

**REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE OF
FAES FARMA, S.A. IN RELATION TO THE APPOINTMENT OF MR
EDUARDO RECODER DE LA CUADRA**

Purpose of the Report

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 Policy for the selection of directors of Faes Farma, S.A., 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.

Preliminary considerations

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 general meeting in 2024 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 part of this process, a director was not reappointed at the 2023 annual general meeting 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 director categories.

The executive director selection process was led by the Appointments and Remuneration Committee and was assisted by an external advisor (Korn Ferry) in defining the candidate profile and selection criteria, identifying internal and external candidates and evaluating them. Finally, it should be noted that the Executive Chairman and all members of the Board of Directors also participated in the process.

The Commission concluded its work by submitting a proposal for a candidate to the Board, which met with the unanimous consensus of its members.

Structure 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 set by the General Meeting, between a minimum of five and a maximum of ten directors.

As indicated above, the Board currently comprises nine directors: five independent directors, three proprietary directors and an executive chairman, who, as such, obviously has the status of executive director.

With the proposal of a new executive director, which is the subject of this report, the board will again have ten members, the statutory maximum, with five independent directors, three proprietary directors, one new executive director and one director, the chairman, who should 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, after the process carried out with the collaboration of the external advisor, considers that Mr Eduardo Recoder de la Cuadra meets the necessary conditions that directors must fulfil, in accordance with the provisions of the Director Selection Policy, and among them, that they must be honourable, suitable persons of recognised solvency, competence, experience, qualifications and appropriate training.

In this respect, the Commission has assessed the candidate's competence, experience and merits as summarised in the professional profile below.

Candidate's professional profile

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, the Appointments and Remuneration Committee 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 for such position.

7 May 2024.