

ANNUAL ACTIVITY REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE OF EBRO FOODS, S.A. FOR THE YEAR ENDED 31 DECEMBER 2023

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 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 (the "**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.”*

From 1 January 2023 to 31 December 2023 the Committee had the following composition, with no changes during that period:

- 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)

As a result of the resignation tendered by the director Fernando Castelló Clemente with effect from 31 December 2023, on 31 January 2024 the Board resolved as follows:

- To appoint as member of the Committee the independent director Elena Segura Quijada, who had been appointed Director by the cooptation procedure at the same Board meeting; and
- To appoint Mercedes Costa García, independent director and Committee member, Chair of the Committee.

Therefore, from 31 January 2024 to the date of issue of this report, the Committee has had the following composition:

- Mercedes Costa García – Chair (lead independent director)
- Demetrio Carceller – Member (proprietary director)
- Grupo Tradifín, S.L. (Blanca Hernández Rodríguez) - Member (proprietary director)

- Belén Barreiro Pérez-Pardo - Member (independent director)
- Elena Segura Quijada – 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 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 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 4 women, which means the female directors represent 80% of the total 5 Committee members (in 2023 there were 3 female members, representing 60% of the total 5 members);
- Most of its members are independent directors (three out of five, i.e. 60%) just as in 2023), in line with the relevant good governance recommendations (Recommendation 47 of the Good Governance Code);
- Although the 2 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;
- The Lead Independent Director is a member (and currently Chair) of the 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 2023

The Committee held six (6) meetings in 2023, all attended by the Committee Chair. All the meetings were held in person, although online attendance was also enabled.

The actions taken by the Committee during the year are summarised below:

- **Meeting of 15 February 2023:**

- Resolutions were adopted regarding the proposal to set the fixed remuneration of the directors for their duties as such, the Executive Chairman 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 2022.

- **Meeting of 30 March 2023:**

- The Committee studied and agreed to recommend the Board, with a favourable report, to approve the Report on Directors' Remuneration for 2022 to be put to an advisory vote at the Annual General Meeting 2023 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 2022 on remuneration and categories of directors.
- The Committee's activity report 2022 was prepared.

- **Meeting of 26 April 2023:**

- The Committee reviewed the composition of the Board of Directors and decided to submit to the Board a proposal to re-elect Marc T. Murtra Millar Director for the statutory term of four years. For the appropriate purposes and given Mr Murtra Millar's status as an independent director, the Committee resolved to table the corresponding proposal accompanied by a favourable report.

- The Committee resolved to table a proposal to the Board, to be laid before the General Meeting of Shareholders, to amend the Directors' Remuneration Policy 2022-2024 in order to include the lowering of the cap on the Executive Chairman's annual bonus (capped at 100% of his annual fixed remuneration, when it could previously reach 150% of his annual fixed remuneration in the event of over-achievement of objectives). The Committee issued the corresponding specific report for the appropriate purposes.
 - The Committee resolved to begin the process of self-assessment of the Board of Directors and its Committees in respect of 2022, for which purpose it decided: (i) not to seek external assistance (which was not necessary according to the applicable good governance recommendations) and (ii) to approve the standard questionnaire for this process, to be sent out to all the Directors for completion.
 - Anticipating that the remuneration of the directors for their duties as such in 2022 would be approved at the Annual General Meeting to be held on 6 June 2023, 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 2023.
- **Meeting of 27 September 2023:**
- The process of assessment of the Board of Directors, its Committees and the Executive Chairman, 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.
 - It was resolved to propose to the Board, with a favourable report, approval of the employee Share Delivery Plan 2023.
 - The Committee took note of the nomination submitted by a Director and reference shareholder to fill a possible vacancy on the Board.
- **Meeting of 22 November 2023:**
- The Committee assessed the nomination of an independent director submitted by a Director and reference shareholder to fill a possible vacancy that may arise on the Board. After validating the nomination, it was filed by the Committee Secretary for review should a vacancy arise. Since this nomination was submitted by a Director and reference shareholder of the Company, all applicable verification measures were applied in its assessment, in accordance with the provisions of the CNMV Technical Guidelines for Nomination and Remuneration Committees.
 - The Committee reviewed the documentation that it had requested from the Secretary regarding the remuneration scheme for the first and second levels of Group executives.

- **Meeting of 20 December 2023:**

- The Committee took note of the resignation tendered by the Director Fernando Castelló Clemente on 10 December 2023 (with effect from 31 December 2023), analysing the reasons given by Mr Castelló Clemente in his letter of resignation sent to the Company, confirming that his resignation was due to purely personal reasons.
- In addition, in view of the imminent vacancy, the Committee urged the Secretary to check that the assessment of the nomination submitted in September was still valid, requesting the Secretary to verify with the candidate and the Director and reference shareholder that had submitted the nomination that there had been no changes in the circumstances assessed earlier.

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 proposals and reports regarding the re-election of an independent director in 2023 and the appointment by cooptation of an independent director in 2024.

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. (in March 2022), 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. This situation still existed at 31 December 2023.

In January 2024, in view of the vacancy on the Board of Directors produced by the resignation tendered by Fernando Castelló Clemente with effect from 31 December 2023, and the proposal and previous favourable report by the Committee, the Board resolved to appoint Elena Segura Quijada Director by the cooptation procedure. This raised the percentage of women on the Board to 42.85%, thus meeting the target recommended by

the Code of Good Governance and 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 2023 and January 2024 regarding the validation of the nomination of Elena Segura Quijada as an independent director, considering that her name had originally been put forward by José Ignacio Comenge Sánchez-Real, a Director and reference shareholder of the Company. In this regard, in its assessment of this candidate and especially when analysing her classification as independent, 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 her 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 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 Committee at its meeting on 15 February 2023, as mentioned earlier.

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

The 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 2023 (regarding the self-assessment of 2022), the 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 2023 (in respect of 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 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 in this regard 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 2023, in addition to the actions mentioned above (recurring), the Nomination and Remuneration Committee:

- Submitted to the Board, to be laid before the shareholders at the Annual General Meeting on 6 June 2023, 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 2022 (paid in full in 2023) and 2023 (partly paid, as an advance payment, during 2023);
- Assessed and resolved to submit a proposal to the Board for approval of an employee Share Delivery Plan 2023.

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 2023 (in respect of 2022), 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 19 February 2024. 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 19 February 2024.

Mercedes Costa García
Chair

Luis Peña Pazos
Secretary

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