

REPORT BY THE BOARD OF DIRECTORS OF EBRO FOODS, S.A. REGARDING THE PROPOSAL FOR RE-ELECTION OF THE DIRECTOR ANTONIO HERNÁNDEZ CALLEJAS

1. Introduction

Antonio Hernández Callejas was re-elected Director of Ebro Foods, S.A. (“**Ebro**” or the “**Company**”) for the statutory term of four years by virtue of a resolution adopted at the annual general meeting on 5 June 2018. Antonio Hernández Callejas, as Executive Chairman of the Ebro Foods Group, is an Executive Director.

Pursuant to section 222 of the Corporate Enterprises Act, at the end of the term of appointment, that appointment expires on the date of the general meeting - or the end of the time stipulated for holding the general meeting - that is to approve the accounts of the previous year.

Accordingly, considering the imminent expiry of the appointment of Antonio Hernández Callejas as Director of Ebro, and as the AGM is scheduled for 29 June 2022 (on first call) and 30 June 2022 (on second call), the Board is considering tabling a motion at the forthcoming AGM for the re-election of Antonio Hernández Callejas as Director for the statutory term of four years, in the terms set out in **Annex 1** hereto.

The motion to be tabled at the AGM for the re-election of Antonio Hernández Callejas as Director for the statutory term of four years has been previously assessed and a favourable report issued by the Nomination and Remuneration Committee pursuant to 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 by the Nomination and Remuneration Committee, containing an analysis of the composition and present needs of the Board, in accordance with the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors, is appended in **Annex 2** hereto.

The professional profile of Antonio Hernández Callejas 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, coinciding with the publication of the notice of call to the forthcoming Annual General Meeting 2022. They will also be incorporated in the corresponding minutes of the Board meeting and General Meeting.

2. Legal and regulatory aspects

2.1. Category of Executive Director

Pursuant to the Corporate Enterprises Act, section 529.duodecies.1, “*Executive directors are those who perform management duties in the company or its group, regardless of their legal relationship with it. ... / ... When a director performs management duties and,*

is or represents a significant shareholder or is represented on the board, that director will be considered an executive director.”

Accordingly, Antonio Hernández Callejas will be an Executive Director as long as he continues, as Executive Chairman, to perform executive and management duties in the Group.

2.2. Re-election by the General Meeting of a Director

Pursuant to Article 20 of the Company’s Articles of Association, Directors are appointed for a term of four years, after which they are eligible for re-election on one or several occasions for terms of an equal duration. The re-election of Directors is also contemplated in section 221.2, second paragraph, of the Corporate Enterprises Act, Article 20 of the Articles of Association and Article 30.1 of the Regulations of the Board.

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.

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 proposed candidate, which will 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).

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

3. Justification of the motion

The Board considers the re-election of Antonio Hernández Callejas as Director appropriate by virtue of the executive and management duties he has been performing in the Company and its Group as Executive Chairman, and the assessment made in this report.

4. Assessment of the competence, experience and merits of the candidate

The Board considers that Antonio Hernández Callejas has the necessary competence, experience and merits to continue as Director on the Board of Directors of Ebro, in view of the following qualities:

- The professional profile of Antonio Hernández Callejas and his in-depth knowledge of the food sector in general and the rice and pasta sectors in particular, on a national and international scale, and of the structure and activities of the Company and its Group.
- The brilliant performance by Antonio Hernández Callejas so far of the duties corresponding to the different positions he has held on the Board: since 2002,

Director, vice-chairman and member of the Executive Committee of Ebro Foods, S.A.; subsequently, in 2004, Managing Director; and since 2005, Executive Chairman of the Ebro Group, member of the Executive Committee and member of the Strategy and Investment Committee of the Company.

- Antonio Hernández Callejas has amply demonstrated his capacity and professional worth in the performance of his executive and management duties within the Ebro Group.
- The Ebro Group has experienced a spectacular national and international development under the leadership of Antonio Hernández Callejas. It is now the leading food group in Spain, the global leader of the rice sector and enjoys a major global position in the categories of premium and fresh pasta, operating in 71 countries in Europe, America, Africa and Asia with a portfolio of 84 brands.
- Antonio Hernández Callejas is the chief executive and one of the Group's key assets.

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, Antonio Hernández Callejas has informed the Company that he still has sufficient availability to be able to correctly perform his duties.

5. Conclusion

In view of the foregoing, the Board considers that:

- 5.1. Antonio Hernández Callejas has the necessary qualifications and professional expertise required of Directors and the position of Executive Chairman in view of the needs of the Board and the Company and its Group, so it is appropriate to table a motion at the AGM for re-election of Antonio Hernández Callejas as Director of the Company for the statutory term of four years. Antonio Hernández Callejas is classified as an executive Director.
- 5.2. Said motion complies with the requirements established by the Corporate Enterprises Act, the Articles of Association and the Regulations of the Board, and with most of the principles established in the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.
- 5.3. The proposal to re-elect Antonio Hernández Callejas is in keeping with the composition and present needs of the Board, previously analysed by the Nomination and Remuneration Committee.
- 5.4. The Hernández family, of which Antonio Hernández Callejas is a member, is the Company's principal core shareholder.
- 5.5. In the Board's opinion, with the re-election of Antonio Hernández Callejas as Director, the composition of the Board reflects the relationship between the percentage of capital controlled by significant shareholders and the percentage held

by institutional investors and minority shareholders, even though Antonio Hernández Callejas is actually classified as an Executive Director because he performs executive and management duties in the Company and its Group.

- 5.6. It is convenient for Antonio Hernández Callejas to remain on the Board in order to maintain optimum stability and balance in the composition of this body.
- 5.7. Antonio Hernández Callejas is sufficiently available to ensure due performance of his executive and management duties as Executive Chairman.

In short, the Board considers Antonio Hernández Callejas a suitable candidate to be Director of the Company and that, as such, he would be an executive Director.

Madrid, 25 May 2022.

Annexes:

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

Annex 2. Report by the Nomination and Remuneration Committee

Annex 3. Professional profile of Antonio Hernández Callejas

**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.**

Annex 1

Proposed resolution submitted to the General Meeting

“6.3. Re-election of the director Antonio Hernández Callejas.

To re-elect Antonio Hernández Callejas as Director of the Company for the statutory term of four years. Antonio Hernández Callejas is classified as an Executive Director.”

Annex 2

REPORT BY THE NOMINATION AND REMUNERATION COMMITTEE OF EBRO FOODS, S.A. ON THE RE-ELECTION OF THE DIRECTOR ANTONIO HERNÁNDEZ CALLEJAS

1. Introduction

Antonio Hernández Callejas was re-elected Director of Ebro Foods, S.A. (“**Ebro**” or the “**Company**”) for the statutory term of four years by virtue of a resolution adopted at the annual general meeting on 5 June 2022. Antonio Hernández Callejas, Executive Chairman of the Ebro Group, is classified as an executive Director.

Pursuant to section 222 of the Corporate Enterprises Act, at the end of the term of appointment, that appointment expires on the date of the general meeting - or the end of the time stipulated for holding the general meeting - that is to approve the accounts of the previous year.

Furthermore, pursuant to section 221.2, second paragraph of the Corporate Enterprises Act, Article 20 of the Company’s Articles of Association and Article 30.1 of the Regulations of the Board, Directors may be re-elected on one or several occasions for terms of an equal duration to that contemplated in the articles of association.

Accordingly, considering the imminent expiry of the appointment of Antonio Hernández Callejas as Director of Ebro, and as the AGM is scheduled for 29 June 2022 (on first call) and 30 June 2022 (on second call), the Board is considering tabling a motion at the forthcoming AGM for the re-election of Antonio Hernández Callejas as Director for the statutory term of four years. Antonio Hernández Callejas is classified as an Executive Director and is Executive Chairman of the Company and its Group.

For this purpose, pursuant to section 529 decies of the Corporate Enterprises Act, in addition to the corresponding report by the Board on the competence, experience and merits of the proposed candidate (paragraph 5), the motion must also be preceded by a report by the Nomination and Remuneration Committee (paragraph 6).

In addition, Article 25.4(a) of the Regulations of the Board of Directors of Ebro provides that said committee shall inform always prior to the submission to the General Meeting of any proposal regarding the appointment of Directors.

In compliance with the aforesaid legal and regulatory provisions, the Nomination and Remuneration Committee issues this report on the proposal submitted to the AGM for the re-election of Antonio Hernández Callejas as Director for the statutory term of four years.

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

The Nomination and Remuneration Committee analyses 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 Control 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 Control 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 regarding the re-election of Antonio Hernández Callejas as Director

The Nomination and Remuneration Committee took the following into consideration to issue this favourable report:

- a) The performance of Antonio Hernández Callejas of his duties as Director and Executive Chairman, right from when he took office in 2005, and his outstanding track record previously as Director, Vice-Chairman and managing Director of the Board.
- b) The professional profile of Antonio Hernández Callejas is suited to the peculiarities of the business performed by the Company and its Group and his in-depth knowledge of the food sector in general and the rice and pasta sectors in particular, on both a national and international scale, and the structure and activities of the Company and the Group, make him an essential asset for Ebro.
- c) The satisfactory development of the Ebro Group on a national and international scale under his leadership. It is now the leading food group in Spain and global leader of the rice sector, with a prominent global position in the categories of premium and fresh pasta.
- d) The Hernández family, of which Antonio Hernández Callejas is a member, is the Company's principal shareholder.
- e) The nomination of Antonio Hernández Callejas complies with the principles of the Company Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.
- f) Antonio Hernández Callejas has the time and skills necessary for due performance of his executive duties.
- g) Antonio Hernández Callejas is classified as an executive Director by virtue of the executive and management duties he has been performing for the Company and its Group since 2005.

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 Board on the motion to be tabled at the AGM for re-election of Antonio Hernández

Callejas as Director for the statutory term of four years. Antonio Hernández Callejas is classified as an executive Director.

Madrid, 25 May 2022.

Annex 3**Professional profile of Antonio Hernández Callejas**

(Navarra, 20-07-1955)

Antonio Hernández Callejas has a BA in Economics from the University of Seville and a diploma in Law.

He began his professional career in 1979 in Arrocerías Herba, a rice enterprise founded by the Hernández family.

In 2002, he was appointed Director, Vice-Chairman and member of the Executive Committee of Ebro Foods, S.A. and since then he has been a key figure in the transformation and international expansion of the Ebro Group.

In 2004, he was appointed Managing Director and in 2005 he became Executive Chairman of the Ebro Group.

Under his chairmanship, the Ebro Group has positioned itself as the leading food group in Spain, the global leader in the rice sector and enjoys a major global position in the categories of premium and fresh pasta, operating in 71 countries in Europe, America, Africa and Asia with a portfolio of 84 brands.

Over his professional career, he has received several prizes and awards, such as the “Dinero” Business Prize for the best business management, Officer of the National Order of Merit of the Republic of France, Prize for Outstanding Business Career awarded by the Social Council of Seville University and the Confederation of Entrepreneurs from Seville (CES), Gold Medal of the City of Seville, Joly Group Award for Innovation in the Food Industry, Manuel Clavero Award, Prize for Business Sponsorship of the University of Seville and the Tiepolo Prize.

He speaks English, French and Italian.
