

**PROPOSAL ISSUED BY THE NOMINATION AND REMUNERATION
COMMITTEE OF FAES FARMA, S.A. IN RELATION TO THE RE-
ELECTION OF MR CARLOS DE ALCOCER TORRA**

Introduction

Among the functions of this Nomination and Remuneration Committee, articles 529 decies and 529 quidecies.3c) of the Capital Companies Act, article 19c) of the Regulations of the Board of Directors and article 4c) of the Regulations of the Nomination and Remuneration Committee, entrust it with submitting to the Board the proposal for appointment or re-election of independent directors for submission to the decision of the General Meeting of Shareholders.

At the same time, recommendation 14 of the Good Governance Code of Listed Companies establishes that the result of the prior analysis of the needs of the board of directors in the appointment and selection of directors should be included in the report justifying the Nomination and Remuneration Committee, which is published when the General Shareholders' Meeting to which the appointment is submitted is convened. Similar terms are expressed in Technical Guide 1/2019 on Nominations and Remuneration Committees published by the National Securities Market Commission (CNMV).

Consequently, this Nomination and Remuneration Committee has drawn up this Proposal in relation to the proposed re-election of Mr. Carlos de Alcocer Torra as independent director of Faes Farma, S.A. (the "**Company**").

Structure, size and composition of the Board of Directors

The Company's Bylaws provide that the Board of Directors shall be composed of a number of directors to be fixed by the General Meeting, between a minimum of five and a maximum of ten directors.

Article 8 of the Regulations of the Board of Directors stipulates that the Board shall endeavour to ensure that external or non-executive directors represent a majority over executive directors and that the number of independent directors represents at least one third of the total number of directors. Likewise, recommendation 17 of the Good Governance Code of Listed Companies establishes that the number of independent directors should represent at least half of the Board, a criterion that the Company has adopted and currently applies and considers it appropriate to maintain.

Finally, the Company's Director Selection Policy indicates that an appropriate balance should be sought on the Board of Directors, with persons of different backgrounds, knowledge and experience, so as to encourage debate on matters within their competence, providing pluralistic points of view and enriching decision-making.

The Nomination and Remuneration Committee has analysed the current composition of the Company's Board of Directors, as well as the diversity of knowledge, competence and experience of its members. At present, the Board is composed of one executive director, five independent directors and four proprietary directors, making a total of ten members, which is the maximum foreseen by the Bylaws. In addition, on 28 April 2022, the market was informed

of the existence of a succession plan for the Chairman of the Board of Directors and Chief Executive Officer of the Company to be completed at the ordinary meeting in 2024 with the appointment of a CEO and a change in the category of executive Chairman to non-executive Chairman of the Board of Directors. In this way, the planned appointment will entail the incorporation of a new director. For this reason, and in order to maintain the maximum statutory number, the Committee considers that of the four directorships that expire this year, only three should be renewed in order to foresee the existence of a vacancy to be filled at the ordinary meeting in 2024 within the framework already anticipated in the market for the succession of the chief executive of the Company and which, in order to maintain the commitment publicly assumed in relation to the minimum number of independent directors, must necessarily affect one of the proprietary directors.

The Committee has also taken into account the Map of competencies of directors approved by the Board at its meeting of 21 December 2021, at the proposal of this Committee, in accordance with the provisions of recommendation 14 of the Good Governance Code of Listed Companies and Technical Guide 1/2019 on Nomination and Remuneration Committees, published by the CNMV, which included executive or management experience and competencies, on boards or committees, of listed or unlisted companies, economic sectors, geographic scope, functional competencies and languages. The skills map, the latest update of which includes the incorporation of the two independent directors appointed at the Ordinary General Meeting of 2022, shows that the Board reflects a diversity of knowledge, which endows it with great wealth, extensive experience and proven professionalism, enabling it to perform its functions adequately.

It has also evaluated, in accordance with the provisions of the Director Selection Policy, the necessary conditions that directors must meet, including that they must be honourable, suitable persons of recognised solvency, competence, experience, qualifications, and training, also assessing the availability of time necessary for adequate dedication and commitment to their duties. For these purposes, it has assessed the professional profile of the candidate, Mr. Carlos de Alcocer Torra, summarised in the following section of this proposal.

In compliance with the above requirements, and taking into consideration the detailed analysis carried out by this Committee on the structure, size and composition of the Board, as well as on the suitability of the candidate, the Committee has agreed to submit to the Board of Directors this report on the proposal for the re-election of Mr Carlos de Alcocer Torra as director of the Company with the status of independent director.

Candidate's professional profile

In order to issue this report, the Nomination and Remuneration Committee has assessed the competence, experience and merits of the proposed candidate, summarised in the professional profile indicated below:

Education:

- Graduate in Law from the Universidad Autónoma de Madrid.
- Training courses in Spain and England.

- Exchange and Stockbroker.

Professional activity:

Currently:

- Notary of Madrid.
- Managing Director and Chairman of several companies:
 - Apartohotel Simón Verde, S.A.
 - Eurosuites Sevilla, S.A.
- Trustee and President of the Mater Mundi Television Foundation.

Previously:

- Exchange and Stockbroker
- Director of the Advisory Committee of Bilbao Plaza Financiera.
- Representative of the Bilbao Stock Exchange in the Spanish Stock Exchange Coordination Service.
- Director of the Sociedad Rectora de la Bolsa de Bilbao.
- Founding Partner, Co-Chairman and Managing Director of Eurofinanzas, S.V.B.,S.A.
- Commercial broker in La Coruña and Madrid.

In the Faes Farma Group:

- Independent external director of Faes Farma, S.A. since June 2013. He is currently Lead Director and member of the Nomination and Remuneration Committee and the Audit and Compliance Committee.

Performance as Director

In accordance with the recommendations of the Technical Guide 1/2019 on Nomination and Remuneration Committees, it should be noted that in the years that the candidate has been a director of the Company, he has performed his duties in an absolutely satisfactory manner, contributing his knowledge and experience to multiple issues, especially those with financial, stock market and legal connotations, essential aspects of the Company's activity, thus contributing to creating an appropriate balance on the Board with persons of different training, knowledge or experience.

In addition, he has dedicated sufficient time to exercise his duties as a director with responsibility, both in preparing the meetings and attending them, with total commitment, taking part in the Board meetings and actively participating in the

most important decisions of the company.

He is currently a member of the Nomination and Remuneration Committee and a member of the Audit and Compliance Committee, where he has performed outstanding work with great dedication. Likewise, he is currently performing satisfactorily the position of Lead Director, as shown in the annual evaluation report of the Board corresponding to financial year 2022.

As for his personal qualities, we must undoubtedly highlight his professional solvency, as well as his academic training, giving prestige to the Board. It is foreseen that, in view of the candidate's other occupations, his commitment, among other factors, he may have the same capacity to continue to hold the position of director.

Conclusion of the Nomination and Remuneration Committee

The candidate has sufficiently informed the Committee of the rest of his activities and potential conflicts of interest, all in accordance with the recommendations contained in the Technical Guide on Nomination and Remuneration Committees, points 3 and 4. Specifically, this Committee, after the appropriate analysis, has concluded that the candidate is not involved in any cause of conflict of interest, incompatibility or situation that could condition his independence to hold the position of director, analysing in the assessment of such independence possible situations beyond those provided for in article 529 duodecies of the Capital Companies Act.

As regards his qualification, it is proposed that he be re-elected as independent director, as he meets the requirements established in article 529 duodecies.4 of the Capital Companies Act.

As a result of the foregoing, and taking into account the needs of the Board of Directors in terms of structure, size and composition, the requirements established in the Director Selection Policy, and the legal requirements and recommendations of good governance, the Nomination and Remuneration Committee considers that Mr Carlos de Alcocer Torra has the appropriate knowledge, skills and experience to hold the office of director of the Board of Directors of the Company, as well as the suitability requirements that are demanded of him in such capacity, experience and skills suitable for the position of director of the Board of Directors of the Company, as well as the suitability requirements for such position, and has therefore unanimously agreed to submit this report with the proposal for the re-election of Mr Carlos de Alcocer Torra as independent director of the Company for submission to the decision of the General Shareholders' Meeting to be held on 14 or 15 June 2023, at first or second call.

24 April 2023.