



Selection and
Diversity
Policy of the
Board of
Directors of
Puig Brands,
S.A.



1 Introduction	4
2 Purpose of the Policy	5
3 General Principles	5
4 Board Members Selection Procedure	6
4.1 Preparation of a competency matrix	6
4.2 Preliminary analysis of the needs of the Board of Directors	6
4.3 Determining the profile of the board member to be selected	7
4.4 Selection of candidates	7
4.5 Election of candidates	7
4.6 Notification of the decision	7
5 Candidate Requirements	8
5.1 Categories of the members of the Board of Directors	8
5.2 Board member selection requirements	9
5.3 Incompatibilities and prohibitions regime	11
6 Responsible Bodies	12
6.1 Board of Directors	12
6.2 Appointments and Remuneration Committee	13
6.3 Advice of external professionals	14
7 Policy Monitoring	14





1 Introduction

According to article 529.2 bis of Legislative Royal Decree 1/2010, of July 2, 2010, approving the Consolidated Text of the Companies Act (hereinafter, the "Companies Act" or "LSC"), the Board of Directors must ensure that the procedures for selecting its members encourage diversity in matters such as age, gender, disability and professional training and experience, and that they do not suffer from implicit bias that may give rise to any form of discrimination and, in particular, these processes must favor the selection of a sufficient number of female board members to achieve a balanced presence of women and men.

English translation for information purposes only
In case of discrepancy, the Spanish version shall prevail

Likewise, Recommendation 14 of the Good Governance Code for Listed Companies (the "GGC"), approved by the Board of the Spanish Securities and Exchange Commission (the "CNMV"), provides that the Board of Directors should approve a policy aimed at favoring an appropriate composition of the Board of Directors and that: (a) is concrete and verifiable; (b) ensures that the proposals for the appointment or reelection are based on a preliminary analysis of the competencies required on the Board of Directors and; (c) favors diversity of knowledge, experience, age and gender.

In this connection, and according to the wording of article 540.4.c, subsection 8 of the Companies Act, listed companies must include in their Annual Corporate Governance Report a description of the diversity policy applied to the Board of Directors, to management personnel and to any specialized committees set up within the board, with regard to issues such as age, gender, disability and the professional training and experience of their members; including the targets, the measures adopted, the manner in which they have been implemented, in particular, the procedures for seeking to include on the Board of Directors a sufficient number of women to achieve a balanced presence of women and men, together with the outcome in the reporting period, as well as any measures, if any, agreed by the appointments committee regarding these issues.

In this context, at its meeting held on April 5, 2024, the Board of Directors of Puig Brands,

S.A. (hereinafter, "PUIG" or the "Company") approved this Selection and Diversity Policy of the Board of Directors (the "Policy"). The Company and all subsidiaries and affiliates in which the Company has management control are referred to as the "Group".



This Policy shall enter into force at the time of admission to trading of the Company's Class B shares on the Barcelona, Madrid, Bilbao and Valencia Stock Exchanges.

2 Purpose of the Policy

The purpose of this Policy is to determine the criteria to be taken into account by the Board of Directors of PUIG in the selection, appointment and reelection processes applicable to the members of the Board of Directors of the Company, as well as the criteria and requirements for an adequate and diverse composition on the Board of Directors, all according to the applicable regulations, the internal rules of the Company and the recommendations and best practices in the area of corporate governance.

3 General Principles

Within the framework of the best corporate governance practices and the Company's own corporate values, the Policy will be based on the following general principles:

- **Adequate composition of the Board of Directors:** The composition of the Board must be appropriate for the best performance of its functions, for which purpose the Board member selection process must be based on a preliminary analysis of the competencies required on the Board of Directors.
- **Promoting diversity in the composition of the Board of Directors:** The responsible bodies for selecting the Board members will endeavor to ensure that the selection procedures favor diversity in the composition of the Board and its Committees in terms of gender, knowledge, experience, geographical origin, and age, among other aspects.
- **Nondiscrimination and equal treatment:** The procedures for selecting the members of the Board of Directors of PUIG must not suffer from any implicit bias that could give rise to any form of discrimination, whether on the basis of race, gender, age, disability or for any other reason.
- **Transparency in the selection of candidates:** The procedures for the selection, appointment, and reelection of the members of the Board of Directors will be transparent and the Board of Directors, in collaboration with the Appointments and Remuneration Committee of the Company (hereinafter, "ARC"), will establish the appropriate



means to ensure that PUIG provides all the necessary information in this regard.

- **Compliance with applicable regulations and good governance principles:** The processes for selecting the members of the Board of Directors of PUIG will be carried out according to the provisions of the LSC, the Company's internal rules and the best corporate governance practices adopted by the Company, including the guidelines issued by the supervisory authorities.

4 Board Members Selection Procedure

4.1 Preparation of a competency matrix

The ARC must prepare a competency matrix (hereinafter, the "Matrix") of the Board of Directors that defines the skills and knowledge of the candidates, especially those of the executive and independent candidates, which assists the ARC in defining the functions to be covered by each position that is to be filled, as well as the most appropriate competences, knowledge, and experience for the Board of Directors.

The ARC must also keep this Matrix up to date in the light of the challenges and opportunities that the Company is expected to face in the short, medium, and long term.

4.2 Preliminary analysis of the needs of the Board of Directors

The selection of candidates for the position of board member will be based on a preliminary analysis of the functions and skills required to adequately complement the knowledge, capabilities, diversity, and experience of the Board of Directors, based on the needs defined in the Matrix. This analysis must be carried out by the ARC regardless of the category to which the candidate will be assigned and will serve to support the Board of Directors itself in choosing the candidate.

Likewise, the result of the preliminary analysis will also be included in the report to be issued by the ARC, which shall serve as the basis to prepare the mandatory report of the Board of Directors or, in the case of non-executive directors, of the ARC, in line with the provisions of the LSC and the Regulations of the Board of Directors. The ARC's report will be published upon the calling of the General Shareholders' Meeting at which the ratification, appointment or reelection of each board member is to be



submitted, together with any other report prepared by the Board of Directors or the ARC for this purpose.

4.3 Determining the profile of the board member to be selected

Based on the needs to be covered on the Board of Directors, as detected in the above analysis, the ARC will define the profile and minimum capabilities that a candidate must meet in order to be considered in the selection process for his or her appointment or reelection as a board member.

In the case of appointment of independent board members, the ARC will ensure that they do not provide the Company with other significant services or are in any situation that could call into question their independence under the terms provided for in the applicable regulations.

On the other hand, any board member may provide names of possible candidates.

4.4 Selection of candidates

Based on the preliminary analysis carried out and the definition of the profile and capabilities of potential candidates for the position of board member, the ARC will submit to the Board of Directors a proposal regarding the appointment or reelection of independent board members, and, regarding the other categories of directors, a report on the same.

4.5 Election of candidates

The Board of Directors will examine the proposal of the ARC for the purpose of appointing the independent board members by cooptation or proposing their appointment or reelection to the General Shareholders' Meeting.

In the same way, the Board of Directors will also take into account the ARC's report with respect to the remaining categories of board members, with a view to appointing them by cooptation or proposing their appointment or reelection to the General Shareholders' Meeting.

4.6 Notification of the decision

Once the Board of Directors has adopted a decision regarding the candidate's appointment by cooptation or its proposal to the General Shareholders' Meeting, the candidate will be formally notified of the decision.



Likewise, the candidate will also be notified of the final decision adopted by the General Shareholders' Meeting of the Company. The above notifications will be sent by the Secretary or Vice-Secretary of the Board of Directors.

Once the appointment has been approved, the ARC will seek the appointed or reelected board member's formal written acceptance of the Company's terms and policies, including:

- a) Statutory and bylaw obligations
- b) Priority of the corporate interest
- c) The board member's role on the Board
- d) Internal regulations
- e) A declaration from the board member regarding his or her relationship with significant shareholders and any other conflicts of interest.

5 Candidate Requirements

5.1 Categories of the members of the Board of Directors

According to the provisions of the LSC and the Regulations of the Board of Directors, the Board of Directors of PUIG will be composed of board members from the following categories:

- **Executive Board members:** those performing management functions at the Company or the Group, regardless of their legal relationship with them. Where a Board member performs management functions and, at the same time, is or represents a significant shareholder or a shareholder represented on the Board, that Board member will be considered an Executive board member for the purposes of the Regulations of the Board of Directors.
- **Non-Executive Board members:** this category, in turn, will be formed of the following:
 - **Proprietary Board members:** those holding a shareholding equal to or greater than that legally considered a significant



shareholding or those who have been appointed due to their status as shareholders, even if their shareholding does not reach that threshold, as well as any persons representing such shareholders. The members of the Puig Family (as defined in the Regulations of the Board of Directors) shall be considered Proprietary Board members, unless they are considered Executive Board members.

- **Independent Board members:** those members who meet the independence requirements set forth in the LSC and in the Regulations of the Board of Directors.

- Additionally, the Board of Directors may include **other External Board members** among its members which will be those Non-Executive Board members that cannot be considered either Independent or Proprietary.

The Board of Directors will endeavor to ensure that the number of Independent Board members and the Proprietary Board members constitutes an ample majority and that the number of Executive Board members is the minimum necessary. The percentage of Proprietary Board members out of the total number of Non-Executive Board members is not greater than the proportion existing between the Company's share capital represented by such Board members and the rest of the capital, without prejudice, if applicable, to the adaptation of this criterion under the terms of the applicable good governance recommendations.

5.2 Board member selection requirements

The members of the Board of Directors must have the skills, knowledge and experience required to perform their position, account being taken of the skills required on the Board of Directors and its composition as a whole.

Based on the above, the procedures for selecting Board members must, as a minimum, take into account the following criteria:

- **Adequate professional knowledge and experience:** the appointment must be made to persons of acknowledged good repute and who have adequate professional knowledge and experience to perform their duties.

- **Requirements for Independent Board members:** in addition to the above criteria, which will be applicable to all Board members regardless of their category, with respect to the selection of



Independent Board members, the persons selected for the category of Independent Board member must meet the independence requirements set forth in the regulations applicable at any given time, as well as the additional independence conditions, if any, established by the Company's internal regulations.

- **Board members' commitment to fulfilling their duties and obligations:** in the proposals to reelect the current members of the Board of Directors, it will be taken into account the commitment shown by the Board member during the exercise of its office and while fulfilling its duty of care and duty of loyalty, as well as their compliance with any other rules which, in his or her capacity as board member and, if applicable, as shareholder or senior officer of the Company, may be imposed by the Internal Code of Conduct, the Code of Ethics and any other rules or procedures implementing them. Likewise, it will be assessed whether his or her actions while fulfilling his or her duties have been performed in good faith and in the best interests of the Company.

The Board of Directors will endeavor to ensure that proposals for the appointment or reelection of Board members favor diversity on the Board; as a result, they should preferably be oriented towards incorporating women onto the Board, ensuring, in line with good governance recommendations, that the presence of women in the Board of Directors is significant and that the number of women Board members accounts for at least 40% of the members of the Board of Directors, as well as persons who, due to their nationality or experience, have an international professional outlook that is aligned with the Company's strategy.

In addition to the above requirements, in the selection processes of the Board members of PUIG any other conditions that may be determined by the ARC and the applicable legislation at any given time must take into account.

In particular, with respect to the Audit and Compliance Committee, the selection process of candidates to integrate such Committee must take into account the singularities required by the LSC and the supervisor's recommendations, ensuring that its members as a whole have knowledge and experience in accounting, auditing and risk management and control of risks, both financial and nonfinancial, as well as technical knowledge of the sector to which the Company belongs in those other areas that may be appropriate in order for the Audit and Compliance Committee to perform its functions, without prejudice to the requirements of geographical origin, gender and any diversity requirements that must be taken into account.



Furthermore, the selection process of candidates to integrate the ARC will assess their knowledge and experience in areas such as the analysis and strategic assessment of human resources, the selection of Board members and executives, the performance of senior management functions and the design of remuneration schemes and policies for Board members and senior executives, without prejudice to any diversity requirements that must be taken into account.

Finally, in the selection process of candidates to form part of the Sustainability and Social Responsibility Committee, it will be ensured that they have the appropriate knowledge, skills and experience in environmental, social, diversity, integration, ethics and conduct-related matters, while also ensuring that their purpose and values are aligned with the corporate culture, without prejudice to any other diversity requirements that must be taken into account.

5.3 Incompatibilities and prohibitions regime

The following people cannot be Board members:

- a) Legal entities.
- b) Individuals that are unable to allocate sufficient time and dedication to be able to effectively perform their work as a Board member.
- c) Those who are affected by any cause of incompatibility, legal prohibition, or incapacity or who are in any way disqualified for such purpose, according to the provisions of the applicable legislation and as established in the corporate governance rules of PUIG, including those who in any way have interests conflicting with those of the Company.

In the case of **reelection of board members**, persons subject to any of the following circumstances may not be reelected as board members:

- a) Those who have seriously infringed their obligations as Board members in accordance with the provisions of the regulations in force from time to time, the Company's By-laws, the Regulations of the Board of Directors of the Company or any other internal rules of the Company.
- b) In the event that they have not resigned, where the reason for which they were appointed as a Board member ceases to exist, and, in particular:



- When they cease to hold the positions, offices or functions with which their appointment as Executive Board member was associated.
- If they are Proprietary Board members, when the shareholder whose interests they represent fully transfers or reduces, in due proportion, the shareholding they had in the Company.
- If they are Independent Board members, when they incur in any of the circumstances that cause them to lose their independent status, in accordance with the provisions of the law.
- When they are involved in any of the cases of incompatibility or prohibition provided by law.
- When their continuance on the Board may harm the interests, credit or reputation of the Company.

6 Responsible Bodies

6.1 Board of Directors

According to this Policy, the current regulations and the Company's Regulations of the Board of Directors, the Board of Directors of PUIG will have the following powers in relation to the selection of board members and diversity on the Board of Directors:

- a) Approval and amendment of this Policy.
- b) Preparation of a report assessing the skills, experience and merits of the candidate proposed for appointment or reelection as a Board member, which in any case must accompany the appointment or reelection proposal and will be attached to the minutes of the General Shareholders' Meeting or those of the Board of Directors of the Company.
- c) Preparation of proposals for the appointment or reelection of Non-Independent Board members to be submitted by the Board of Directors to the General Shareholders' Meeting for consideration as well as decisions on the appointment of Board members through the system of cooptation according to the powers granted by the Law.
- d) Before proposing the reelection of Board members to the General Shareholders' Meeting, the assessment of the quality of work and



dedication to the position of the proposed Board members during the preceding term of office.

- e) Ensuring that the procedures for selecting members of the Board of Directors favor diversity with respect to age, gender, disability and professional training and experience, and that they do not suffer from implicit bias that could give rise to any form of discrimination and, in particular, that they enable the selection of a sufficient number of female Board members to allow for a balanced presence of women and men, ensuring, in line with good governance recommendations, that the presence of women in the Board of Directors is significant and that the number of women Board members accounts for at least 40% of the members of the Board of Directors.

6.2 Appointments and Remuneration Committee

Without prejudice to the Board of Directors' powers regarding the selection of Board members and diversity on the Board of Directors, the ARC will be responsible for the following functions, among others:

- a) Evaluating the skills, knowledge and experience required on the Board of Directors. To this effect, it will define the functions and aptitudes required by the candidates to fill each vacancy and will assess the time and dedication necessary for them to effectively perform their duties.
- b) Establishing a target representation, which shall be at least 40%, for the underrepresented gender on the Board of Directors and developing guidelines on how to achieve this target.
- c) Forwarding to the Board of Directors proposals for the appointment of Independent Board members to allow them to be appointed by cooptation or following a decision of the General Shareholders' Meeting, as well as proposals for their reelection or removal by the General Shareholders' Meeting.
- d) Reporting proposals for the appointment of the remaining board members to allow them to be appointed by cooptation or following a decision of the General Shareholders' Meeting, as well as proposals for their reelection or removal by the General Shareholders' Meeting.
- e) Making proposals regarding the appointment of the Chairman and the Chief Executive Officer, the appointment of whom must be approved by the General Shareholders' Meeting at the proposal of the



Board of Directors, as well as examining or organizing their succession in the manner considered appropriate, and, where appropriate, making proposals to the Board to ensure that the succession takes place in an orderly and well- planned manner.

6.3 Advice of external professionals

For the best performance of its functions, the ARC, as the responsible body for the selection of candidates for the position of Board member, may seek the advice of external experts and, in particular, may engage legal and human resources advisors or other experts in the process of selecting the Board members.

If it engages external advisors, the ARC must ensure the independence of the advisor and that there are no conflicts of interest.

7 Policy Monitoring

The ARC will be the responsible body for verifying compliance with this Policy on an annual basis, by periodically assessing periodically its effectiveness and adopting the appropriate measures to remedy any deficiencies, if detected, reporting on all these matters to the Company's Board of Directors.

Likewise, PUIG must also report on the verification performed in relation to the degree of compliance with the Policy in the Annual Corporate Governance Report of the Company.