

**REPORT AND PROPOSAL OF THE BOARD OF DIRECTORS OF FAES  
FARMA, S.A. IN RELATION TO THE APPOINTMENT OF MR EDUARDO  
RECODER DE LA CUADRA AS EXECUTIVE DIRECTOR**

## **Introduction**

In accordance with the provisions of article 529 decies of the Capital Companies Act, article 9 of the Regulations of the Board of Directors and the Director Selection Policy of Faes Farma, S.A. (the "Company"), proposals for the appointment of members of the Board of Directors who do not have the status of independent directors are submitted to the Board of Directors and must be accompanied by a report from the Board of Directors assessing the competence, experience and merits of the proposed candidate and preceded by a report from the Appointments and Remuneration Committee.

It is also established that the proposal must in all cases be accompanied by a supporting report from the Board of Directors assessing the competence, experience and merits of the proposed candidate.

In compliance with the foregoing, the Board of Directors has prepared this report, which accompanies the proposed appointment of Mr Eduardo Recoder de la Cuadra as director of the Board of Directors of the Company, with the status of executive director.

## **Preliminary considerations and Report of the Appointments and Remuneration Committee**

At its meeting on 28 April 2022, the Board of Directors approved the commencement of a process of separation of the positions of Chairman of the Board of Directors and Chief Executive Officer of the Company, which is to be concluded at the 2024 general meeting with the appointment of a new executive director and the change of the category of the executive Chairman to non-executive Chairman of the Board of Directors. As a result, at the 2023 annual general meeting, the renewal of a director was not carried out in order to allow for the addition of an executive director while maintaining the maximum number of ten directors provided for in the Bylaws and an appropriate distribution among the categories of directors.

At the same time, the Appointments and Remuneration Committee began the process of selecting the candidate to occupy the position of executive director of the Company, for which it has had the collaboration of an external advisor (Korn Ferry) in the development of the definition of the candidate's profile and selection criteria and identification of both internal and external candidates and their evaluation, with the participation of the Executive Chairman and all the members of the Board of Directors. This process culminated in the selection of Mr Eduardo Recoder de la Cuadra and the drafting of the corresponding report by the Appointments and Remuneration Committee, assessing his competence, experience and merits.

In preparing this report, the Board of Directors has taken particular account of the report drawn up by the Appointments and Remuneration Committee

in accordance with the provisions of article 529 decies of the Capital Companies Act. As stated therein, with the proposal of a new executive director, the board will once again have ten members, the statutory maximum, with five independent directors, three proprietary directors, one new executive director and one director, the chairman, to be included in the category of "other external". This complies with the provisions of the Regulations of the Board of Directors (article 8), which establishes 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. 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 has been assumed and is currently applied by the Company and which it considers appropriate to maintain.

The Committee's report states that in the selection process described above, the Committee has 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 and of recognised solvency, competence, experience, qualifications and training.

In compliance with the above requirements and taking into consideration the detailed analysis carried out by the Appointments and Remuneration Committee on the suitability of the candidate, the Board endorses its criteria and considers that Mr Eduardo Recoder de la Cuadra has the appropriate knowledge, skills and experience to hold the position of executive director of the Board of Directors of the Company, as well as the suitability requirements that are demanded of him in such capacity.

### **Candidate's professional profile**

In order to issue this report, the Board of Directors has assessed the competence, experience and merits of the proposed candidate, summarised in the professional profile indicated below and considered in the selection process carried out with the collaboration of the external advisor:

#### Training

Degree in Pharmacy from the University of Barcelona. Master in Business Administration (MBA) from IESE Business School. Global Enterprise Transformation Programme from Harvard Business School. Commercial Management Programme at the Escuela de Administración de Empresas de Barcelona.

#### Professional activities

Vice President of Western and Southern Europe at AstraZeneca and Vice President of Commercial Operations for Europe and Canada (2020-2024). President of AstraZeneca Spain (2016-2020). President of AstraZeneca Brazil (2012-2015). President of AstraZeneca Portugal (2010-2012). Director of the Primary Care Business Unit at Astrazeneca Spain (2007-2010). Corporate Commercial Director of Grunenthal Spain (2003-2006). Previously worked at BASF and BASF Pharma in Germany, UK and Spain in

Corporate Development, Management Control and Strategic Planning.

**Conclusion**

As a result of the foregoing and taking into account the report prepared for this purpose by the Appointments and Remuneration Committee, the Board of Directors considers that Mr Eduardo Recoder de la Cuadra has the appropriate knowledge, skills and experience to hold the position of executive director of the Board of Directors of the Company, It has therefore unanimously agreed to propose to the General Meeting of Shareholders to be held on 24 or 25 June 2024, at first or second call, his appointment as director for the statutory period of four years, with the status of executive director.

7 May 2024.