

REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSAL TO THE GENERAL SHAREHOLDERS MEETING ON THE RE-ELECTION OF THE PROPRIETARY DIRECTOR MR. JOHN MATTHEW DOWNING

I

By a decision of the then sole shareholder of the Company, on 13th May, 2014, Mr. John Matthew Downing was appointed a Director of the Company for the period – then in accordance with the Bylaws – of five years.

Law 31/2014 of 3rd December modified Article 529 undecies of the Law of Capital Companies, fixing the maximum term of office of directors of listed companies at four years.

Mr. Downing's mandate was renewed by the Company's General Meeting held on March 21st, 2028, for the statutory period of four years, that is, after the celebration of the previous General Shareholders' Meeting.

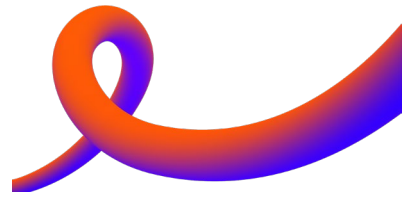
Under Article 529 duodecies 3 of the Law of Capital Companies, Mr. Downing is a proprietary director, as he represents the indirect majority shareholder Imperial Brands PLC on the Board of Directors.

II

The Appointments and Remuneration Committee at the meeting held today, has assessed again Mr. Downing profile, and has noted that:

- i) he still fulfils the requirements of the law and of the Company's Policy on the Selection of Directors of 19th December, 2017, (knowledge, professional experience, recognized soundness and competence, responsibility for the exercise of his office, and absence of conflicts of interest) to be appointed Director;
- ii) he is not involved in any case involving prohibition or incompatibility under the Law or under the Company's Policy on the Selection of Directors;
- iii) he continues to fulfil the legal and statutory requirements for inclusion in the category of proprietary director.

The Committee has also highly valued the quality of his work and his performance in the role of Director of the Company, and his professional contribution to the Board of Directors and its skill matrix, in particular his extensive knowledge and experience in corporate governance and sustainability.



III

Therefore, and with the abstention of Mr. Downing, the Appointments and Remuneration Committee unanimously reported in favor that the General Meeting should re-elect Mr. John Matthew Downing as a proprietary Director for the statutory term of four years.

Mr. John Matthew Downing will be a proprietary Director in accordance with Article 529 duodecies 3 of the Law of Capital Companies and Article 4.1 b) of the Company's Policy on the Selection of Directors, of 19th December, 2017.

IV

In view of the foregoing, the Board of Directors, with the abstention of Mr. Downing, unanimously agreed to adopt the above-mentioned Report of the Appointments and Remuneration Committee, related to the proposal of re-election by the General Shareholders Meeting of Mr. John Mathew Downing as proprietary Director of the Company, on the understanding that Mr. Downing has the necessary skills, experience and merits, and fulfils the requirements to be re-elected by the General Shareholders Meeting as proprietary Director of the Company, for the statutory period of four years.

It is also noted that Mr. Downing's re-election as proprietary Director complies with the Framework Agreement of 12 June 2014, signed between the Company and Imperial Brands PLC, at the time of the Public Offering of Shares of the Company of that year.

This report was unanimously approved (with the said abstention) by the Board of Directors, in accordance with the provisions of the Capital Companies Act, and will be joined to the General Meeting Minutes that may approve his re-election as Director.

Leganés, 14th December, 2022

The Board Secretary,

María Echenique Moscoso del Prado