

## POLICY FOR SELECTING BOARD MEMBERS AND DIVERSITY IN THE BOARD OF DIRECTORS



## **POLICY FOR SELECTING BOARD MEMBERS AND DIVERSITY IN THE BOARD OF DIRECTORS**

### **I.- Introduction and purpose.**

The Board of Directors of the Company "**Laboratorio Reig Jofre, S.A.**" (hereinafter, "**Reig Jofre**" or the "**Company**") has the legally attributed power, which cannot be delegated, to determine the Company's general policies and strategies and the approval and supervision of procedures to select candidates to the Board of Directors to favour its appropriate composition.

In this regard, the Recommendations of the Code of Good Governance for listed companies (hereinafter, "**Code of Good Governance**") establish that the Board of Directors of listed companies must approve a policy to favour the appropriate composition of the Board of Directors that, i) Is concrete and verifiable. ii) Ensures that proposals for appointment or re-election are based on a preliminary analysis of the skills required by the Board of Directors. iii) Favours diversity of knowledge, experience, age and gender.

In compliance with the above, the Company's Board of Directors agreed, in the meeting of 28 July 2021, to approve this *Policy for Selecting Board Members and Diversity of the Board of Directors of LABORATORIO REIG JOFRE, S.A.* (hereinafter, "**Policy**"), which will become a part of the Company's corporate governance system.

This Policy includes the main aspects and commitments of the Company regarding diversity, selection and appointment of Board members and aims to establish the procedure and criteria that the Company's Board of Directors will take into account in the selection processes for appointment or re-election of members of the Board of Directors of Reig Jofre, in compliance with regulations and the best corporate governance practices.

### **II.- General principles.**

In line with the Company's principles of corporate governance and values, the following principles must be considered by those with authority in this matter when selecting members of the Board of directors:



- The principle of **diversity in Board composition**. To apply this principle, the Board of Directors will ensure that the members selected have an adequate level of training and profile, aiming for diversity as regards age, disability or professional training and experience, which will contribute to a broader view by the Board of Directors of issues they must handle, ensuring that the selection processes favour gender diversity to achieve a balanced presence of men and women.
- The principle of **non-discrimination and equal opportunities** so that the selection procedures for Board of Director members have no bias that could lead to any discrimination due to race, sex, age, disablement, etc.
- Compliance with **legislation and the corporate governance system** of Reig Jofre, as well as the recommendations and principles of the Code of Good Governance, assumed by the Company.

### **III.- Scope of application.**

All candidates for membership of the Company's Board of Directors and board members whose re-election is extended, as well as the non-member secretary of the Board of Directors

### **IV.- Selection process.**

#### **a. Prior analysis of the competencies required by the Board of Directors.**

When selecting candidates for the Company's Board of Directors, the Appointments, Remuneration and Sustainability Committee will be responsible for evaluating the competencies required by the Board of Directors, making a preliminary analysis of the necessary competencies, knowledge and experience-considering, among other aspects, the functions and aptitudes required by the Board at any moment, as well as the time and dedication necessary for board members to be able to do their job effectively. The result of this analysis will be included in a report that will be published on the Company's corporate website when calling a General Meeting, in which the appointment or re-election of each board member will be subject to ratification, as appropriate.



The Company may use the collaboration of external advisors to carry out a preliminary analysis of the competencies required by the Board, as well as recruitment and evaluation of Board member candidates.

**b. Requirements of the candidates.**

Board member candidates must meet at least the following requirements:

- ✓ Professionals with adequate skill and experience for the job and with a prestigious professional career and conduct aligned with the values of the Company.
- ✓ Having knowledge, experience, time and aptitudes that will provide value and are adequate to occupy the position.
- ✓ Not being involved in any ethical or legal case of incompatibility or disqualification to hold the position.
- ✓ In addition to the above, regarding the selection of independent board members, the people selected must meet the requirements of independence established in the regulations applicable at the time, as well as additional conditions of independence established by the Company's internal regulations, if they exist.
- ✓ In the case of the re-election of current members of the Board of Directors, the commitment shown by the board member during the performance of their duties and compliance with the duty of diligence and loyalty, as well as all the regulations that apply to Board members and, if applicable, to shareholders or senior positions in the Company in the Internal Code of Conduct in the sphere of the stock market, and other planned regulations or procedures will also be taken into account. Moreover, actions during the performance of their duties in good faith and in the Company's best interest will also be evaluated.

**c. Incompatibilities and prohibitions.**

The following people cannot be Board member candidates:

- ✓ Non-emancipated minors, legally incapacitated people, disqualified people according to the *Ley Concursal* (Bankruptcy Law) until the period of disqualification established in the sentence has passed, as well as people condemned for crimes against freedom, assets or socio-economic order, against collective security



, against the Justice Administration or for any dishonesty, as well as those that, due to their position, are ineligible for commercial activities.

- ✓ Administrators or members of senior management and people proposed by majority shareholders in Spanish or foreign companies in the pharmaceutical sector or other sectors that compete with the Company.
- ✓ People who are administrators in more companies than permitted by the Regulations of the Board of Directors.
- ✓ People who occupy senior positions in the Spanish public administrations incompatible with a simultaneous position as a Board member in a listed company according to Spanish State or Autonomic legislation, or those who occupy positions of responsibility in regulatory entities of the pharmaceutical sector, the stock market or other sectors in which the Company operates.
- ✓ People who are affected by any other condition of incompatibility or prohibition regulated by general provisions, including those with any of interests opposed to those of the Company.

In cases of the re-election of Board members, people in the following situations cannot be re-elected:

- ✓ Those who have committed a serious breach of their obligations as Board members.
- ✓ If the cause for which they were appointed Board members has disappeared, particularly:
  - If the cause for which they were appointed Board members and executive Board members has disappeared.
  - If the shareholder that the outside director represents has sold their entire equity stake or reduced their participation to a level that requires a reduction in the number of outside directors.
  - When independent board members no longer meet the conditions required by Law to occupy the position.

**d. Diversity in the composition of the Board of Directors.**



The Board of Directors will strive to make the proposals for appointment or re-election encourage diversity in the Board, incorporating people who, due to their nationality, gender, age or experience, have a professional career aligned with Company strategy and the recommendations of the Code of Good Governance.

In addition to the requirement mentioned above, the processes for selecting the Company's Board members must consider any other conditions that the Company's Appointments, Remuneration and Sustainability Committee could establish, as well as current legislation.

In particular, regarding the Auditing, Compliance and Conflict of Interest Committee, the process for selecting candidates for the Committee must take into account the singularities required by Law and the recommendations of the Code of Good Governance, ensuring that the members have knowledge and experience in accounting, auditing and financial and non-financial risk control and management, as well as technical expertise in the sector the Company belongs to in other fields that could be useful for compliance by the Auditing, Compliance and Conflict of Interest Committee, notwithstanding the requirements of geographical origin, gender and other diversity requirements that must be considered.

The process for selecting candidates for the Appointments, Remuneration and Sustainability Committee will take into consideration their knowledge and experience in areas such as strategic analysis and evaluation of human resources, selection of Board members and managers, performance of senior management functions or design of remuneration plans and policies for board members and senior managers, notwithstanding other requirements that must also be considered.

**e. Appointment, ratification or re-election of board members.**

Board members will be appointed by the General Meeting of Shareholders, at the proposal of the Board of Directors, in compliance with the Law and the Company's corporate governance regulations.

Proposals for board member appointments that the Board of Directors submits to the General Meeting of Shareholders and decisions for appointments made by said body by virtue of the powers to co-opt that are legally attributed to it must be preceded by the corresponding proposal of the Appointments, Remuneration and Sustainability Committee, in the case of independent board members, and will be accompanied by a report by the Board which evaluates the competence, experience and merits of the person proposed, which will be attached to the minutes of the General Meeting of Shareholders or the Board of Directors, as appropriate. Therefore, when there are appointments or re-elections of board members, shareholders will be informed of the criteria and diversity objectives pursued in the proposal for appointment or re-election.



Proposal for the appointment of any non-independent member of the Board must be preceded by the corresponding report by the Appointments, Remuneration and Sustainability Committee.

**V.- Annual assessment of compliance with the Policy.**

The Appointments, Remuneration and Sustainability Committee will verify compliance with this Policy annually and inform the Board of Directors about this annual evaluation.

The annual report on corporate governance will include a detailed description of this Policy, its objectives and the results obtained.

This Policy for the selection and Diversity of Board members was approved by the Company's Board of Directors on 28 July 2021 and will be published on the Company's corporate website.