

ANNUAL ACTIVITY REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE OF EBRO FOODS, S.A. FOR THE YEAR ENDED 31 DECEMBER 2022

1. Duties and responsibilities

The Nomination and Remuneration Committee was set up by virtue of a resolution adopted by the Board of Directors on 22 September 1998. As a delegated committee of the Board it has the duties and responsibilities attributed to it by law, the Articles of Association and the Regulations of the Board of Directors of Ebro Foods, S.A. (the "Company").

The requirement imposed on companies by the current Corporate Enterprises Act to have a committee of this nature brought nothing new to the Company, which, as mentioned above, had had a Nomination and Remuneration Committee since 1998.

With regard to its duties, section 529 quincecies of the Corporate Enterprises Act establishes that, *"without prejudice to any other duties assigned to it by law, the articles of association or, in accordance therewith, the regulations of the board of directors, the nomination and remuneration committee shall have at least the following duties:*

- a) *Assess the powers, expertise and experience required in the board of directors. It shall define the duties and skills required of the candidates who are to fill each vacancy and assess the necessary time and dedication for directors to perform their duties effectively.*
- b) *Establish a target representation for the gender least represented on the board and draw up guidelines on how to reach that target.*
- c) *Propose independent directors for appointment by the board by cooptation or submission of the decision to the general meeting, as well as proposals for the re-election or removal of those directors by the general meeting.*
- d) *Inform on nominations for other directors for appointment by cooptation or submission of the decision to the general meeting, as well as proposals for the re-election or removal of those directors by the general meeting.*
- e) *Inform on proposals for the appointment and removal of senior executives and the basic terms of their contracts.*
- f) *Study and organise the succession of the chairman of the board and CEO of the company and, where appropriate, submit proposals to ensure that the succession is well-planned and made in an orderly fashion.*
- g) *Propose the remuneration policy to the board for directors, general managers or any performing senior management duties reporting directly to the board, executive committees or managing directors, as well as the individual remuneration and other terms of contract of the executive directors, overseeing compliance with the policy."*

Article 25.4 of the Regulations of the Board (following the changes made by the Board on 15 December 2021 and after informing the shareholders at the Annual General Meeting held on 29 June 2022) establishes the following: *"In addition to any other powers corresponding to it by law, the Articles of Association or these Regulations, the*

Committee shall study, issue reports and submit proposals for the Board, at its request, on the following matters:

- a) Definition and, where appropriate, revision of the criteria to be followed for the composition and structure of the Board and selection of candidates to join the Board, informing always prior to the appointment of a Director by cooptation or the submission to the General Meeting of any proposal regarding the appointment or removal of Directors.*
- b) Appointment of the Chairman, and Vice-Chairman if any, of the Board, Managing Director(s), Lead Independent Director and the Secretary, and Vice-Secretary if any, of the Board; appointment of Directors to the Committees of the Board; and appointment and possible dismissal of senior executives and their termination benefit clauses.*
- c) Position of the Company regarding the appointment and removal of board members in subsidiaries.*
- d) Proposal of directors' remuneration, according to the system of remuneration established in the Articles of Association and the applicable Remuneration Policy and the executive directors' relationship with the Company. The Committee shall also inform in advance on: (i) any resolution or proposal of the Board on the remuneration of directors and executives indexed to the value of the shares in the Company or its subsidiaries or consisting of the delivery of shares in the Company or its subsidiaries or the granting of options thereover; (ii) establishment by the Board of the individual remuneration of each Director for their duties as such; and (iii) establishment by the Board of the individual remuneration of each Executive Director for their executive duties pursuant to the Remuneration Policy and the terms of their contract.*
- e) Supervision of the senior management remuneration and incentives policy, obtaining information and reporting on the criteria followed by the Company's subsidiaries in this respect.*
- f) Assessment of the principles of the management training, promotion and selection policy in the parent company and, where appropriate, in its subsidiaries.*
- g) Examination and organisation, as deemed adequate, of the succession of the Chairman and chief executive and, if appropriate, submission of proposals to the Board to ensure that such succession is made in an orderly, well-planned manner.*
- h) Preparation and proposal of the Annual Report on Directors' Remuneration and the Directors' remuneration policy in accordance with the laws and regulations in place from time to time.*
- i) Setting targets for the representation of the least represented gender on the Board and issue guidelines on how to achieve them."*

2. Composition

The composition of the Nomination and Remuneration Committee is regulated in Article 28.3 of the company's Articles of Association and Article 25.1 of the Regulations of the Board.

As stipulated in Article 28.3 of the Articles of Association, "A Nomination and Remuneration Committee shall also be set up within the Board, with no fewer than three nor more than five members appointed by the Board. All the members of this Committee shall be non-executive directors and at least two of them shall be independent directors.

The Board shall appoint one of the independent directors on the Nomination and Remuneration to chair that committee. In the event of absence or temporary unavailability of the Chair, they shall be substituted by a member of the Committee provisionally so nominated by the Board, or otherwise by the Committee member designated by the Committee for the specific meeting."

Article 25.1 of the Regulations of the Board establishes that, *"A Nomination and Remuneration Committee shall also be set up within the Board, with no fewer than three nor more than five directors. All the members of this Committee shall be non-executive directors and at least two of them shall be independent directors, appointed by the Board pursuant to the law, the Articles of Association and these Regulations."*

The composition of the Nomination and Remuneration Committee from 1 January 2022 up to the date of this report was as follows, with no changes during the year:

- Fernando Castelló Clemente – Chair (independent director)
- Demetrio Carceller – Member (proprietary director)
- Grupo Tradifín, S.L. (Blanca Hernández Rodríguez) - Member (proprietary director)
- Mercedes Costa García – Member (lead independent director)
- Belén Barreiro Pérez-Pardo - Member (independent director)

Pursuant to the Regulations of the Board, Luis Peña Pazos, (non-director) Secretary of the Board, is also (non-member) Secretary of the Nomination and Remuneration Committee.

Both the Nomination and Remuneration Committee and the Board of Directors consider the current composition of the Committee adequate. The key qualities of its members include their expertise and experience in corporate governance, human resources strategies, senior management duties and the designing of remuneration plans. In most cases these qualities derive from their extensive business experience in medium and large cap enterprises. The educational qualifications and professional experience of the members of the Nomination and Remuneration Committee can be found on the corporate website www.ebrofoods.es. The current composition of the Committee is also considered to have adequate diversity, both in expertise and experience and in matters relating to gender and the category of directors. In this regard it is noted that:

- There are currently three women (out of five members, i.e. 60%) on the Committee;
- Most of its members are independent directors (also three out of five, i.e. 60%), in line with the relevant good governance recommendations (Recommendation 47 of the Good Governance Code);
- Although both the proprietary directors on the Committee represent shareholders with a significant interest in the company's capital, they do not have a controlling influence on the management of the company and its Group, which reinforces the necessary independence of this Committee;
- Finally, the lead independent director is a member of the Nomination and Remuneration Committee.

3. Procedure

Pursuant to Article 28.3 of the Articles of Association, *“The Nomination and Remuneration Committee shall meet with the frequency stipulated in the Regulations of the Board and as and when called by its Chair, whenever so decided by at least two of its members or at the request of the Board. Committee meetings shall be held at the registered office or wheresoever else may be decided by the Chair and indicated in the notice of call, and shall be quorate when attended, in person or by proxy, by the majority of its members. Resolutions shall be carried with the votes in favour of the majority of members attending the meeting. In the event of a tie, the Chair, or acting Chair, shall have the casting vote. The Secretary of the Committee shall be appointed by the Board and shall issue minutes of the resolutions adopted, which shall be reported to the Board.”*

And according to Article 25.3 of the Regulations of the Board, *“The Committee shall meet whenever called by its Chair or at the request of two of its members and at least once every three months. It shall also meet whenever so required by law or when the Board requests the issuance of reports, submission of proposals or adoption of resolutions within the scope of its duties.”*

Furthermore, Article 22 of the Regulations of the Board contains general provisions applicable to all the Committees of the Board.

4. Summary of activities performed during 2022

The Nomination and Remuneration Committee held seven (7) meetings in 2022, all attended by the Committee Chair. All the meetings were held in person, although online attendance was also enabled.

The actions taken by the Nomination and Remuneration Committee (the “Committee”) during the year are summarised below:

- Meeting of 26 January 2022:

- The Committee was informed of the resignation tendered by Pedro Antonio Zorrero Camas as Director and member of the Executive Committee and Audit, Control and Sustainability Committee, for professional reasons,

notified in a letter dated 15 December 2021 with effect from 31 December of the same year. Since Mr Zorrero Camas was an independent director, the Committee discussed the reasons given by Mr Zorrero Camas for his resignation in his letter of 15 December, concluding that his decision to resign was clearly not related with any discrepancies with the company's strategy, directors or executives, or with its core shareholders.

- In view of the vacancy produced and as the conditions were met for the Board of Directors to consider filling it through the cooptation procedure, the Committee analysed the composition of the Board in respect of the number and categories of directors, the number of women on the Board and the diversity of expertise and professional experience of its members. Based on that analysis, it assessed the candidacy of Marc Thomas Murtra Millar for appointment as director and his classification as an independent director, with a view to submitting his nomination to the Board. Issuing the appropriate reports, the Committee also proposed to the Board, in the event that the latter were to agree to appoint Mr Murtra Millar director, that he be appointed member of the Audit, Control and Sustainability Committee and the Executive Committee.

- **Meeting of 16 February 2022**

- Resolutions were adopted regarding the proposal to set the fixed remuneration of the directors for their duties as such, the Executive Chairman (if appropriate) and the senior executives of the Group.

The Committee assessed the degree of achievement of the quantitative targets to which the variable remuneration of the Executive Chairman (the only Director performing executive duties), senior executives and other Group employees is tied and agreed to submit the appropriate proposals to the Board of Directors.

- The Committee agreed to propose to the Board payment to the directors of the second interim instalment of the statutory remuneration for 2021.

- **Meeting of 30 March 2022:**

- The Committee was informed of the resignation tendered by the proprietary director Alimentos y Aceites, S.A. (represented by María Jesús Garrido Solís) in a letter dated 24 March 2022 with effect from 29 March of the same year, on grounds of internal organisation of its majority shareholder SEPI.
- In view of the vacancy produced and as the conditions were met for the Board of Directors to consider filling it through the cooptation procedure, the Committee analysed the composition of the Board in respect of the number and categories of directors, the number of women on the Board and the diversity of expertise and professional experience of its members. Based on that analysis, it studied and assessed the candidacy put forward by the core shareholder Alimentos y Aceites, S.A. (SEPI) of Jordi Xuclà Costa as proprietary director, agreeing to submit a proposal to the Board for the

appointment by cooptation of Jordi Xuclà Costa as director, with the classification of proprietary director nominated by Alimentos y Aceites, S.A. (SEPI).

- The Committee studied and agreed to recommend the Board, with a favourable report, to approve the Report on Directors' Remuneration for 2021 to be put to an advisory vote at the Annual General Meeting 2022 as a separate item on the agenda.
 - The Committee studied and agreed to issue a favourable report to the Board on the information included in the Annual Corporate Governance Report 2021 on remuneration and categories of directors.
 - The Committee agreed to start work on the self-assessment of the Board of Directors, its Committees and the Executive Chairman during 2021. It was agreed that this assessment would be made without assistance from an external consultant, since that assistance was provided for the 2020 assessment.
 - It was agreed to start drawing up the Long-Term Incentive Scheme tied to the Strategic Plan 2022-2024.
 - The Committee accepted the request from the Executive Chairman of the Board that his fixed remuneration for the performance of his executive duties should not be subject to annual review in accordance with the general criterion approved by the Board for the executives of the Ebro Group in Spain, but should instead be frozen unless its review were considered appropriate in view of prevailing circumstances. The Committee agreed to submit that request to the Board for approval.
 - The Committee's activity report 2021 was prepared.
- **Meeting of 27 April 2022:**
- The Committee was informed of the proposed Long-Term Incentive Scheme tied to the Strategic Plan 2022-2024 submitted by Management and agreed to assess it with a view to submitting a final proposal to the Board at its meeting scheduled for May.
- **Meeting of 25 May 2022:**
- The Committee resolved to submit to the Board for approval, with a favourable report, the final proposal of the Long-Term Incentive Scheme tied to the Strategic Plan 2022-2024.
 - The Committee assessed the convenience and timeliness of submitting to the Board, to be tabled at the Annual General Meeting scheduled for June 2022, proposals for: (i) ratification of the appointments by cooptation of Marc T. Murtra Millar and Jordi Xuclà Costa; and (ii) re-election of the two directors whose term of office ended in 2022, Antonio Hernández Callejas and Fernando Castelló Clemente. After issuing the appropriate reports, the

Committee submitted the corresponding proposals to the Board, which included, in case the General Meeting approved them, proposals for the re-election of those directors as members of the Committees they are currently on.

- The Committee assessed and issued the corresponding specific favourable report to the Board on the proposal to amend the Directors' Remuneration Policy 2022-2024 to be laid before the Annual General Meeting to be held on 29 June 2022.
- Anticipating that the remuneration of the directors for their duties as such in 2021 would be approved at the Annual General Meeting to be held on 29 June 2022, the Committee submitted a favourable report to the Board on the final payment of that remuneration. It also informed favourably on the first payment on account of the statutory fixed remuneration of directors for their duties as such in 2022.

- **Meeting of 28 September 2022:**

- The process of assessment of the Board of Directors, its Committees, the Chairman and the Lead Independent Director corresponding to 2021 was begun, with review and approval of the contents of the assessment questionnaires and personal distribution thereof among the directors.
- It was resolved to propose to the Board, with a favourable report, approval of the employee Share Delivery Plan 2022.

- **Meeting of 23 November 2022:**

- The process of assessment of the Board, its Committees and the Executive Chairman corresponding to 2021 was reviewed, with direct participation by the Lead Independent Director (as member of the Committee), and the corresponding report on conclusions and recommendations was approved and submitted to the Board.
- In view of the imminent expiry of the term of office of the Chair of the Audit, Control and Sustainability Committee, the Committee assessed possible candidates to chair that committee and resolved to submit a favourable report to the Board on the appointment of Marc Thomas Murtra Millar as Chair of the Audit, Control and Sustainability Committee to replace Ms Costa García.

5. Principal aspects of the Committee's actions

5.1. Assessment of candidates and proposals for the appointment or ratification of Directors

Whenever it has been appropriate, the Committee has reviewed the composition of the Board and issued the corresponding reports regarding the appointment and re-election of directors, and the ratification of directors' appointment by cooptation.

For this purpose, the Committee has analysed the composition and needs of the Board from time to time prior to assessment for the issuance of any report on this matter, ensuring that the proposals submitted conform to the principles set out in the Policy for the Selection of Directors and Diversity in the Composition of the Board approved by the Board of Directors.

In this regard, it is worth mentioning that prior to the resignation of Alimentos y Aceites, S.A., which had been represented on the Board by a woman, there were 6 women on the Board of Directors, representing 42.857% of the total number of members set by the General Meeting (14), so the company had reached and exceeded the target recommended by the Code of Good Governance and set in the company's Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors. In March 2022, after Alimentos y Aceites, S.A. stepped down from the Board and a male proprietary director was nominated by Alimentos y Aceites, S.A. (SEPI), the number of women on the Board fell from 6 to 5 and the number of men rose from 8 to 9, as a result of which the percentage of women on the Board dropped to 35.714% of the total Board members (14), falling short of the 40% target.

The Committee is aware of the need to increase the number of women on the Board to restore the proportion of at least 40% recommended by the Code of Good Governance and set as a target in the Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.

It is also worth mentioning the work done by the Committee in 2022 regarding the classification of Marc Thomas Murtra Millar as an independent director, considering that his name had originally been put forward by SEPI, a core shareholder of Ebro. In this regard, in its assessment of this candidate and especially when analysing his classification, the Committee was particularly meticulous, taking every precaution and obtaining all the information it considered necessary to make quite sure that the candidate had no bonds that might affect his independence, following the relevant principles set out in the CNMV Technical Guidelines 1/2019.

5.2. Remuneration of directors and executives

As every year, in February (when the financial information for the previous year is finalised), the Nomination and Remuneration Committee checked that the quantitative budgets to which the variable remuneration of executives and other Group employees is tied were met (with a view to submitting a proposal to the Board).

In addition to general aspects, the Committee makes a specific analysis of the remuneration of executives who are considered part of the senior management for pay purposes. Essentially, the senior management consists of the Executive Chairman, the Chief Operating Officer (COO), the Secretary of the Board and the Company and the managers of the different business units of the Ebro Foods Group.

Apart from checking the quantitative criteria to which the annual bonus is linked, the Committee examines the aspects affecting the deferred bonus established for certain senior executives, corresponding to the goals established in the three-year strategic plans.

Finally, the Committee assesses and submits to the Board: (i) a proposal for the statutory fixed remuneration of directors for their duties as such; (ii) the review, if necessary, of the fixed remuneration of executives and employees for the following year; and (iii) a proposal to maintain or change, as appropriate, the amounts or criteria for determining the remuneration of executives and employees for the following year. It also submits to the Board its report on: (i) the individual remuneration of the Directors for their duties as such according to the points system contemplated in the Remuneration Policy in place from time to time, and (ii) the individual remuneration corresponding to the Executive Chairman (the only director with executive duties in the Company and its Group) according to the items and criteria established in his contract.

All these aspects were dispatched by the Nomination and Remuneration Committee at its meeting on 16 February 2022.

5.3. Annual assessment of the Board of Directors, the Executive Chairman and the Committees of the Board

The Nomination and Remuneration Committee is responsible for organising the annual assessment of the Board of Directors, its Chairman and its Committees. The Committee generally defines and coordinates the process, which is carried out through the Secretary.

In 2022 (regarding the self-assessment of 2021), the Nomination and Remuneration Committee did not receive assistance from an external consultant to make the assessment (since it had received that external assistance in 2021, for the assessment of 2020), and followed the same outline for assessment defined with the aid of the consultant for the 2017 assessment (made in 2018).

That outline is essentially based on the answers given by all the directors in a questionnaire, which includes questions enabling an insight into the personal perception by each director of all the most important aspects of the functioning and performance of the Board of Directors, the Executive Chairman, the Board Committees (both the members of the respective Committee and the remaining directors who are not members of them, in order to obtain an assessment of the internal functioning of the respective Committee and how the directors who are not on that Committee rate its performance) and the Lead Independent Director. Directors were also asked for their opinion on the measures regarding the functioning of the Board and its Committees implemented in the wake of the assessment made in the previous year and whether they were adequate for improving the aspects that gave rise to their implementation.

The outcome of the assessment made in 2022 showed once again that directors were very satisfied with the functioning of the Board and its Committees and the performance by the Executive Chairman and the Lead Independent Director of their duties.

The assessment process concluded with presentation of the assessment report by the Board of Directors (together with the activity reports submitted by the Audit, Control and Sustainability Committee and the Nomination and Remuneration Committee for the period assessed) and adoption by the Board of the measures it considered necessary in the light thereof. In this regard, the Board took account of the recommendations, where appropriate, submitted by the Nomination and Remuneration Committee.

5.4. Review of public information on remunerations

Any public information on remunerations is reviewed by the Nomination and Remuneration Committee, which submits whatever proposals it considers appropriate to the Board of Directors.

Each year, the Committee reviews and reports to the Board, with whatever comments it may deem fit, on the following information:

- The contents of the Annual Report on Directors' Remuneration for the previous year;
- The information on remuneration contained in the Annual Corporate Governance Report on the previous year.

5.5. Other actions

During 2022, in addition to the actions mentioned above (recurring), the Nomination and Remuneration Committee:

- Submitted to the Board for approval, together with a favourable report, the proposed Long-Term Incentive Scheme tied to the Strategic Plan 2022-2024;
- Submitted to the Board, to be laid before the shareholders at the Annual General Meeting on 29 June 2022, the proposal and specific report for amendment of the Directors' Remuneration Policy 2022-2024;
- Assessed and informed the Board in advance on the payments to be made to directors of their fixed remuneration for their duties as such corresponding to both 2021 (paid in full in 2022) and 2022 (partly paid, as an advance payment, during 2022);
- Assessed and resolved to submit a proposal to the Board for approval of an employee Share Delivery Plan 2022.

Furthermore, in line with the provisions of the CNMV Technical Guidelines 1/2019, the attendance by Group executives of Committee meetings was limited to cases in which this was absolutely necessary. Whenever executives attended meetings, this was strictly for the duration of their report on the appropriate matters and they left the meetings immediately afterwards (thus enabling the Committee to discuss the matters in question with total freedom and independence).

6. Assessment and performance

The Nomination and Remuneration Committee does not assess its own performance during the year, although as mentioned earlier the annual assessment of the Board of Directors, its Committees and the Executive Chairman includes aspects exclusively corresponding to the Nomination and Remuneration Committee. Those aspects are intended to assess both the internal procedures of the Committee (with questions aimed exclusively at its members) and its relations with and counselling of the Board of Directors in matters falling within its remit (with questions aimed at all Directors

regarding their perception of the composition, powers, duties, procedures and reporting to the Board by the Nomination and Remuneration Committee).

In this regard, in the assessment made in 2022 (in respect of 2021), the directors' assessment was very positive.

7. Verification of the degree of compliance with the Policy for the Selection and Diversity of Directors

As mentioned earlier, before analysing any proposals and/or reports regarding the appointment of directors (or representatives of corporate directors) and/or members of the Board Committees, the Nomination and Remuneration Committee checks, together with other aspects, the adequacy of the candidate and the composition of the Board following their possible incorporation in accordance with the principles established in the Policy for the Selection of Directors and Diversity in the Composition of the Board.

8. Responsibility for the information contained in the Annual Activity Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for the contents of this Report, approved by the Committee on 30 March 2023. This report will be made available to the company's shareholders and investors within the Annual General Meeting section on the corporate website www.ebrofoods.es coinciding with publication of the notice of call to the forthcoming Annual General Meeting.

Issued in Madrid, on 30 March 2023.

Fernando Castelló Clemente
Chair

Luis Peña Pazos
Secretary

**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.**