

## REPORT BY THE BOARD OF DIRECTORS OF EBRO FOODS, S.A. ON THE PROPOSAL FOR RATIFICATION OF THE APPOINTMENT BY COOPTATION OF THE DIRECTOR JORDI XUCLÀ COSTA

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### 1. Introduction

The Board of Directors of Ebro Foods, S.A. (“**Ebro**” or the “**Company**”) resolved on 30 March 2022 to appoint Jordi Xuclà Costa Director by the system of cooptation. That appointment has been entered on the company’s page of the Madrid Trade Register, page no. M-271855.

The appointment by cooptation of Jordi Xuclà Costa 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 Jordi Xuclà Costa as Director is scheduled for 29 June 2022 on first call and 30 June 2022 on second call, the Board has decided to table a motion for ratification of the appointment by cooptation of Jordi Xuclà Costa as Director at the forthcoming Annual General Meeting, on the terms set out in **Annex 1**.

The motion to be tabled at the AGM to ratify the appointment by cooptation of the director Mr Xuclà Costa has been previously assessed and a favourable report issued by the Nomination and Remuneration Committee of the company in pursuance section 529 decies, paragraph 6 of the Corporate Enterprises Act and Article 25.4(a) of the Regulations of the Board.

A copy of the report issued by the Nomination and Remuneration Committee is appended in **Annex 2** hereto, containing: (i) an 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; (ii) the assessment made by the Nomination and Remuneration Committee regarding the classification of Mr Xuclà Costa, concluding that he has the category of proprietary Director; and (iii) the assessment of the expertise, experience and merits of Mr Xuclà Costa 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 Jordi Xuclà Costa, provided by the Nomination and Remuneration Committee, is also appended hereto, in **Annex 3**.

This report and the annexes hereto will be made available to shareholders through their publication on the corporate website [www.ebrofoods.es](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 proprietary Director**

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

The appointment by cooptation of Jordi Xuclà Costa as Director was proposed by the significant shareholder Alimentos y Aceites, S.A., which he represents on the Ebro Board of Directors.

Accordingly, the Board of Directors concludes that Jordi Xuclà Costa is a proprietary 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.

That section 529 decies also establishes, in paragraphs 4, 5 and 6, that: (i) the Board is competent to propose the re-election of non-independent directors (paragraph 4); and (ii) that proposal must necessarily be accompanied by a supporting report by the Board assessing the competence, experience and merits of the candidate, which must be appended to the minutes of the general meeting or board meeting, as the case may be (paragraph 5) and preceded by a report by the Nomination and Remuneration Committee (paragraph 6).

As mentioned earlier, pursuant to the Corporate Enterprises Act, section 244, the appointment by cooptation of Jordi Xuclà Costa 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 Xuclà Costa 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 the director Alimentos y Aceites, S.A., which caused the vacancy filled by Mr Xuclà Costa by cooptation. Alimentos y Aceites, S.A. was re-elected Director for the statutory term of 4 years at the Extraordinary General Meeting held on 16 December 2020, so his term of appointment will end on 16 December 2024. 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 resolved to table a motion at the Annual General Meeting to be held in June 2022 for approval of the proposed ratification of the appointment by cooptation of Jordi Xuclà Costa as Director.

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

The Board considers that Jordi Xuclà Costa has the competence, experience and merits required to be ratified as a Director, in view of the following qualities:

- (i) His academic qualification with a Law degree from the University of Girona, a Master in National Defence (CESEDEN) and a PhD in Communication from Ramón Llull University (with experience in Communication as a member of the Advisory Council of Llorente&Cuenca); (ii) his extensive experience as lawyer and lecturer in Administrative Law and International Relations, and as a member of the Board of Directors and Chair of the Audit and Compliance Committee of RENFE Mercancías; and (iii) the expertise he has acquired within different international organisations, make him a valuable asset for the Board and increase the diversity of expertise within its composition.
- His incorporation in the Board is in line with most of the principles of the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.
- Since he joined the Board in March 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, Jordi Xuclà Costa 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 Jordi Xuclà Costa 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. Jordi Xuclà Costa has the necessary qualifications, training and professional experience required for this position, considering the needs of the Board.
- 4.3. The appointment by cooptation of Jordi Xuclà Costa as Director was proposed by the significant shareholder Alimentos y Aceites, S.A.
- 4.4. Jordi Xuclà Costa has the category of proprietary Director and will continue to represent the core shareholder Alimentos y Aceites, S.A. on the Board of Directors of Ebro.
- 4.5. With the ratification of the appointment by cooptation of Jordi Xuclà Costa as proprietary Director, the composition of the Board reflects, in the opinion of the Board, the ratio of capital controlled by significant shareholders to capital held by institutional investors and non-significant shareholders.

4.6. The ratification of Jordi Xuclà Costa's appointment as a proprietary Director is in keeping with the principles of diversity of expertise and experience on the Board of Directors behind the Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.

4.7. Jordi Xuclà Costa is sufficiently available to perform his duties adequately.

In short, the Board considers it appropriate to ratify the appointment by cooptation of Jordi Xuclà Costa as Director of the Company for the remaining term of office of the Director Alimentos y Aceites, S.A., which caused the vacancy filled by Mr Xuclà Costa. Mr Xuclà Costa is classified as a proprietary Director.

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Madrid, 25 May 2022

Annexes:

Annex 1. Proposed resolution submitted to the General Meeting by the Board of Directors

Annex 2. Report by the Nomination and Remuneration Committee

Annex 3. Professional profile of Jordi Xuclà Costa

**Annex 1**

**Proposed resolution submitted to the General Meeting**

*“6.2. Ratification of the appointment by cooptation of the director Jordi Xuclà Costa.*

To ratify the appointment by cooptation of the Director Jordi Xuclà Costa, resolved by the Board on 30 March 2022 to fill the vacancy on the Board produced by the resignation tendered by Alimentos y Aceites, S.A. Jordi Xuclà Costa is classified as a proprietary Director.”

## Annex 2

### **REPORT BY THE NOMINATION AND REMUNERATION COMMITTEE OF EBRO FOODS, S.A. ON RATIFICATION OF THE APPOINTMENT BY COOPTATION OF THE DIRECTOR JORDI XUCLÀ COSTA**

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#### **1. Introduction**

Jordi Xuclà Costa 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 30 March 2022, with the category of proprietary Director and until the date of the next General Meeting. That resolution was passed in view of the mandatory reports issued by the Board of Directors and the Nomination and Remuneration Committee, pursuant to section 529 decies, paragraphs 5 and 6, of the Corporate Enterprises Act.

Jordi Xuclà Costa expressly accepted his appointment as Director of the Company at the Board meeting held on 30 March 2022.

Mr Xuclà Costa was appointed Director of Ebro by cooptation to fill the vacancy produced on the Board following the resignation tendered by the proprietary Director Alimentos y Aceites, S.A. on 24 March 2022, with effect from 29 March 2022. At the date of resignation, the term of office of the Director Alimentos y Aceites, S.A. was 4 years from 16 December 2020, the date of the Extraordinary General Meeting at which its re-election for that term was approved.

Pursuant to the Corporate Enterprises Act, section 244, Mr Xuclà Costa’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 Board plans to table a motion at the forthcoming Annual General Meeting to ratify the appointment by cooptation of Jordi Xuclà Costa as Director, pursuant to the Corporate Enterprises Act, section 529 decies, paragraph 4.

Pursuant to the Corporate Enterprises Act, section 529 decies, paragraph 6, any proposal for the appointment of a non-independent director must be preceded by a report by the nomination and remuneration committee. The Nomination and Remuneration Committee of the Company issues this report in compliance with that requirement.

#### **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 appointment of Jordi Xuclà Costa as proprietary 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, 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, it 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. Analysis of the motion tabled by the Board at the Annual General Meeting for ratification of the appointment by cooptation of Jordi Xuclà Costa as Director**

The Nomination and Remuneration Committee has taken the following into consideration to issue its favourable report:

- a) The fact that at the time of its resignation, the Director Alimentos y Aceites, S.A. had a term of office of 4 years from the date of its re-election at the Extraordinary General Meeting held on 16 December 2020.
- b) The classification of Jordi Xuclà Costa as a proprietary Director, because his appointment was proposed by the core shareholder Alimentos y Aceites, S.A., which he represents on the Board of Directors.
- c) The academic qualification of Jordi Xuclà Costa as a graduate in Law, his academic work in International Relations and its recognised prestige in the field of Communication. Moreover, Jordi Xuclà Costa's extensive track record in the private sector (as jurist and consultant in international relations) and in the public sector, within several international organisations and as Director at present of RENFE Mercancías, make him a valuable asset for the Board and increase the diversity of expertise within its composition.
- d) The fact that the ratification of Jordi Xuclà Costa's appointment complies with most of the principles of the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors. The Committee is nevertheless aware of the need to work on increasing women's presence on the Board in order to achieve again the 40% goal recommended by the Code of Good Governance and established in the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.

### **4. Conclusions**

Following the analysis and assessment made, the Nomination and Remuneration Committee unanimously resolved on 25 May 2022 to submit a favourable report to the AGM on ratification of the appointment by cooptation of Jordi Xuclà Costa as Director for the term remaining up to the end of the term of office held by Alimentos y Aceites, S.A., which caused the vacancy filled by Mr Xuclà Costa. Jordi Xuclà Costa is classified as a proprietary Director.

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Madrid, 25 May 2022.

**Annex 3****Professional profile of Jordi Xuclà Costa**

(Olot, 13-05-1973)

He has a Law degree from the University of Girona, a master in National Defence (CESEDEN) and a PhD in Communication from Ramón Llull University, among other qualifications.

He is a jurist and consultant in International Relations and was formerly a lecturer in Administrative Law at the University of Girona and the University of Barcelona.

He has also served as Senator-elect for Girona, CiU ((2000-2004, VII Legislature) and as Deputy, Congress of Deputies (2004-2019) and member of the Parliamentary Assembly of both the Western European Union (2008-2011) and NATO (2008-2011), among others.

He currently lectures in International Relations at San Pablo CEU University and Ramón Llull University, and is at the same time a member of the Advisory Council of Llorente&Cuenca, and member of the Board and Chairman of the Audit and Compliance Council of RENFE Mercancías.

Member of the Jury of “European Award Citizenship, Security and Defence”, organised by CiDAN and Trustee of Foundation Josep Pla.

Among other distinctions, he has been awarded the ‘Encomienda al Mérito Civil’ (Commendation for Civil Merit).

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