

Ercros directors' selection policy

The board of directors of Ercros, in its meeting held on February 18, 2016, and with the favourable report of the appointments and remuneration committee, has unanimously approved this policy for the selection of directors of Ercros, S.A., which develops the provisions on this matter in the board of directors' regulations and in the 14th recommendation of the corporate good governance code.

This policy is applicable to the selection of candidates for directors who are natural persons and, in the case of candidates for directors who are legal entities, to the natural persons who will represent them.

When selecting candidates, the board of directors will strive to achieve an appropriate balance within its members, and within the supervision and control committees, to enrich decision-making and provide diverse perspectives to the discussions of matters within its competence. To this end, it will ensure that the selection processes respect the proportion of types of directors specified in the board's regulations and promote diversity in knowledge, experience and gender.

The process of selecting candidates for directors will begin with an analysis of the company's needs that must be carried out by the board of directors. The proposal for the appointment and re-election of independent directors will be made by the appointments and remuneration committee through a supporting report that will be presented to the board. In other cases, the proposal will come from the board itself and will have a supporting report from the appointments and remuneration committee. These reports will be attached to the minutes of the board of directors or the general meeting of shareholders.

Any director may suggest candidates for the position of director. Likewise, the board may seek the advice of external consultants.

Candidates for directors, in addition to fulfilling the duties outlined in chapter IX of the board of directors' regulations, must meet the requirements of: integrity and qualification, meaning they should have independence of judgment, recognized professional prestige, solvency, competence, and experience, which is particularly applicable to the selection of independent directors; and necessary dedication, meaning they should demonstrate a level of commitment appropriate to the demands of their position and be prepared to devote sufficient time to the proper performance of their duties.

In addition to what is outlined in the board of directors' regulations for independent directors, individuals who are subject to any legal grounds for disqualification from holding office or who are subject to the prohibitions stipulated in the Capital Companies Act and other applicable legal provisions cannot be considered as candidates for director.

Antonio Zabalza Martí
President and CEO of Ercros