director appointed by cooptation and term of appointment**

Pursuant to the Corporate Enterprises Act, section 529 decies, the Board members of a listed company must be appointed by the General Meeting of Shareholders or, if a vacancy arises, by the Board by cooptation.

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 that proposal must necessarily be accompanied by a supporting report by the Board assessing the competence, experience and merits of the proposed candidate. That report must be appended to the minutes of the general meeting or board meeting, as the case may be. And Article 25.4(a) of the Regulations of the Board provides that the Nomination and Remuneration Committee shall always

inform prior to submission to the General Meeting of any proposal regarding the appointment of Directors.

As mentioned earlier, pursuant to the Corporate Enterprises Act, section 244, the appointment by cooptation of Marc Thomas Murtra Millar as Director is effective until the holding of the Annual General Meeting scheduled for June 2022 and will end if approval of his appointment by the General Meeting is not entered in the Trade Register after that General Meeting (pursuant to Article 145 of the Trade Registry Regulations).

If the appointment of Mr Murtra Millar is ratified at the Annual General Meeting to be held in June 2022, it will be extended to the end of the remaining term of appointment of Pedro Antonio Zorrero Camas, who caused the vacancy filled by Mr Murtra Millar by cooptation. Mr Zorrero Camas was appointed Director for the statutory term of 4 years at the Annual General Meeting held on 4 June 2019, so his term of appointment will end on 4 June 2023. Pursuant to section 222 Corporate Enterprises Act, his appointment would actually end after expiry of the term on the date of the general meeting, or at the end of the time stipulated for holding the general meeting, that is to approve the accounts of the preceding year.

Accordingly, the Board has considered the proposal submitted by the Nomination and Remuneration Committee and resolved to table a motion for its approval at the Annual General Meeting to be held in June 2022.

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

The Board considers that Marc Thomas Murtra Millar has the competence, experience and merits required to be ratified as a Director, in view of the following qualities:

- The excellent academic qualification of Mr Murtra Millar (Industrial Engineer specialising in Machine Mechanics, Master in Business Administration -MBA- majoring in Finance), his professional experience in the national and international, public and private sectors, and his knowledge of the impact of technology on the future of large organisations and markets, for the Board and increase the diversity of expertise and professional profiles within its composition.
- His incorporation in the Board is in line with the principles of the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors and with the recommendation included in the report on the assessment of the Board of Directors and its Committees in 2020, issued in 2021 by an external consultant, that the Company should have a Director who is an expert in new technologies.
- Since he joined the Board in January 2022, he has demonstrated his professional worth, establishing himself as a valuable profile of interest for the Board.

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

#### 4. Conclusion

In view of the foregoing, the Board considers that:

- 4.1. The ratification of the appointment by cooptation of Marc Thomas Murtra Millar as Director of the Company meets the requirements established in the Corporate Enterprises Act, the Articles of Association and the Regulations of the Board.
- 4.2. The proposal submitted by the Nomination and Remuneration Committee meets the requirements established in the Corporate Enterprises Act, the Articles of Association and the Regulations of the Board, and with most of the principles of the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.
- 4.3. Marc Thomas Murtra Millar has the necessary qualifications, training and professional experience required for this position, considering the needs of the Board.
- 4.4. Marc Thomas Murtra Millar is sufficiently available to perform his duties adequately.
- 4.5. The classification of Marc Thomas Murtra Millar as an independent Director is in keeping with the principles behind the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors. In particular, apart from favouring the diversity of expertise and experience on the Board, his ratification would maintain the current number of independent Directors on the Board.

In short, the Board considers Marc Thomas Murtra Millar a suitable candidate to be Director of the Company and that, as such, he would be an independent Director. He is also considered a suitable candidate to continue as member of the Executive Committee and the Audit and Compliance Committee.

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Madrid, 25 May 2022

Annexes:

- Annex 1. Proposed ratification of appointment by cooptation submitted by the Nomination and Remuneration Committee
- Annex 2. Professional profile of Marc Thomas Murtra Millar
- Annex 3. Proposed resolution for the Board to lay before the shareholders at the AGM

<p><b>The English version of this document and annexes is purely informative. In the event of any discrepancy between the Spanish and English versions of this document, the Spanish version will prevail.</b></p>
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## Annex 1

### **PROPOSAL SUBMITTED BY THE NOMINATION AND REMUNERATION COMMISSION OF EBRO FOODS, S.A. FOR RATIFICATION OF THE APPOINTMENT BY COOPTATION OF THE DIRECTOR MARC THOMAS MURTRA MILLAR AND REPORT ON ASSESSMENT OF THE CANDIDATE**

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#### **1. Introduction**

Marc Thomas Murtra Millar was appointed Director of Ebro Foods, S.A. (“**Ebro**” or the “**Company**”) by cooptation by virtue of a resolution adopted by the Board of Directors on 31 January 2022, with the category of independent Director. That appointment was approved based on the proposal and report submitted by the Nomination and Remuneration Committee and the mandatory report by the Board pursuant to section 529 decies, paragraphs 4 and 5, of the Corporate Enterprises Act.

Marc Thomas Murtra Millar expressly accepted his appointment as company director in writing on 31 January 2022.

Mr Murtra Millar was appointed Director of Ebro by cooptation to fill the vacancy on the Board of Directors of Ebro produced by the resignation tendered by the Director Pedro Antonio Zorrero Camas on 15 December 2021 (after the end of the Extraordinary General Meeting held that day) but with effect from 31 December 2021. At the date of his resignation, Pedro Antonio Zorrero Camas’ term of office was for 4 years from 4 June 2019, this being the date of the Annual General Meeting at which his appointment was approved for that term.

Pursuant to the Corporate Enterprises Act, section 244, Mr Murtra Millar’s appointment as Director is effective until the date of the next General Meeting, ending if approval of his appointment by the General Meeting is not entered in the Trade Register after that General Meeting (pursuant to Article 145 of the Trade Registry Regulations).

Accordingly, since the first General Meeting after his appointment by the Board is scheduled for 29 June 2022 on first call and 30 June 2022 on second call, the Nomination and Remuneration Committee of the Company submits a proposal to the Board, to be tabled at the forthcoming Annual General Meeting, for ratification of the appointment by cooptation of Marc Thomas Murtra Millar as Director, pursuant to the Corporate Enterprises Act, section 529 decies, paragraph 4. This proposal also contains the report required by Article 25.4(a) of the Regulations of the Board.

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

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

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

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

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

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

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

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

Since the number of independent Directors (4) is slightly less than one-third (4.666) of the total Board members (14) recommended for companies that do not have a

large capitalisation, the Nomination and Remuneration Committee considers it necessary to continue working towards raising the number of independent Directors until at least the recommended third is reached. It should, nevertheless, be borne in mind that at the date of issue of this Report, approximately 68% of the total capital of the Company is concentrated in the Board of Directors.

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

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

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

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

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

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

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

In view of the different professional profiles of the Directors (all specialists in very different, but complementary, sectors, such as economic, financial, legal, industrial, consumer and distribution markets, beverages, rice and pasta) and the thorough knowledge some of them have of the Group overall, the Nomination and Remuneration Committee considers that the composition of the Board has an adequate diversity of professional experience and expertise to suit the interests of the Company and the Group.

### **3. Resolution proposed by the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee submits to the Board for assessment and, if appropriate, to be tabled at the AGM scheduled for 29 June 2022 on first call and 30 June 2022 on second call, a proposal to ratify the appointment by cooptation of Marc Thomas Murtra Millar as Director for the remaining term of office of the Director who caused the vacancy filled by Mr Zorrero Camas. Marc Thomas Murtra Millar is classified as an independent Director.

#### **4. Assessment of the candidate for report to the Board**

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

With regard to the classification of Marc Thomas Murtra Millar, since he was originally presented as a candidate by the core shareholder of Ebro, Sociedad Estatal de Participaciones Industriales (SEPI), when submitting to the Board its proposal for appointment by cooptation as an independent Director in January 2022, the Nomination and Remuneration Committee proceeded with the utmost scepticism, taking every precaution and gathering all the information it considered necessary to make sure that the candidate had no ties that could compromise his independence, following the principles set out in the Technical Guide 1/2019 on Nomination and Remuneration Committees issued by the National Securities Market Commission (CNMV). Among those measures, the Nomination and Remuneration Committee confirmed with both Mr Murtra Millar and SEPI that there were no ties between them that could compromise Mr Murtra Millar's independence as a Director of the Company.

After those special verification measures, the Nomination and Remuneration Committee concluded that the category corresponding to Marc Thomas Murtra Millar was that of independent Director.

The Nomination and Remuneration Committee has confirmed that there have been no changes in the aspects analysed since its proposal for nomination by cooptation that could affect the classification of the Director. The Committee has also confirmed that Mr Murtra Millar has been performing his duties as Director with the independence required of his category (independent Director), without being conditioned in any way by relations with the Company or its Group, significant shareholders or executives. Based on the foregoing, the Nomination and Remuneration Committee has concluded that the classification of Murtra Millar for the proposal of his ratification is that of independent Director.

The Nomination and Remuneration Committee has also reviewed the qualities that were assessed when Mr Murtra Millar was proposed for appointment by cooptation, confirming that they are still applicable at present. Accordingly, the Nomination and Remuneration Committee's proposal for ratification of his appointment is based on assessment of the suitability of the candidate, founded on the following:

- a) The excellent academic preparation of Mr Murtra Millar as an Industrial Engineer specialising in Machine Mechanics from the School of Industrial Engineers of Barcelona (ETSEIB), which is part of the Polytechnic University of Catalonia (UPC), and a Master in Business Administration (MBA) majoring in Finance from the Leonard School of Business of the University of New York.



- b) The extensive professional experience of Mr Murtra Millar in the public and private sectors on both a national and international level and his teaching work as a visiting lecturer of Financial Management and Financial Economics at Universidad Pompeu Fabra.
- c) Mr Murtra Millar's knowledge of the impact of technology on the future of large organisations and markets.
- d) The fact that since he joined the Board, Mr Murtra Millar has been performing his duties as Director satisfactorily with the independence required of his classification as an independent Director, without being conditioned in any way by relations with the Company or its Group, significant shareholders or executives.
- e) The fact that Mr Murtra Millar has informed the Committee that he continues to have the time necessary for due performance of his duties and is not affected by any ground for disqualification or limitation whatsoever that might hamper the performance of his duties.

Furthermore, provided a resolution is adopted at the Annual General Meeting to ratify the appointment by cooptation of Marc Thomas Murtra Millar as Director and he accepts his appointment, the Nomination and Remuneration Committee has considered and resolved to submit a favourable report to the Board on his continuity as member of the Executive Committee and Audit and Compliance Committee.

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

## **5. Conclusions**

Following the analysis and assessment made, the Nomination and Remuneration Committee resolved on 25 May 2022 to submit a proposal and favourable report to the Board, to be tabled at the Annual General Meeting, for ratification of the appointment by cooptation of Marc Thomas Murtra Millar as Director.

Furthermore, provided a resolution is adopted at the Annual General Meeting to ratify the appointment by cooptation of Marc Thomas Murtra Millar as Director and he accepts his appointment, the Nomination and Remuneration Committee has considered and resolved to submit a favourable report to the Board on his continuity as member of the Executive Committee and Audit and Compliance Committee.

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

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Madrid, 25 May 2022.

**Annex 2****Professional profile of Marc Thomas Murtra Millar**

(Blackburn, Lancashire, UK, 09-09-1972)

He has an Industrial Engineering degree, specialising in Machine Mechanics, from the School of Industrial Engineers of Barcelona (ETSEIB), which is part of the Polytechnic University of Catalonia (UPC), and a Master in Business Administration (MBA) majoring in Finance from the Leonard School of Business of the University of New York.

He worked in the civil service for several years, specialising in Digital Strategy and Transformation and has sat on several boards, including Paradores de Turismo de España, Red.es, Instituto Nacional de Tecnologías de la Comunicación (INTECO).

In the private sector, as Chairman of Closa Investment Bankers, since 2011 he has headed numerous corporate operations within the technology and TMT sector, industrial sector and Public Private Partnerships with international companies and investors throughout the world. He is also a visiting lecturer of Financial Management and Financial Economics at Universidad Pompeu Fabra. He is Chairman of the Board and the Strategy Committee of Indra Sistemas, S.A. and a trustee of “la Caixa” Foundation.

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**Annex 3**

**Proposed resolution submitted to the Annual General Meeting**

*“6.1. Ratification of the appointment by cooptation of the director Marc Thomas Murtra Millar.*

To ratify the appointment by cooptation of the Director Marc Thomas Murtra Millar, resolved by the Board on 31 January 2022 to fill the vacancy on the Board produced by the resignation tendered by Pedro Antonio Zorrero Camas. Marc Thomas Murtra Millar is classified as an independent Director.”