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**APPOINTMENTS, REMUNERATION
AND SUSTAINABILITY COMMITTEE
OF VISCOFAN S.A.**

**2022 ANNUAL REPORT OF
ACTIVITIES**

A.- INTRODUCTION

The Appointments, Remuneration and Sustainability Committee (the “Committee”) of Viscofan S.A. was created by agreement of the Board of Directors as a specialist body with the authority to provide information and advice and put forward proposals, facilitating performance of the general function of oversight and control that corresponds to the Board of Directors. The existence of a Committee specialised in the area is currently required under article 529.15 of the Corporate Enterprises Act, recommended by the supervisory bodies and best corporate governance practices.

The rules for the organisation and functioning of the Committee are contained, in the implementation of the Board of Directors Regulations, in its Regulations, whose entire wording is available on Viscofan’s corporate website (www.viscofan.com) within the Corporate Governance section.

The Committee prepares this 2022 Annual Report of Activities to be approved by the Board of Directors, pursuant to article 25 of the Committee Regulations to be provided to the General Shareholders’ Meeting.

B.- COMMITTEE FUNCTIONS AND SCOPE

Chapter II of the Committee Regulations, (articles 5 to 10) includes the scope and functions of the Committee, which incorporates those relating to ESG matters in the terms envisaged in the CNMV’s Code of Good Governance.

C.- COMPOSITION OF THE COMMITTEE

All the Committee members have the status of external directors appointed as members in line with their experience, training and professionalism, and those qualified as “independent” fulfil the independence requirements set out in the legal regulations.

In the 2022 financial year, the following changes occurred in its composition:

1. Mr Néstor Basterra Larroudé and Mr Ignacio Marco-Gardoqui Ibáñez, members of the Committee, owing to the process of renewing the Board of Directors resolved by the General Shareholders’ Meeting of 2022, of April 29, 2022, ceased to be members of the Board of Directors and, consequently, members of the Committee. Following the aforementioned General Meeting, the Board of Directors resolved, first, to reduce the number of members of the Committee from five to four members and, also, at the proposal of the Committee itself, to designate Mr Andrés Arizkorreta García, an independent external director appointed at the aforementioned General Meeting, as a member to fill the vacancy.
2. On 23 June 2022, Mr Juan March de la Lastra, external nominee director, resigned for personal reasons as a member of the Board of Directors and of the Committee, and was replaced therein by resolution of the Board of Directors, based on a report by the Committee, by the external nominee director, Mr Santiago Domecq Bohórquez.

Accordingly, with the above changes, the composition of the Committee is as follows:

Name	Position	Type
Mr Jaime Real de Asúa Arteche	Chairman	External Independent
Mr José María Aldecoa Sagastasoloa	Member	External Independent
Mr. Santiago Domecq Bohórquez	Member	External Nominee
Mr Andrés Arizkorreta García	Member	External Independent
Mr José Antonio Cortajarena Manchado	Non-member Secretary	N/A

The composition is compliant with the Corporate Enterprises Act, and also has a majority of independent members in accordance with good governance recommendations.

Notwithstanding the functions that legally correspond to the Committee Secretary in relation to the advice and support to the members in exercising their respective functions, the Committee regularly seeks the collaboration of other members of the management team in the terms provided for in article 27 of the Appointments, Remuneration and Sustainability Committee Regulations. Likewise, for the best performance of its functions, the Committee may request the advice of external professionals. This power has been used under the terms set forth in this Report.

The CVs of the Committee members can be found on Viscofan's corporate website.

D.- ACTIVITIES DURING 2022

The Committee held seven meetings in 2022.

In relation to the work plan drawn up, it is worth highlighting:

- **Resolutions without holding a meeting**

In 2022, the Committee did not adopt any resolution without holding a meeting.

- **Attendance of the members**

All Committee members attended in person all the meetings held, except on one occasion on which one director delegated his representation.

- **Announcement and preparation of meetings**

All meetings were convened by the Secretary, upon the instructions of the Committee Chairman, sufficiently in advance, in line with the Agenda.

The Committee members have had, in due time and form, the documentation and presentations necessary for them to form an opinion.

– **Information to the Board of Directors**

The Committee Chairman, in accordance with article 26 (1) of the Regulations, has informed the Board of Directors at each of its meetings held subsequent to the Committee meetings of the issues dealt with thereat.

– **Minutes**

The corresponding minutes were drafted from all the meetings, which were approved by the Committee members and signed by the Secretary with the Chairman's approval. These minutes were made available to all directors once they were approved.

– **Attendance of the Chairman, Managing Director and executives of the Company**

The Chairman of the Company, the Director Managing Director and executives of the Company and the Group attended the Committee on the different occasions when this was so required to address various items on the agenda.

– **Support of external services**

The Committee has also sought external advice from independent firms, when deemed necessary. In particular, in 2022, advisory services were requested from the following consultancy firms:

- Russell Reynolds, with respect to the renewal of the composition of the Board of Directors approved by the 2022 General Shareholders' Meeting.
- Willis Towers Watson, in relation to the preparation of a new Directors' Remuneration Policy, for 2024, 2025 and 2026, is to be submitted to the approval of the 2023 General Shareholders' Meeting.
- Korn Ferry, with respect to the assessment of the Board of Directors, the Committees and the chief executive in the terms provided for in Article 18 of the Board Regulations.
- Deloitte, with regard to the follow-up, novelties and update of competences in the area of sustainability.

– **Tasks undertaken**

As indicated, the Committee, without affecting the tasks related with its organisation and operations, provides informational and advisory powers to the Board of Directors as a Committee specialised in specific areas of activity that mainly deal with the composition and remuneration systems of the governing bodies and senior management, and the promotion and supervision of corporate governance and other sustainability matters (ESG) and other activities related to the General Shareholders' Meeting.

The main issues that have been dealt with and analysed by the Committee in 2022 and that have shaped its main areas of supervision, can be grouped into the following areas:

- Organisation and internal operations:
 - Session schedule and Engagement Plan: in two meetings.
 - Annual Report on Activities: in one meeting.
- Corporate Governance:
 - Composition of the Board, Committees and appointment of positions: in five meetings.
 - Chairmanship model: in two meetings.
 - Directors' classification: in one meeting
 - Conflict of interest declaration: in one meeting.
 - Annual Corporate Governance Report of 2021, including the compliance with the Good Governance Code recommendation. in one meeting.
 - Evaluation of the Board and Committees, of the Executive Chairman and proposal for an action plan arising: in four meetings.
 - Succession plan for executive directors and senior management: in one meeting.
 - Monitoring of the process of renewing the organisational structure, governance model and governing bodies of the Group's subsidiaries: in three meetings.
- Remuneration
 - Proposed fixed and variable remuneration (settlement of 2021 targets and definition of 2022 targets) of the Chairman and General Managing Director: in one meeting.
 - Remuneration framework and proposed fixed and variable remuneration (settlement of 2021 targets and definition of 2022 targets) of senior management: in one meeting.
 - Proposed 2021 Annual Directors' Remuneration Report: in one meeting.
 - Verification of the information on remuneration in the 2022 Half-Yearly Report: in one meeting.
 - Proposed settlement of Long-term Incentive Plan 2019-2021: in one meeting.
 - Proposed Long-term Incentive Plan 2022-2024: in two meetings.
 - Board Remuneration Policy 2024-2026: in two meetings.
- Sustainability
 - Review of its functions in relation to the Statement of Non-Financial Information included in the 2021 Management Report: in one meeting.
 - Monitoring of the Beyond25 Sustainability Action Plan: in four meetings
- Other
 - Monitoring of civil liability insurance for directors and executives: in one meeting.
 - Verification of information of interest in relation to the code of good practices: in one meeting.

Likewise, within the Commission's work plan, a recurrent activity of updating knowledge in matters within its competence is maintained through various channels, both dedicating training time during the sessions, having focused the training sessions with external experts during the year 2022, in terms of sustainability and trends in General Shareholders Meetings, institutional investors and Proxy Advisors. It has also continued to use the platform or Board Library, in which members are provided access to articles of interest on the topics of corporate governance, remuneration and sustainability.

E.- CONCLUSIONS

Throughout 2022, the Committee considered that it had satisfactorily exercised the responsibilities assigned to it by the Articles of Association, the Board of Directors Regulations and its own Regulations.

Besides the Company's Chairman and Director Managing Director, the Committee has also had direct contact with and the collaboration of the Company's various senior management teams.

It is noted that the Committee considers that the Company rigorously complies and has complied with the rules and recommendations of good governance, in the terms indicated in the Corporate Governance Report and in the Directors' Remuneration Report. In particular:

- With the Committee's impetus, the process of renewing the composition of the Board of Directors was successfully completed during 2022, with near-unanimous shareholder support at the 2022 AGM. It has also contributed to the reorganisation of the composition of the Committees, in accordance with best practices of good governance, all within the framework of the Board of Directors' Director Selection and Diversity Policy.
- The Committee within its function of ensuring an orderly succession of the Chief Executive of the Company, promoted in 2022 a discussion aimed at adapting the current model from that of executive chairmanship to a non-executive presidency.
- In relation to remuneration:
 - The Committee prepared and submitted to the Board of Directors, the proposed 2021 Annual Directors' Remuneration Report that the 2022 General Shareholders' Meeting approved with 98.3% of the votes in favour, 1.1% of the votes against and 0.6% abstentions.
 - The 2022 Annual General Meeting of Shareholders endorsed the work and proposals of the Committee by approving by a large majority - 95.0% in favour, 0.1% against and 4.9% abstentions - a new Long-Term Incentive Plan for executive directors, members of the management team and other employees for the 2022-2024 period, aligned with the Group's strategy and the interests of shareholders, investors and other stakeholders.

- In compliance with the Spanish Companies Act, in 2022 the Committee started work on the new Directors' Remuneration Policy for the years 2024, 2025 and 2026, which is expected to be submitted for approval at the 2023 AGM.

- In the area of Sustainability, the Committee, in addition to reporting on the Group's Sustainability Action Plan for the 2022-2025 period approved by the Board of Directors at its meeting in January 2022, has monitored its key indicators, both environmental (i.e. reduction of CO2 emissions, waste management and reduction of water use), Occupational Health and Safety (accident rate) and promotion of diversity with the main objective of increasing the number of women in management positions. In short, it has driven the Group's strategy in this area, promoting its adaptation to market trends, improving the Company's position in the main ESG rankings, and in coordination with the Group's Sustainability Committee, it has monitored the implementation of the lines of action included in the Sustainability Action Plan, as well as the initiatives towards an energy transition in line with the objectives set. Finally, the Committee has followed up on the work of adaptation, compliance and preparation, as appropriate, of the requirements derived from the regulations in the field, in particular with regard to the EU Taxonomy Regulations, the Climate Change and Energy Transition Act of 20 May 2021 and the Group's preparation for the obligations linked to the new proposed Sustainability Directive.

This Appointments, Remuneration and Sustainability Committee Report is, in short, a contribution to the Company's strategy, which participates in the mission of creating value for shareholders and promoting corporate interest.