

**BOARD OF DIRECTORS JUSTIFICATION REPORT
ACCOMPANYING PROPOSALS FOR THE RE-ELECTION OF
DIRECTORS
(Items 5, 6, 7, 8 and 9 of the meeting agenda)**

1. Purpose of the report

The board of directors of Ercros, S.A. ("Ercros" or "the Company"), meeting on 25 April 2024, has approved this explanatory report accompanying the proposals to vote at the ordinary general meeting of shareholders, convened on 27 June 2024, at Avenida Diagonal, 514, 6th floor, 08006 Barcelona, at 12:00 noon, on first call, and, if the necessary quorum is not met, on June 28, 2024, at the same place and time, on second call, the re-election of Mr. Antonio Zabalza Martí, as executive director; Mrs. Lourdes Vega Fernández, as an independent director; Mr. Laureano Roldán Aguilar and Mr. Eduardo Sánchez Morrondo, as external directors; and Mr. Joan Casas Galofré, as proprietary director, which are the subject of items five, sixth, seventh, eighth and ninth, respectively, on the agenda of that meeting.

With this report, the board of directors complies with the provisions of sections 4 and 5 of article 529 *decies* of the Corporate Enterprises Act and articles 26.3 of the articles of association and 26.3 and 28 of the regulations of the board of directors of Ercros.

Those articles establish that the proposal for the appointment of the members of the board of directors is the responsibility of the appointments, remuneration, sustainability and corporate social responsibility committee, in the case of independent directors, and of the board itself, in other cases. In any case, proposals for appointment or re-election must be accompanied by a justifying report from the board of directors assessing the competence, experience and merits of the proposed candidates.

2. Preliminary analysis of the needs of the board of directors and the current scenario as a result of the presentation of the voluntary takeover bid of Ercros by Bondalti Ibérica, S.L.U.

On the occasion of the ordinary general meeting of shareholders in 2024, the position of five of the six members of the board of directors of Ercros expires: Mr. Antonio Zabalza Martí, as executive director; Mrs. Lourdes Vega Fernández, as independent director; Mr. Laureano Roldán Aguilar and Mr. Eduardo Sánchez Morrondo, as external directors; and Mr. Joan Casas Galofré, as proprietary director. Only the mandate of Mrs. Carme Moragues Josa as an independent director remains valid.

The board of directors has been working since the last quarter of 2023 on a proposal to renew the people who make up the board, focused on the incorporation of new independent directors and the redefinition of the functions of the presidency of the board and the exercise of executive functions. The aforementioned proposal was going to be submitted to the 2024 general meeting.

However, the proposal to renew the board was close to being finalized when the voluntary takeover bid of the Company by Bondalti Ibérica, S.L.U. (the "Offer" and the "Offeror"). In this sense, reasons of prudence and diligence advise postponing the aforementioned renewal of

the members of the board of directors at this time, so that the same board that existed when the Offer arose is maintained after the ordinary meeting in 2024.

Indeed, on the one hand, on dates close to the holding of the general meeting, the board of directors must issue the report that current regulations require in relation to the Offer during the period of its acceptance. Given the relevance of this report in the Offer procedure and its significance for the Company and the shareholders receiving the Offer, it seems reasonable that it be issued by the current board of directors, which is the one that knows Ercros and its activity in depth, and who has been responsible for the management up to this point. It would not seem reasonable or prudent for a majority renewed board of directors to have to undertake this task immediately after its appointment, nor for a new board to be in a better position to safeguard the interests of shareholders in the Offer than the current one, which will be the main objective of the council during this process.

On the other hand, if the Offer were to be successful (or, where appropriate, a competing offer), it seems reasonable that the new controlling shareholder would have a direct intervention in the configuration of the Company's board of directors, especially in the event that Ercros will cease to be a listed company, which is the objective of the Offeror, as stated in the Offer. It would then make no sense to propose a new board to the ordinary general meeting in 2024, which would cease to be such if the Offer is accepted by the shareholders, which would happen in a relatively short period of time.

In any case, once the Offer process is completed, the members of the board will be made available to the shareholders, whether current or those derived from it, in order to proceed with the renewal of the board in the terms initially projected or, where applicable, those resulting from the decision of the new controlling shareholder.

In view of the above, and in coherence with recommendation 14 code of good governance ("CGG"), the board of directors and, in its corresponding part, the responsibility of the appointments, remuneration, sustainability and corporate social responsibility committee has carried out a prior analysis of the needs generated in the board of directors upon the expiration of the mandate of five of its members.

With the continuity of the positions of the members of the board, it can be confirmed that the composition of this entity, according to the type of directors, was in accordance with recommendations 15, 16 and 17 of the CGG; article 25.2 of the articles of association; article 9 sections 2 and 4 of the regulation of the board of directors; and the director selection and diversity policies of the board of Ercros, S.A., approved by the board of directors on February 18, 2016 and December 17, 2021, respectively. In this way, the proposals made by the board comply with the provisions of these documents which, in summary, establish:

- a) The proprietary or independent directors constitute a large majority of the board of directors: of the six directors that the board would have, three would meet this requirement (50%).
- b) The number of independent directors must represent at least one third of the total number of directors: of the six directors, two would be independent (33.3%).
- c) The number of executive directors should be the minimum necessary: of the six directors, only one would be an executive (16.7%).

Likewise, the analysis has considered that the criteria contained in the directors' selection and diversity policies of the board are met, whereby the members of the board must offer a diversity of professional, gender and training experiences and there must be a balance that enriches decision-making and brings plural points of view to the debate on matters within their competence. These criteria are met given the profile of the proposed candidates:

- a) Gender diversity: among the six directors that the board would have, there would be two women (33.3%).
- b) Diversity of background: among the six directors, there are three graduates in Economics (50%), one in Chemistry (16.7%) and one in Physics (16.7%).
- c) Diversity of professional experiences: the experiences of the six directors are diverse and extensive, as evidenced by their respective CVs, which are offered in the following sections.

Consequently, the board believes that this proposal: (i) will provide stability to the company during the process of processing the Offer until its completion and (ii) will contribute to ensuring that the board, considered as a whole, continues to have the appropriate knowledge and experience to govern the company and to promote and supervise its day-to-day management and the effectiveness of the management team in meeting the objectives set and that its long-standing experience will bring plural points of view to the discussion of board of directors matters and improve the decision-making process.

In the event that the re-election of the aforementioned directors is approved, the number of members of the board of Ercros would remain at six, a figure that is within the range established in articles 25.1 of the articles of association and 8.1 of the regulations of the board of directors, which sets a range of between a minimum of five members and a maximum of fifteen.

3. Justification for the proposal for the re-election of non-independent directors

Articles 27.3 of the articles of association and 29.1 of the regulations of the board of directors establish that the directors shall hold office for the period established for this purpose by the general meeting, which may not exceed the maximum term established by law (currently set at four years) and must be equal to all of them, at the end of which they may be re-elected one or more times for periods of the same maximum duration.

On June 5, 2024, the period for which the non-independent directors were appointed will end: Mr. Antonio Zabalza Martí, executive director; Mr. Laureano Roldán Aguilar and Mr. Eduardo Sánchez Morrondo, external directors, and Mr. Joan Casas Galofré, proprietary director. Consequently, the board, at its meeting on April 25, 2024, has approved proposing to the shareholders' meeting the re-election of said directors for a new term for the maximum legal term established, maintaining their current category. All of this is in accordance with the provisions of article 529.4 *decies* of the Corporate Enterprise Act, which stipulates that the proposal for the re-election of non-independent directors corresponds to the board itself, following a report from the appointments, remuneration, sustainability and corporate social responsibility committee.

The board's proposal is because the aforementioned directors continue to meet the requirements of suitability to perform the position as they meet the required honourability, training, dedication and commitment for the exercise of the functions of the position of director. Regarding the evaluation of the work and effective dedication of the directors, since their appointment and to date, the board has verified the compliance by these directors with the specific duties and obligations inherent to their position provided for in the law, the articles of associations and chapter IX of the regulations of the board of directors.

The following is a detailed description of the identity, curriculum vitae and category to which each of the non-independent directors belongs, whose re-election is submitted to the shareholders' meeting, for the purposes of complying with the provisions of articles 518.e) and 529 *decies* of the Corporate Enterprise Act:

a) Mr. Antonio Zabalza Martí

Item 5 of the agenda of the meeting proposes the re-election of Mr. Antonio Zabalza Martí as executive director, for the maximum term established by law, as the term for which he was appointed has expired.

Mr. Zabalza Martí has been chairman and CEO of the board of directors of Ercros since 1996 and a member of the strategy and investment committee.

Born in 1946 in Linyola (Lleida), Mr. Zabalza Martí holds a degree and a PhD in Economics from the University of Barcelona; M.Sc. and Ph.D. from the London School of Economics (University of London); he was a post-doctoral fellow at the University of Chicago, full professor in the Department of Economics at the London School of Economics and professor of Economic Theory at the University of Valencia.

Among other positions, he has been secretary general of planning and budgets; secretary of state for finance and director of the cabinet of the presidency of the Spanish government.

He has repeatedly acted as a consultant to the World Bank, the International Monetary Fund and the OCDE. He has also been a member of the board of directors of: Minas de Almadén; Transmediterranea; National Institute of Industry; Official Credit Institute; Iberia and the National Institute of Hydrocarbons.

He has been president of the Spanish Association of Large Energy Consumers (“AEGE”), president of the Catalan Business Federation of the Chemical Sector (“Fedequim”) and vice-president of the Business Federation of the Spanish Chemical Industry (“Feique”).

The board of directors considers that Mr. Zabalza Martí has the knowledge, competence and experience necessary to perform the position of executive director.

b) Mr. Laureano Roldán Aguilar

Item 7 agenda of the meeting proposes the re-election of Mr. Laureano Roldán Aguilar as external director, for the maximum term established by law, as the term for which he was appointed has expired.

Mr. Roldán Aguilar has been a member of the board of directors of Ercros since 1996 and a member of the audit committee.

Between 1996 and 2006 he was a proprietary director of Ercros on behalf of the then significant shareholder Grupo Torras, S.A. In 2006, as a result of a capital increase, Grupo Torras, S.A. ceased to be a significant shareholder of Ercros, which is why Mr. Roldán Aguilar ceased to be a proprietary director and became an external director.

Born in 1962 in Cordoba, Mr. Laureano Roldán Aguilar holds a degree in Economics and Business Administration from the Universidad Pontificia de Comillas ("Icade"), specializing in accounting and business administration.

Among other functions, he has held the following positions: auditor at Espacontrol, Deloitte and Ernst & Young, between 1987 and 1991, and director of the Internal Audit Department of Banco Árabe Español. S.A. between 1991 and 1993. Between 1993 and 1997, he was the sole director of Grupo Torras, S.A. and since 1997 he has been the general director of that company.

Between 1993 and 2001, he was a member of the board of directors of Prima Inmobiliaria; between 1995 and 2006, from Ebro Agrícolas; and between 2003 and 2016, Puleva Biotech, S.A.

The board of directors considers that Mr. Roldán Aguilar has the knowledge, competence and experience necessary to perform the position of external director.

c) Mr. Eduardo Sánchez Morrondo

Item 8 of agenda of the meeting proposes the re-election of Mr. Eduardo Sánchez Morrondo as external director, for the maximum period established by law, as the term for which he was appointed has expired.

Mr. Sánchez Morrondo has been a member of the board of directors of Ercros since 2004 and a member of the appointments, remuneration, sustainability and corporate social responsibility committee.

Born in 1953 in Gijón (Asturias), Mr. Eduardo Sánchez Morrondo holds a degree and a PhD in Chemistry from the University of Oviedo.

From 1975 to 1980, he was professor of Chemical Sciences at the University of Oviedo. Between 1980 and 2002, he worked in several subsidiaries of the Dow Chemical Group, holding various important positions: president and CEO of Dow Chemical Ibérica and Dow France, and vice president of Dow Europe. He has been a member of the management committee of British Petroleum Spain and, since 2002, he has been president and founder of the Bonheur Business Group, which brings together various companies.

He is currently the sole director of Bonheur Asesores and Bonheur Accionistas and chairman of the board of directors of Grupo Navec and Sego Finance.

He has been president of the European Association of Extruded Polystyrene Manufacturers (Exiba); vice-president of the Business Federation of the Spanish Chemical Industry ("Feique") and member of the executive committee and the organizing committee of the Expoquimia fair.

Currently, he is a member of the board of trustees and the Executive Committee of the Junior Achievement Foundation and a founding member and head of the industry table of the Madrid Business Forum and president of Compromiso Asturias XXI.

The board of directors considers that Mr. Sánchez Morrondo has the knowledge, competence and experience necessary to perform the position of external director.

d) Mr. Joan Casas Galofré

Item 9 of agenda of the shareholders' meeting proposes the re-election of Mr. Joan Casas Galofré as proprietary director, for the maximum period established by law.

Mr. Casas Galofré has been a member of the board of directors of Ercros since 2020 and a member of the strategy and investment committee.

Born in Barcelona in 1955, Mr. Casas Galofré has extensive experience in business analysis and in the management of holdings in different entities, including his position in Ercros, S.A., a company in which he is a significant shareholder.

The board of directors considers that Mr. Casas Galofré has the knowledge, competence and experience necessary to perform the position of proprietary director and that he contributes as a significant shareholder of the company to good corporate governance as a representative of the shareholders.

4. Justification for the proposal for the re-election of an independent director

Also on June 5, 2024, will end the term for which Mrs. Lourdes Vega Fernández was appointed as an independent director of Ercros.

In accordance with the provisions of article 529.4 *decies* of the Corporate Enterprise Act, which stipulates that the proposal for the re-election of independent directors corresponds to the appointments, remuneration, sustainability and corporate social responsibility committee, said committee, at its meeting on April 19, 2024, has approved to submit to the board of directors the proposal for the re-election of Mrs. Vega Fernández for a new term for the maximum legal term established, maintaining its current category.

The board shares the criteria of the appointments, remuneration, sustainability and corporate social responsibility committee and has considered that the re-election of Mrs. Lourdes Vega Fernández will contribute to ensuring that the board, taken as a whole, continues to have the appropriate knowledge and experience to govern the company and to promote and supervise the day-to-day management of the company and the effectiveness of the management team in meeting the objectives set, and that her extensive experience will bring plural points of view to the discussion of the matters of the board of directors, and will further contribute to improving the quality of the board 's decisions.

The following is a detailed description of the identity, curriculum vitae and category of the independent director whose re-election is submitted to the shareholders' meeting for the purposes of complying with the provisions of article 518.e) of the Corporate Enterprise Act:

a) Mrs. Lourdes Vega Fernandez

Item 6 of agenda of the meeting proposes the re-election of Mrs. Lourdes Vega Fernández as an independent director, for the maximum period established by law, as the term for which she was appointed has expired.

Ms. Vega Fernández has been a member of the board of directors of Ercros since 2016, of which she is alternate coordinator. She is also chair of the appointments, remuneration, sustainability and corporate social responsibility committee and a member of the audit and strategy and investment committees.

Born in Villanueva del Fresno (Badajoz) in 1965, Mrs. Lourdes Vega holds a PhD in Physics from the University of Seville and is a Professor of Chemical Engineering at the Khalifa University of Science and Technology in Abu Dhabi. He was a postdoctoral associate at the School of Chemical Engineering at Cornell University (US).

In academia, she is a full professor in the department of chemical engineering and director of the CO₂ and Hydrogen Research and Development Centre at Khalifa University in Abu Dhabi and editor-in-chief of the international Journal of Molecular Liquids. Founder and Director of the Research and Innovation Center on CO₂ and Hydrogen (RICH Center) and Senior Director of the Petroleum Institute at Khalifa University of Science and Technology, Abu Dhabi. In the past, she has been professor and vice-director of external and international affairs at the School of Chemical Engineering of the Rovira i Virgili University in Tarragona and scientific researcher at the CSIC. In the US, he has been a visiting scholar in the Department of Chemical Engineering at the University of Southern California.

In the business field, she has been the founder of the company Alya Technology & Innovation; general director of Matgas, a strategic alliance between Air Products, the CSIC and the Autonomous University of Barcelona; and global director of technology of this group for some sectors and director of R+D of the subsidiary Carbueros Metálicos and leader of the working group on the uses of CO₂ of the Spanish CO₂ Technology Platform.

In the field of R+D, she has been the global coordinator of three consortium research projects: the Cenit Sost-CO₂, the European H₂ Trust project and the BioQuim_recue project and has led the working group on the uses of CO₂ of the Spanish CO₂ Technology Platform. She is currently leading several international projects related to clean energy and sustainable processes.

She is currently president of Alya Technology & Innovation; member of the Emirates Scientific Council and the MBRAS of the United Arab Emirates; fellow of the American Institute of Chemical Engineers; member of the College of Physicists of Spain and corresponding academician of the Royal Academy of Sciences of Spain. In 2020, she was appointed independent director of Canal de Isabel II and, in 2023, chair of its sustainability committee and member of the appointments and remuneration committee.

She has more than 30 years of professional experience in chemical engineering and business management. She has filed five patents and published two books and more than 200 scientific articles. In 2013, she received the BBVA Foundation and the Royal Spanish Society of Physics award in the area of "Physics, innovation and technology"; in 2014, she received the award for public-private collaboration in R+D+i, awarded by the Catalan Foundation for Research and

Development of the Generalitat of Catalonia; in 2020, she became the first non-Arab woman scientist to receive the UAE Medal of Scientific Excellence for her work "Science for sustainable products"; and in 2024 she has been included in the ranking "The Top 100 Women in Spain", within the special category of "The Top 10 Abroad" which recognises those Spanish women who are leaders in different fields who live abroad.

The board of directors considers that Mrs. Vega Fernández has the knowledge, competence and experience necessary to perform the position of independent director.

5. Proposals submitted to the meeting for approval under the corresponding agenda items

The literal content of the proposed resolutions submitted for approval by the ordinary general meeting of shareholders in items five, six, seven, eight and nine of the agenda is as follows:

Fifth

Re-election of Mr. Antonio Zabalza Martí, as executive director.

To re-elect Mr. Antonio Zabalza Martí as executive director of the Company, for the maximum term established by law, as the term for which he was appointed has expired.

Mr. Zabalza Martí is chairman and CEO of the board of directors of Ercros since 1996 and chairman of the strategy and investment committee.

The mandatory reports of the board of directors and the appointments, remuneration, sustainability and corporate social responsibility committee on the proposal for the re-election of Mr. Zabalza Martí are available on the company's website (www.ercros.es).

Sixth

Re-election of Mrs. Lourdes Vega Fernández, as an independent director.

To re-elect, at the proposal of the appointments, remuneration, sustainability and corporate social responsibility committee, Mrs. Lourdes Vega Fernández as an independent director, for the maximum period established by law, for having completed the term for which she was appointed.

Mrs. Vega Fernández has been a member of the board of directors of Ercros since 2016, of which she is alternate coordinator. She is also chair of the appointments, remuneration, sustainability and corporate social responsibility committee and a member of the audit and strategy and investment committees.

The mandatory report of the board of directors and the proposal of the appointments, remuneration, sustainability and corporate social responsibility committee on the re-election of Ms. Vega Fernández are available on the company's website (www.ercros.es).

Seventh

Re-election of Mr. Laureano Roldán Aguilar, as external director.

To re-elect Mr. Laureano Roldán Aguilar as external director, for the maximum term established by law, as the term for which he was appointed has expired.

Mr. Roldán Aguilar has been a member of the board of directors of Ercros since 1996 and a member of the audit committee.

The mandatory reports of the board of directors and the appointments, remuneration, sustainability and corporate social responsibility committee on the proposal for the re-election of Mr. Roldán Aguilar are available on the company's website (www.ercros.es).

Eighth

Re-election of Mr. Eduardo Sánchez Morrondo, as external director.

Re-elect Mr. Eduardo Sánchez Morrondo as external director, for the maximum term established by law, as the term for which he was appointed has expired.

Mr. Sánchez Morrondo has been a member of the board of directors of Ercros since 2004 and is currently a member of the appointments, remuneration, sustainability and corporate social responsibility committee.

The mandatory reports of the board of directors and the appointments, remuneration, sustainability and corporate social responsibility committee on the proposal for the re-election of Mr. Sánchez Morrondo are available on the company's website (www.ercros.es).

Ninth

Re-election of Mr. Joan Casas Galofré, as proprietary director.

To re-elect Mr. Joan Casas Galofré as proprietary director, for the maximum term established by law, as the term for which he was appointed has expired.

Mr. Casas Galofré has been a member of the board of directors of Ercros since 2020 and a member of the strategy and investment committee.

The mandatory reports of the board of directors and the appointments, remuneration, sustainability and corporate social responsibility committee on the proposal for the re-election of Mr. Casas Galofré are available on the company's website (www.ercros.es)."

Daniel Ripley Soria
Secretary of the board of directors of Ercros

Barcelona, 25 April 2024