
IDENTIFICATION DATA OF THE ISSUER

End date of the period of reference:		31/12/2019	
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CIF [Tax Identity Number]:		A-28060903	
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Company Name:

CORPORACION FINANCIERA ALBA, S.A.

Registered Office:

CASTELLO, 77, 5ª PLANTA MADRID

A. STRUCTURE OF THE PROPERTY

A.1. Complete the table below with details of the share capital of the company:

Date of last change	Share capital (€)	Number of shares	Number of voting rights
18/06/2018	58,240,000.00	58,240,000	58,240,000

Indicate if there are various classes of shares with different rights associated:

☐ Yes
☒ No

A.2. Please provide details of the company's significant direct and indirect shareholders at year end, excluding any directors:

Name or company name of the shareholder	% shares carrying voting rights		% voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
GLORIA MARCH DELGADO	3.69	0.01	0.00	0.00	3.70
JUAN MARCH DELGADO	11.74	6.98	0.00	0.00	18.72
CATALINA MARCH JUAN	4.27	0.00	0.00	0.00	4.27
BANCA MARCH, S.A.	15.02	0.00	0.00	0.00	15.02

Breakdown of the indirect holding:

Name or company name of the indirect shareholder	Name or company name of the direct shareholder	% shares carrying voting rights	% voting rights through financial instruments	% of total voting rights
GLORIA MARCH DELGADO	AGROPECUARIA EL AGUILA, SA	0.01	0.00	0.01
JUAN MARCH DELGADO	SURISLA, SA	0.79	0.00	0.79
JUAN MARCH DELGADO	M.B. DE INVERSIONES, SA	3.95	0.00	3.95
JUAN MARCH DELGADO	FUNDACION JUAN MARCH	0.65	0.00	0.65
JUAN MARCH DELGADO	FUNDACION INSTITUTO JUAN MARCH DE ESTUDIOS E INVESTIGACIONES	1.59	0.00	1.59

State the most significant shareholder structure changes during the year:

Most significant changes

Ms GLORIA MARCH DELGADO has a 0.006% indirect shareholding in the share capital through AGROPECUARIA EL AGUILA, S.A.

Mr JUAN MARCH DELGADO is Chairman of the Board of Trustees of the JUAN MARCH FOUNDATION and the JUAN MARCH INSTITUTE OF STUDIES AND RESEARCH FOUNDATION

In addition, the following directors are regarded as significant shareholders:

Mr CARLOS MARCH DELGADO, whose shareholdings, direct and indirect, amount to 19.125%.

Mr JUAN MARCH DE LA LASTRA, whose shareholdings, direct and indirect, amount to 6.929%.

Mr JUAN MARCH JUAN, whose shareholdings, direct and indirect, amount to 4.351%.

For more information about their shareholdings, see section A.3. below.

A.3. In the following tables, list the members of the Board of Directors of the company who have voting rights with their shares in the company:

Name or company name of the board member	% shares carrying voting rights		% voting rights through financial instruments		% of total voting rights	% voting rights that <u>can be transmitted</u> through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR JOSE DOMINGO DE AMPUERO Y OSMA	0.02	0.00	0.00	0.00	0.02	0.00	0.00
MR JUAN MARCH JUAN	3.10	1.25	0.00	0.00	4.35	0.00	0.00
MR CARLOS MARCH DELGADO	17.89	1.23	0.00	0.00	19.12	0.00	0.00
MR JUAN MARCH DE LA LASTRA	5.84	1.09	0.00	0.00	6.93	0.00	0.00
MR JOSE RAMON DEL CAÑO PALOP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% total voting rights held by the Board of Directors							30.42

Breakdown of the indirect holding:

Name or company name of the board member	Name or company name of the direct shareholder	% shares carrying voting rights	% voting rights through financial instruments	% of total voting rights	% voting rights that <u>can be transmitted</u> through financial instruments
MR JUAN MARCH JUAN	PEÑA TAJADA, S.L.	1.25	0.00	1.25	0.00
MR CARLOS MARCH DELGADO	MS CONCEPCION DE LA LASTRA RAMOS-PAUL	0.42	0.00	0.42	0.00
MR CARLOS MARCH DELGADO	SON DAVIU, S.L.	0.81	0.00	0.81	0.00
MR JUAN MARCH DE LA LASTRA	ATACAMPA, S.A.	1.09	0.00	1.09	0.00

The significant shareholder BANCA MARCH, S.A. which has a 15,02% shareholding in the company appoints MR JUAN MARCH DE LA LASTRA as its representative in the Board of Directors of Corporación Financiera Alba, S.A.
MR JOSÉ RAMÓN DEL CAÑO PALOP is a direct shareholder of 0.003% of the company.
MR SANTOS MARTÍNEZ-CONDE GUTIERREZ-BARQUIN is a direct shareholder of 0.003% of the company.

A.4. If applicable, state any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business,

except those that are reported in Section A.6:

Name of related party	Nature of relationship	Brief description
MR JUAN MARCH DELGADO, MS GLORIA MARCH DELGADO	Family-related	MR JUAN MARCH DELGADO and MS GLORIA MARCH DELGADO are brother and sister.
MR CARLOS MARCH DELGADO, MS GLORIA MARCH DELGADO	Family-related	MR CARLOS MARCH DELGADO and MS GLORIA MARCH DELGADO are brother and sister.
MR JUAN MARCH DELGADO, MR CARLOS MARCH DELGADO	Family-related	MR JUAN MARCH DELGADO and MR CARLOS MARCH DELGADO are brothers.
MR JUAN MARCH DELGADO, MR JUAN MARCH JUAN	Family-related	MR JUAN MARCH DELGADO and MR JUAN MARCH JUAN are father and son.
MR JUAN MARCH DELGADO, MS CATALINA MARCH JUAN	Family-related	MR JUAN MARCH DELGADO and MS CATALINA MARCH JUAN are father and daughter.
MR JUAN MARCH JUAN, MS CATALINA MARCH JUAN	Family-related	MR JUAN MARCH JUAN and MS CATALINA MARCH JUAN are brother and sister.
MR CARLOS MARCH DELGADO, MR JUAN MARCH DE LA LASTRA	Family-related	MR CARLOS MARCH DELGADO and MR JUAN MARCH DE LA LASTRA are father and son.

- A.5. If applicable, state any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

Name of related party	Nature of relationship	Brief description
No data		

- A.6. Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of proprietary directors.

Explain, as the case may be, how significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies in its group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of directors, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Name or company name of the related director or representative	Name or company name of the related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	BANCA MARCH, SA	BANCA MARCH, SA	MR SANTOS MARTÍNEZ-CONDE GUTIERREZ-BARQUÍN is a Director of BANCA MARCH, S.A.
MR JUAN MARCH JUAN	MR JUAN MARCH DELGADO	MR JUAN MARCH DELGADO	MR JUAN MARCH JUAN is the son of MR JUAN MARCH DELGADO
MR JUAN MARCH JUAN	BANCA MARCH, S.A.	BANCA MARCH, S.A.	MR JUAN MARCH JUAN is a Director of BANCA MARCH, S.A.
MR CARLOS MARCH DELGADO	BANCA MARCH, S.A.	BANCA MARCH, S.A.	MR CARLOS MARCH DELGADO is a Director of

			BANCA MARCH, S.A.
MR JUAN MARCH DE LA LASTRA	BANCA MARCH, S.A.	BANCA MARCH, S.A.	MR JUAN MARCH DE LA LASTRA is Chairman of BANCA MARCH, S.A.

BANCA MARCH, S.A. has endorsed MR JUAN MARCH DE LA LASTRA for its representation on the Board of Directors of CORPORACION FINANCIERA ALBA as a proprietary Director.

- A.7. State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Ley de Sociedades de Capital ("Capital Companies Act" or "LSC"). If so, describe these agreements and list the party shareholders:

☐ Yes
☒ No

There is no shareholders' agreement relating to Corporación Financiera Alba, S.A. governing the exercise of voting rights at General Shareholders' Meetings or restricting or conditioning the free transferability of its shares.

State whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

☐ Yes
☒ No

In the event that, during the financial year, there was any amendment or breach of these agreements, contracts or concerted actions, indicate this clearly:

- A.8. State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Ley de Mercados de Valores ("Spanish Securities Market Act" or "LMV"). If so, please identify them:

☐ Yes
☒ No

A.9. Complete the following table with details of the company's treasury shares:

At the close of the fiscal year:

Number of direct shares	Number of indirect shares (*)	% total of share capital
		0.00

(*) Through:

Name or company name of the direct owner of the stake	Number of direct shares
No data	

Explain any significant changes during the year:

Explain the significant fluctuations

A.10. Provide a detailed description of the terms and conditions of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares:

The buyback of shares in the Company is authorised by the General Shareholders' Meeting, up to the maximum permitted by Law, using a sale transaction and subject to the requirements of applicable provisions in this regard.

The authorisation extends to buybacks that, within the limit indicated, are conducted by subsidiaries of Corporación Financiera Alba, S.A., as well as applying the shares bought by virtue of this authorisation and prior authorisations to the execution of the Compensation Plans for Executive Board Members and Directors, which involve the transfer of shares or options on these shares.

The buyback price will be the price listed on the Stock Exchange on the date when the transaction is performed or authorised, where applicable, by the relevant stock exchange authority.

The authorisation in force in 2019 was agreed by the General Shareholders' Meeting of 17 June 2019 for a period of five years as of that date.

A.11. Estimated floating capital:

	%
Estimated floating capital	27.87

A.12. State whether there are any restrictions (bylaw, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and those regimes for the prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

[] Yes
[✓] No

A.13. State if the shareholders have resolved at a meeting to adopt measures to neutralise a takeover bid pursuant to the provisions of Act 6/2007.

☐ Yes
☒ No

Where applicable, explain the measures approved and the terms under which the restrictions may be inapplicable:

A.14. State if the company has issued shares that are not traded on a regulated EU market.

☐ Yes
☒ No

If so, please list each type of share and the rights and obligations conferred on each type of share:

B. GENERAL SHAREHOLDERS' MEETING

B.1. State whether there are any differences between the quorum established by the LSC for General Shareholders' Meetings and those set by the company and if so, describe them in detail:

☐ Yes
☒ No

B.2. State whether there are any differences in the company's manner of adopting corporate resolutions and the manner for adopting corporate resolutions described by the LSC and, if so, explain:

☐ Yes
☒ No

B.3. State the rules for amending the company's Articles of Association. In particular, state the majorities required for amendment of the Articles of Association and any provisions in place to protect shareholders' rights in the event of amendments to the Articles of Association.

The procedure for amending by Company's Articles of Association is regulated in the Capital Companies Act, which requires approval from the General Shareholders' Meeting, with the majorities provided in article 194 of the aforementioned Law, without establishing, in this regard, any specialisation in these by-laws.

Amendment of the by-laws is expressly included among the powers of the General Shareholders' Meeting, which are detailed in the Regulation of the General Shareholders' Meeting, without being subject to majorities other than those stipulated in the Law.

B.4. Give details of attendance at General Shareholders' Meetings held during the year of this report and of the two previous years:

Data of General Shareholders' Meeting	Attendance data				
	% physical presence	% representation	% remote voting		
			Electronic vote	Other	
19/06/2017	67.96	24.73	0.00	0.00	92.69
Of which floating capital	02.04	16.35	0.00	0.00	18.39
18/06/2018	67.87	23.24	0.00	0.00	91.11
Of which floating capital	1.94	19.13	0.00	0.00	21.07
17/06/2019	66.48	26.53	0.00	0.00	93.01
Of which floating capital	02.74	18.15	0.00	0.00	20.89

B.5. State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by

the shareholders for any reason:

- ☐ Yes
☒ No

B.6. State if the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or on distance voting:

- ☒ Yes
☐ No

Number of shares needed to attend the General Shareholders' Meetings	25
Number of shares required for distance voting	25

B.7. State whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions that must be subject to the approval of the General Shareholders' Meeting:

- ☐ Yes
☒ No

B.8. State the address and manner of access to the company's website where one may find information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website:

Website: www.corporacionalba.es

Access path: Main Menu/Shareholders and Investors/Corporate Governance
Main Menu/Shareholders and Investors/General Shareholders' Meeting

C. MANAGEMENT STRUCTURE OF THE COMPANY

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors established in the Articles of Association and the number set by the General Shareholders' Meeting:

Maximum number of board members	15
Minimum number of board members	7
Number of directors set by the General Shareholders' Meeting	13

C.1.2 Please complete the following table on members of the Board:

Name of the board member	Representative	Category of the board member	Position on the board	Date first appointed	Date last appointed	Selection procedure
MS MARÍA EUGENIA GIRÓN DÁVILA		Independent	BOARD MEMBER	08/06/2016	08/06/2016	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUÍN		Executive	CHIEF EXECUTIVE OFFICER	27/09/2006	18/06/2018	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MR JOSE DOMINGO DE AMPUERO Y OSMA		Independent	INDEPENDENT LEAD DIRECTOR	29/05/2013	19/06/2017	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MR ANTONIO MARIA PRADERA JÁUREGUI		Independent	BOARD MEMBER	10/06/2015	17/06/2019	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MR JUAN MARCH JUAN		Proprietary	2 ND VICE-CHAIRMAN	23/03/2011	17/06/2019	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MR RAMÓN CARNE CASAS		Executive	BOARD MEMBER	25/05/2011	17/06/2019	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MR CARLOS MARCH DELGADO		Proprietary	CHAIRMAN	22/06/1988	08/06/2016	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MR JUAN MARCH DE LA LASTRA		Proprietary	1 ST VICE-CHAIRMAN	28/05/2008	08/06/2016	RESOLUTION GENERAL SHAREHOLDERS' MEETING

Name of the board member	Representative	Category of the board member	Position on the board	Date first appointed	Date last appointed	Selection procedure
MR JOSÉ RAMÓN DEL CAÑO PALOP		Executive	BOARD SECRETARY	27/05/2009	19/06/2017	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MS CLAUDIA PICKHOLZ		Independent	BOARD MEMBER	08/06/2016	08/06/2016	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MS MARÍA LUISA GUIBERT UCÍN		Independent	BOARD MEMBER	17/06/2019	17/06/2019	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MS ANA MARÍA PLAZA ARREGUI		Independent	BOARD MEMBER	17/06/2019	17/06/2019	RESOLUTION GENERAL SHAREHOLDERS' MEETING

Total number of board members	12
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State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Name of the board member	Director type at time of leaving	Date of last appointment	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
MS CRISTINA GARMENDIA MENDIZABAL	Independent	19/06/2017	17/06/2019	Investment Monitoring Committee and Appointments and Remuneration Committee	Yes
MR CARLOS GONZALEZ FERNANDEZ	Independent	10/06/2015	17/06/2019	Audit and Compliance Committee and Operations Committee	NO

Reason for leaving and other observations

Mr. Carlos González Fernández: Termination of term due to reaching the age set forth in the Regulations of the Board.
Ms. Cristina Garmendia Mendizábal: Her other professional commitments and the applicable regulatory requirements prevented her from remaining in the company's Board of Directors.

C.1.3 Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE BOARD MEMBERS		
Name or company name of the board member	Position on the company's organisational chart	Background
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	CHIEF EXECUTIVE OFFICER	Civil Engineer. Master's degree in Business Administration and Management from ICADE. Diploma in Nuclear Technology from ICAI. He has been Chief Executive Officer of Corporación Financiera Alba, S.A. since 2006. He is currently a Director of Banca March, S.A. He is also Chairman of Artá Partners, S.A, Director of Artá Capital, SGEIC, S.A.U., of Deyá Capital SCR, S.A. and of Deyá Capital IV, SCR, S.A. Prior to joining the March Group, he developed his career at Sener Técnica Naval e Industrial, S.A., Técnicas Reunidas, S.A., Bestinver, S.A., Corporación Borealis, S.A. and Banco Urquijo, S.A. He is also a member of the Boards of Directors of Acerinox, S.A., Indra Sistemas, S.A., Bolsas y Mercados Españoles, holding company of Mercados y Sistemas Financieros, S.A. and CIE Automotive, S.A.
MR RAMON CARNE CASAS	BOARD MEMBER	Industrial Engineer from the Polytechnic University of Barcelona and MBA from INSEAD. He is currently the Chairman and Managing Director of Artá Capital, SGEIC, S.A. He has previously worked at Procter & Gamble, Torras Papiers France and was a member of Mercapital (from 1992 to 2011). He is a member of the Board of Directors of Terberg Ros Roca Ltd, Satlink and Alvinesa. He has previously been a member of the Board of ACS Servicios, Comunicaciones y Energía, Continental Auto, Vías y Construcciones, Yoigo, Bodegas Lan, Grupo Lasem, Emergia, Grupo Hospitalario Quirón, Pepe Jeans, Flex, Panasa, Mecalex and Energyco/Gascan.
MR JOSE RAMON DEL CAÑO PALOP	BOARD SECRETARY	State Attorney (on extended level of absence). He has been Secretary of the Board and Director of Legal Services of the National Securities Market Commission (CNMV) and the Bank of Spain, as well as a member of various working groups of the European Commission and the European Central Bank. Secretary of the Board of Corporación Financiera Alba, S.A. and its Committees, and member of the Board of Directors of various companies of the March Group.

Total number of executive board members	3
% of the total board	25.00

EXTERNAL PROPRIETARY BOARD MEMBERS		
Name or company name of the board member	Name or company name of the significant shareholder represented or that proposed their appointment	Background
MR CARLOS MARCH DELGADO	MR CARLOS MARCH DELGADO	Law graduate. Director of Banca March, S.A., Vice-Chairman of the Board of Trustees of the Juan March Foundation and the Juan March Institute of Studies and Research. He has been a Director of the Group Carrefour, S.A., Chairman of the Spanish section of the Association for the European Monetary Union, Founding Partner and First Chairman of the Institute of Economic Studies, Chairman of the Spanish Group at the Trilateral Commission, member of the International Committee of JP Morgan and the Columbia University International Advisory Board. He was awarded the Legion of Honour by the Government of France.

EXTERNAL PROPRIETARY BOARD MEMBERS		
Name or company name of the board member	Name or company name of the significant shareholder represented or that proposed their appointment	Background
MR JUAN MARCH DE LA LASTRA	MR JUAN MARCH DE LA LASTRA	Bachelor's degree in Business Administration and Management from University Carlos III of Madrid. Master's degree in Global Markets (JP Morgan New York). Currently, he is the Chairman of Banca March, S.A. He is entrusted with the representation of Banca March, S.A. on the Board of Directors of Corporación Financiera Alba as a Proprietary Director. He is a member of the Board of Directors of Viscofan, S.A. He began his professional activity at JP Morgan and has been Managing Director and President of March Gestión de Fondos SGIIC, S.A. and of March Gestión de Pensiones SGFP, S.A.
MR JUAN MARCH JUAN	MR JUAN MARCH JUAN	Bachelor's degree in Business Administration and Management from CUNEF and Executive MBA from IESE. He is currently a Director and member of the Delegated Committee of Banca March, S.A. and Vice-Chairman of Artá Capital, SGEIC, S.A.U. He previously conducted his professional activity at Goldman Sachs, London, in the department offering consultancy service for the Natural Resources and Energy, Industry, Transportation and Infrastructure sectors. He was a member of the Boards of Directors of Cobra and of the Pepe Jeans/Hakectt Group, and Mecalux, among others. He is currently a member of the Board of Directors of Bolsas y Mercados Españoles, Holding Company.

Total number of proprietary board members	3
% of the total board	25.00

EXTERNAL INDEPENDENT BOARD MEMBERS	
Name or company name of the board member	Background
MS MARÍA EUGENIA GIRÓN DÁVILA	Senior Industrial Engineering from ICAI and Masters in Business Administration from Harvard Business School. She began her career at First National Bank of Chicago, (Spain), where she went on to Solomon R. Guggenheim Foundation and Estée Lauder Companies, Inc. From 1992 to 1997, she was Director of the Strategy and International Divisions at Loewe S.A., from 1996 part of the LVMH Moët Hennessy Louis Vuitton group. In 1999, she led the purchase of Carrera y Carrera, S.A. alongside 3i, and was the Managing Director of the company for six years. In 2012, she became Chairman of Le Chateau SAS, after the acquisition of Silvercloud Investments. A Member of the International Board of Oceana, of the Advisory Board of Suarez, of Pedro García and of South Summit, of the Patronatos de la Real Fábrica de Tapices and of IE University, President of the Fundación Diversidad and member of YPO (Young Presidents Organizations), WCD (Women Corporate Director), IWF (International Women's Forum), Go Beyond Early Stage Investments and of Rising Tide, as well as a member of the Management Board of the Instituto de Consejeros y Administradores. She has also authored various books on the premium sector and is a faculty member at IE and other business schools.
MR JOSE DOMINGO DE AMPUERO Y OSMA	Industrial Engineer (Higher School of Engineering of Bilbao) and Master of Business Administration (University of Southern California). Among other positions, he has been a Director of San Telmo Ibérica Minera, Vice-Chairman of Naviera Vizcaína, Chairman of S.A. de Alimentación, Vice-Chairman of BBVA Bancomer, Chairman of Bodegas y Bebidas, Vice-Chairman of Banco Bilbao Vizcaya Argentaria, Vice-Chairman of Iberdrola, Chairman of Cementos Lemona, Director of Tubacex, S.A. as well as a member of the Executive Board of the Association for Management Progress, and a member of the Executive Board of Executive Board of the Círculo de Empresarios Vascos. He is currently Chairman of Autopista Vasco-Aragonesa S.A., Chairman of Viscofan, S.A. and a member of Fundación Consejo España-Estados Unidos.

EXTERNAL INDEPENDENT BOARD MEMBERS	
Name or company name of the board member	Background
MR ANTONIO MARIA PRADERA JAUREGUI	Civil Engineer. In 1979 he began work as a manager at Banco Bilbao, where he remained until 1985. In 1988 he was appointed Executive Director of Nerisa, a position he held until 1993. In 1993 he joined SEAT as Strategy Manager. In 1995 he played a key role in the founding of Instituto Sectorial de Promoción y Gestión de Empresas, S.A. (INSSEC), where he was appointed CEO, a role which he held until 2010. He is currently Chairman of the Board Directors of Cie Automotive, S.A., Chairman of Global Dominion Access, S.A. and Director of Tubacex, S.A.
MS CLAUDIA PICKHOLZ	Born in the USA, she graduated in Economics at Rutgers University (New Brunswick, USA), obtained her MBA at Harvard School of Business Administration (Boston, USA), and completed the TCL Programme at INSEAD (Fontainebleau, Francia). She began her professional career at the Irving Trust Company, as Analyst for Europe and Latin America, subsequently joining McKinsey & Company, as a Consultant. In 1987 she joined SC Johnson Wax Española, S.A. and was ultimately promoted to Marketing Director. Subsequently, in 1994 she joined Coca-Cola, first in Spain, as Marketing Director and Planning and Control Director, then in the United Kingdom, as Client Marketing Director for Europe. She was Managing Director of McCann-Erickson Madrid, before joining Kodak, S.A. in 2003, where she held such senior positions as Marketing and Communications Director and Strategic Products Director for Europe, Africa and the Middle East. More recently she served as Managing Director for Spain and Latin America at Elsevier, S.A., and is currently an Independent Director of Quabit Inmobiliaria, S.A. and Managing Director for the Iberian Peninsula of TCC (The Continuity Company).
MS MARÍA LUISA GUIBERT UCÍN	Holds a degree in Law and Business Science from ICADE. Chairperson of the Algepos Group. Chairperson, Vice-Chairperson and Director of Companies owned by the Algepos Group, dedicated to portuary and railway logistics. She is also the Vice-Chairperson of Rugui Steel, S.L. and Director at Accesorios de Tubería, S.A. (ATUSA). Director at Antiguo Berri, S.L. and Riberas del Urumea, S.L. Independent Director at Iberpapel Gestión, S.A. and Chairperson of the Appointments and Remuneration Committee and member of the Audit Committee. Vice-chairperson of the Matía Foundation, patron and member of the Management Committee of the San Sebastián Aquarium, patron and member of the Nazaret Foundation. Member of the Management Committee of the Association for Family Business in the Basque Country and of the Basque Country Business Circle. Member of PIPE (Platform for Investors in Spanish Ports). First Vice-Chairperson of the Gipuzkoa Chamber of Commerce and member of the Board of Directors of the Port of Pasaia.
MS ANA MARÍA PLAZA ARREGUI	Graduate in Economics and Business Studies and has studies History and Geography. In 1991 she began work as an auditor at Pricewaterhouse. In 1995, she joined Abengoa as head of Internal Audit and Consolidation, where she remained until 1999. Between 1999 and 2008 she took over the financial Management of Telvent and as of its listing on the Stock Exchange in 2004 was also responsible for investor relations. In 2008, she formed part of the Microsoft Spain team as the CFO, a post she held until 2012 when she joined the Spanish Confederation of Business Organisations (CEOE), first as COO, and then as Managing Director. In 2019 she was the managing Director of the Immune Coding Institute. Since 2012, she has been a member of the board of trustees and Chairperson of the Executive Committee Loyola University Andalucía. Since October 2019 she has been a member of the National Council for the Spanish Association against Cancer. She has also been an independent Director and Chairperson of the Audit Committee of the Isolux Corsán Group.
Total number of independent board members	
6	
% of the total board	
50.00	

Indicate if any board member, described as being independent, collects any sum or bonus from the company, or from their own group, from a source other than the board member's compensation, or does or has maintained, during the last financial year, a business relationship with the company or with any company in the group, either in their own name or as a significant shareholder, board member or senior executive of an organisation that does or has maintained this business relationship.

Where applicable, an analytic statement by the board on the reasons why it considers that said director can perform his duties as an independent director will be included.

Name or company name of the board member	Description of the relationship	Reasoned statement
No data		

OTHER EXTERNAL BOARD MEMBERS

The other external board members will be identified and the reasons why they cannot be considered as proprietary or independent members as well as their links, either with the company, its directors or its shareholders will be detailed:

Name or company name of the board member	Reasons	Company, Director or shareholder to whom the director is linked	Background
No data			

Total number of other external board members	N/A
% of the total board	N/A

Indicate the fluctuations which, where applicable, occurred during the period in the category of each board member:

Name or company name of the board member	Date of change	Previous category	Current category
MR JUAN MARCH DE LA LASTRA	17/06/2019	Executive	Proprietary
MR JUAN MARCH JUAN	17/06/2019	Executive	Proprietary

C.1.4 Complete the following table with information relating to the number of female board members at the close of the past 4 years, as well as the category of each:

	Number of female board members				% of the total board members of each category			
	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Female Executives					0.00	0.00	0.00	0.00
Proprietary					0.00	0.00	0.00	0.00
Independent	4	3	3	3	66.66	50.00	50.00	42.86
Other External					0.00	0.00	0.00	0.00
Total	4	3	3	3	33.33	25.00	21.43	20.00

C.1.5 State whether the company has diversity policies in relation to the Board of Directors of the company on such questions as age, gender, disability and training and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

- [☒] Yes
 [☐] No
 [☐] Partial Policies

If yes, please describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the Appointments and Remuneration Committee to achieve a balanced and diverse presence of board members.

In the event that the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been implemented, including results achieved

The Board of Directors at its session of 17 June 2019, and with a favourable report by the Appointments and Remuneration Committee, updated the Policy for selection of candidates to Director, in order to adapt it to Law 11/2018 of 28 December concerning non-financial information and diversity and to CNMV Technical Guide 1/2019 of 20 February, on Appointments and Remuneration Committees. Among the objectives and principles contained in this policy for the selection of candidates, it is considered that the selection of Directors should be based on the analysis of the Company by the Board of Directors under the advisement of the Appointments and Remuneration Committee. Similarly, individuals must be selected whose appointment encourages diversity of knowledge, experience and gender and age within the Board. It is also stipulated that, as part of candidate selection, efforts will be made to achieve a proper balance on the Board as a whole which improves decision-making and contributes a variety of perspectives to debating the matters under its responsibility.

The Appointments and Remunerations Committee, since 2015, has approved the requirements that candidates must meet for the various classifications of Board Members of Corporación Financiera Alba, S.A.

1. Executive Board Members will be selected bearing in mind their knowledge of the activities of the company, their professional background and experience, which will be suited to performing executive duties in the company.
2. In order to elect proprietary Board Members, who are appointed on the proposal of the significant shareholder, gender diversity must be respected, avoiding gender discrimination and candidates must also have a suitable professional background and experience for the company.
3. In the case of independent Board Members, the professional background and experience of the candidate must be taken into account, ensuring that it is different from the other Board members. It is expressly stipulated that gender and nationality or habitual residence are kept in mind if this is relevant for offering the Board a different point of view.

During 2019 the Appointments and Remuneration Committee has made the corresponding follow-up of the Policy for the selection of candidates as Directors, which has been applied in the selection of new directors appointed by the General Shareholders' Meeting of 17 June 2019.

The appointment of two female Directors, proposed by the Board of Directors and with a favourable report by the Appointments and Remuneration Committee has contributed to increasing the number of female board members, which represented 33.33% of the total number of board members.

- C.1.6 Describe the means, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female board members and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates and which makes it possible to achieve a balance between men and women:

Explanation of measures

In 2015, the Appointments and Remuneration Committee set the appropriate guidelines for reaching the target for female board members on the Board of Directors, which consist of:

- Including female candidates in all Board Member selection processes.
- Including, to the extent possible, a comparable number of candidates of each gender in the selection process.
- When the quality of the candidates is the same, in terms of training and experience, provided the representation target has not been met, the selection of female candidates will be prioritised.

These guidelines were ratified by the Appointments and Remuneration Committee in its meeting of 24 October 2016. Similarly, in 2015 the Appointments and Remuneration Committee set a target for the least represented gender on the Board of Directors as well as guidelines for reaching this target, and in 2016, it agreed to set the target for least represented gender at 30% of all members for 2020. In 2019, it has exceeded this percentage with female board members making up 33.33% of the total number of the Board of Directors.

In 2019, the number of female board members on the Board of Directors increased from three to four members.

In cases when, where applicable, in spite of the measures adopted, there are few or no female board members, explain the reasons justifying this:

Explanation of reasons

C.1.7 Describe the conclusions of the appointments committee regarding verification of compliance with the selection policy for board members. Specifically, explain how this policy is advancing the objective that the number of female board members should represent, at least, 30% of the total number of members on the Board of Directors in 2020.

The Board of Directors, at its session on 17 June 2019 updated the of Corporación Financiera Alba in accordance with that set forth in Law 11/2018 and the provisions of the Technical Guides of the CNMV/1/2019.

In this regard, the findings of the Appointments and Remuneration Committee concerning the compliance with the Director Selection Policy is that the policy has been adequately followed, both in terms of the targets and criteria of the selection process, as well as the procedural aspects and the attributes that the candidates should possess.

Regarding the objective that in 2020 the number of female Directors represent at least 30% of the total number of Board members, as set at the meeting of the Appointments and Remuneration Committee of 24 October 2016, it was exceeded in 2019, when female board members represented 33.33% of the Board.

C.1.8 Explain, where applicable, the reasons proprietary board members were appointed at the request of shareholders whose equity stake is below 3% of the capital:

Name or company name of the shareholder	Reason
No data	

Indicate if formal requests for presence on the board from shareholders whose equity stake is equal or greater than that of others at whose request proprietary board members were appointed were not granted. Where applicable, explain the reasons why these were not granted:

[] Yes
[✓] No

C.1.9 State the powers delegated by the Board of Directors, as the case may be, to board members or Board committees:

Name or company name of the board member or committee	Brief description
SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	The Chief Executive Officer has powers conferred with regard the staff of the Company, as well as broad powers to represent the company, to enter into contracts, to carry out investments and disinvestments, subject to certain limits.
OPERATIONS COMMITTEE (until 17 June 2019)	The Operations Committee was conferred the responsibility to adopt investment or divestiture decisions within certain limits, and in the case of an emergency, to adopt of those investment or divestiture decisions that are the responsibility of the Board of Directors, requiring ratification by the Board. The Board of Directors agreed to its dissolution on 17 June 2019.

INVESTMENTS COMMITTEE (since 17 June 2019)	The Investments Committee has conferred the responsibility to adopt investment or divestiture decisions within certain limits, and in the case of an emergency, to adopt those investment or divestiture decisions that are the responsibility of the Board of Directors, requiring ratification by the Board. Furthermore, it was responsible for monitoring the investments and their suitability to the objectives and principles of the Company's Investment Policy.
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C.1.10 Identify any members of the Board who are also board members or representatives of board members in other companies of the group of which the listed company is a member:

Name or company name of the board member	Company name of the organisation of the group	Position	Do they have executive-level duties?
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	DEYÁ CAPITAL, SCR, S.A.U.	CHAIRPERSON	NO
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	ARTÁ CAPITAL, SGEIC, S.A.U.	BOARD MEMBER	NO
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	ARTA PARTNERS, S.A.	CHAIRPERSON	NO
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	DEYÁ CAPITAL IV, SCR, S.A.U.	CHAIRPERSON	NO
MR JUAN MARCH JUAN	ARTÁ CAPITAL, SGEIC, S.A.U.	VICE-CHAIRPERSON	Yes
MR RAMON CARNE CASAS	ARTÁ CAPITAL, SGEIC, S.A.U.	CHAIRPERSON	Yes
MR RAMON CARNE CASAS	DEYA CAPITAL II SCR, S.A.	BOARD MEMBER	NO
MR RAMON CARNE CASAS	ARTA PARTNERS, S.A.	BOARD MEMBER	NO
MR JOSE RAMON DEL CAÑO PALOP	DEYÁ CAPITAL, SCR, S.A.U.	BOARD MEMBER SECRETARY	NO
MR JOSE RAMON DEL CAÑO PALOP	ARTÁ CAPITAL, SGEIC, S.A.U.	BOARD MEMBER SECRETARY	NO
MR JOSE RAMON DEL CAÑO PALOP	ARTA PARTNERS, S.A.	BOARD MEMBER SECRETARY	NO
MR JOSE RAMON DEL CAÑO PALOP	ALBA PATRIMONIO INMOBILIARIO, S.A.U.	BOARD MEMBER	NO
MR JOSE RAMON DEL CAÑO PALOP	DEYÁ CAPITAL IV, SCR, S.A.U.	BOARD MEMBER SECRETARY	NO
MR JOSE RAMON DEL CAÑO PALOP	ALBA EUROPE, S.A.R.L.	BOARD MEMBER	NO
MR JOSE RAMON DEL CAÑO PALOP	ALBA INVESTMENTS, S.A.R.L.	BOARD MEMBER	NO

C.1.11 List any legal-person board members or legal entity board member representatives of your company who are members of the Board of Directors or legal entity board member representatives of other companies listed on official securities markets other than group companies, and have communicated that status to the Company:

Name or company name of the board member	Name of the listed company	Position
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	CIE AUTOMOTIVE, S.A.	BOARD MEMBER
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	ACERINOX. S.A.	BOARD MEMBER
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	INDRA SISTEMAS, S.A.	BOARD MEMBER
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A	BOARD MEMBER
MR JOSE DOMINGO DE AMPUERO Y OSMA	VISCOFAN, S.A	CHAIRPERSON
MR ANTONIO MARIA PRADERA JAUREGUI	TUBACEX, S.A.	BOARD MEMBER
MR ANTONIO MARIA PRADERA JAUREGUI	CIE AUTOMOTIVE, S.A.	CHAIRPERSON
MR ANTONIO MARIA PRADERA JAUREGUI	GLOBAL DOMINION ACCESS, S.A.	CHAIRPERSON
MR JUAN MARCH JUAN	BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A.	BOARD MEMBER
MR JUAN MARCH DE LA LASTRA	VISCOFAN, S.A.	BOARD MEMBER
MS MARÍA LUISA GUIBERT UCÍN	IBERPAPEL GESTIÓN, S.A.	BOARD MEMBER
MS CLAUDIA PICKHOLZ	QUABIT INMOBILIARIA, S.A.	BOARD MEMBER

C.1.12 State whether the company has established rules on the number of boards on which its board members may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

☒ Yes
☐ No

Explanation of the rules and identification of the document where this is regulated

According to the provisions of Article 41 of the Board of Directors Regulation of Corporación Financiera Alba, Board Members must be adequately dedicated to their duties and, to this end, the maximum number of Boards of other companies on which the Board Members may serve is six. To this purpose, if the Board Members considers all positions on the boards of a single group of companies or organisations in which one of these companies has a significant stake will be deemed as a single position.

C.1.13 State the total remuneration received by the Board of Directors:

Remuneration accrued in the year by the Board of Directors (thousands of euros)	4,528
Amount of rights accumulated by current board members in terms of pensions (thousands of euros)	
Amount of rights accumulated by former board members in terms of pensions (thousands of euros)	

According to the Remunerations Policy of the Board of Directors, of which an amendment was approved by the General Assembly held on 17 June 2019, the remuneration collected by all Board Members, regardless of the type of Board Member, is 100,000 euros per year each. Similarly, the following additional remuneration is established.
For the Chairman, 300,000 euros per year.

For the Vice-Chairpersons, 200,000 euros per year.

For the members of the Audit and Compliance Committee, 25,000 euros per year and for its Chairman, 35,000 euros per year.

For the members of the Appointments and Remuneration Committee, 15,000 euros per year and for its Chairman, 25,000 euros per year. For the members of the Investments Committee, 30,000 euros per year and for its Chairman, 50,000 euros per year.

There is an additional remuneration of 15,000 euros per year with the same accrual system as the annual remuneration, for the participation in any Committee other than those mentioned above, that may be established.

C.1.14 Identify senior management staff who are not also executive directors and state their total remuneration accrued during the year:

Name or company name	Position(s)
MR NICOLAS JIMENEZ-UGARTE LUELMO	BOARD MEMBER
MR ANDRES ZUNZUNEGUI RUANO	BOARD MEMBER
MR IGNACIO MARTINEZ SANTOS	BOARD MEMBER
MR JAVIER FERNANDEZ ALONSO	BOARD MEMBER
MR CARLOS ORTEGA ARIAS-PAZ	BOARD MEMBER

Total senior management compensation (in thousands of euros)	3,058
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C.1.15 State whether the Board rules were amended during the year:

☐ Yes
☒ No

C.1.16 Specify the procedures for selection, appointment, re-election and removal of board members. Detail the competent bodies, the formalities to be followed and the criteria to be used in each of the procedures.

Selection and Appointment:

On 17 June 2019 the Board of Directors approved a Director Selection Policy, in which reference is made to the selection targets and principles, the selection process, the qualities the candidates must have and the limits on applying as a candidate.

Moreover, Article 16 of the Regulations of the Board contains the following provisions:

1. The Board Members will be appointed by the General Shareholder's Meeting or, on a temporary basis, by the Board.
2. The proposals for Board Member appointments submitted by the Board to the General Shareholders' Meeting and the appointment agreements adopted by this body in the case of co-opting must respect the provisions of the Regulation with regards to the distribution of Board Members among executives and external Board Members and, among these, between proprietary and independent board members. Likewise, the Board will ensure the selection procedures promote diversity in terms of gender, experience and knowledge and that they do not include implicit biases which could imply any discrimination.
3. Once there is a vacancy, the Chairman or any Board Member may propose candidates, whose selection will be deliberated by the Board. The proposals for appointment or re-election of Board Members which are made by the Board to the General Shareholders' Meeting, as well as their temporary appointment by co-opting, will be approved by the Board: a) as proposed by the Appointments and Remuneration Committee, in the case of Independent Directors, b) following a report from the Appointments and Remuneration Committee for the remaining Directors. The proposal must be accompanied by an explanatory report from the Board (for the General Assembly) and from the Appointments and Remuneration Committee.

Re-election:

According to art. 17 of the Regulations of the Board of Directors, the re-election proposals for Board Members which the Board decides to submit to the General Shareholders' Meeting must undergo a formal preparation process, which will include the report from the Appointments and Remuneration Committee and deliberations, by the Board, of the quality of work and dedication to the post during the preceding mandate, in the absence of the Board Member affected by the re-election.

Evaluation:

The evaluation process of the Board and its Committees is conducted annually by preparing a questionnaire which is sent to the Board Members and which addresses matters related both to the powers of these bodies and to their actions. The questionnaires are answered

by the Board Members and their answers serve as the basis for the Board's assessment, which is prepared by the Appointments and Remuneration Committee and referred to the Board for its approval. Furthermore, based on the recommendations of the Code of Good Governance for Public Companies of the CNMV of 2015, every three years, where, in addition to completing a questionnaire, the company has the Board assessed by an external consultant, and the Board Members are interviewed by the consultant. In accordance with this recommendation and considering that the last assessment by an external consultant was in 2016, the assessment of the Board of Directors in 2019 was also carried out with the assistance of an external consultant.

The areas assessed in 2019 were as follows: Corporate Governance in general; composition, functioning and size of the Board; powers of the Board; duties of the board members; frequency and attendance of the meetings; performance of the Chairman, the Managing Director, the Secretary and the Lead Director; composition, functioning and size of the Committees; strategy; diversity; relationship with Senior Management; integration and training; application of the Code of Ethics and Conduct and the Internal Regulations on Conduct within the scope of the Securities Market and of the Crime Prevention and Anti-Fraud Policy.

Termination:

Art. 19 of the Regulations of the Board contains the following provisions concerning removal of the Board Members:

1. Board Members will leave their position once the period for which they were appointed has passed, or when decided by the General Shareholders' Meeting.

2. Board Members must leave their position vacant for the Board and formalise, if the Board considers this appropriate, the corresponding resignation, in the following cases:

- a) When the Board Member reaches the age of 70.
- b) When they are affected by any of the cases of incompatibility or prohibition provided by law.
- c) When affected by circumstances that may impair the company's credit and reputation.
- d) When they are seriously admonished by the Audit Committee on the grounds that they violated their obligations as Board Members.
- e) When the reasons for which they were appointed are no longer relevant and, specifically, when an Independent Board Member or a Proprietary Board Member loses their respective status.

3. Once external Board Members, both proprietary and independent, have been elected by the General Shareholders' Meeting, the Board will not propose their termination before reaching the statutory period for which they were appointed, except for just cause, deemed as such by the Board itself, and first informing the Appointments and Remuneration Committee.

4. Board Members must inform the Board of the criminal cases in which they are involved as defendants, as well as subsequent procedural events.

If a Board Member was prosecuted or an order to proceed to a public hearing was issued against this Board Member for any of the crimes indicated in article 213 of the LSC (Capital Companies Act), the Board will assess the case as soon as possible and, in light of the specific circumstances, will decide whether or not the Board Member should remain in their position. All this will be reported in the Annual Corporate Governance Report (ACGR). When a Board Member leaves their position before the end of their mandate, either due to resignation or any other reason, the Board Member will explain the reasons in a letter sent to all members of the Board. Nonetheless, this termination will be reported as a significant event, and the grounds for the termination will be reported in the ACGR.

C.1.17 Explain how the annual evaluation of the Board has given rise to significant changes in its internal organisation and to procedures applicable to its activities:

Description of changes

Based on the self-assessment performed by the Board of Directors, changes to the internal organisation or to the procedures applicable to their activities were not considered necessary, without prejudice to some recommendations for improvement that will be implemented during the current fiscal year.

Describe the evaluation process and the areas evaluated by the Board of Directors with the help, if any, from external advisors, regarding the function and composition of the Board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas

The assessment process of the Board and its Committees in 2019 was conducted under the coordination of the Chairman of the Board, and had a two-fold approach: Firstly, with the assistance of an external expert, who issued a report with the result of the questionnaire sent to the Directors and the interviews held with them. Secondly, with the participation of the different Committees (through the preparation of reports on activity) and with the report on the assessment of the Board of Directors, which covers other aspects not included in the report by the external expert. The assessment of the Board is prepared by the Appointments

and Remuneration Committee and submitted before the Board of Directors for approval.

The areas assessed in 2019 were as follows: Corporate Governance in general; composition, functioning and size of the Board; competences of the Board; duties of the board members; frequency and attendance of the meetings; performance of the Chairman, the Managing Director, the Secretary and the Lead Director; composition, functioning and size of the Committees; strategy and planning; diversity; relationship with Senior Management; integration and training; application of the Code of Ethics and Conduct and the Internal Regulations on Conduct within the scope of the Securities Market and of the Crime Prevention and Anti-Fraud Policy.

C.1.18 Describe, in those years in which the external advisor has participated, the business relationships that the external advisor or any group company maintains with the company or any company in its group.

There has been no business relationships with the external advisor or any company of its group by the Company or any company of the Group, other than the service provided for the assessment of the Board of Directors.

C.1.19 State the situations in which board members are required to resign.

Board Members, according to the provisions of the Regulations of the Board, must stand down from their position on the Board and formalise, if the Board considers this appropriate, the corresponding resignation, in the following cases:

- a) When the Board Member reaches the age of 70.
- b) When they are affected by any of the cases of incompatibility or prohibition provided by law.
- c) When they are affected by circumstances that could prejudice the credibility and reputation of the company and, specifically, when they are prosecuted for an alleged crime or are undergoing disciplinary proceedings for serious or very serious misconduct brought by the authorities supervising the Securities Market.
- c) When they are seriously admonished by the Audit Committee on the grounds that they violated their obligations as
- e) When the reasons for which they were appointed are no longer relevant and, specifically, when an Independent Board Member or a Proprietary Board Member loses their respective status.

C.1.20 Are qualified majorities other than those established by law required for any specific decision?

- ☐ Yes
- ☒ No

If so, please describe any differences.

C.1.21 Explain whether there are any specific requirements, other than those relating to board members, to be appointed as chairman of the Board of Directors:

- ☐ Yes
- ☒ No

C.1.22 State whether the Articles of Association or the Board Rules establish any limit as to the age of board members:

- ☐ Yes
- ☒ No

As a general rule for all Board Members, when they reach 70 years of age, they must stand down from the Board, and the Board may ask them to formalise their resignation.

C.1.23 State whether the Articles of Association or the Board Rules establish any term limits or any other stricter requirements for independent board members in addition to those required by law:

- ☐ Yes
- ☒ No

- C.1.24 State whether the Articles of Association or Board Rules establish specific proxy rules for votes at Board meetings, how they are to be delegated and, in particular, the maximum number of delegations that a board member may have, as well as if any limit regarding the category of board member to whom votes may be delegated and whether a board member is required to delegate to a board member of the same category. If so, please briefly describe the rules.

Board Members may delegate their representation and voting rights to another Board Member in the event that they are absent at the Board's sessions. These rights must be delegated in a letter sent to the Chairman.

A maximum number of proxies per Board Member has not been established. Non-executive Board Members may only delegate their representation rights to another non-executive Board Member.

- C.1.25 State the number of meetings held by the Board of Directors during the year. Also indicate, where applicable, occasions when the board met without the Chairman in attendance. Board Members represented with specific instructions will be counted as being in attendance.

Number of meetings of the board	9
Number of meetings of the board without the attendance of the Chairman	0

Also indicate, where applicable, occasions when the board met without the Chairman in attendance. Board Members represented with specific instructions will be counted as being in attendance.

State the number of meetings held by the coordinating board member with the other board members, where there was neither attendance nor representation of any executive director:

Number of meetings of the board	1
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Indicate the number of meetings held during the financial year by the various committees of the board:

Number of meetings held by the AUDIT AND COMPLIANCE COMMITTEE	7
Number of meetings held by the INVESTMENTS COMMITTEE (since 17 June 2019)	3
Number of meetings held by the APPOINTMENTS AND REMUNERATION COMMITTEE	10

The OPERATIONS COMMITTEE and the INVESTMENT MONITORING COMMITTEE, the functions of which were assumed on 17 June 2019 by the INVESTMENTS COMMITTEE, up until the date on which they were dissolved, each one of them met on two occasions.

- C.1.26 State the number of meetings held by the Board of Directors during the year and the data on its members' attendance:

Number of meetings with physical attendance by at least 80% of board members	9
% face-to-face attendance based on total votes during the financial year	93.51
Number of meetings with face-to-face	9

attendance, or representations made with specific instructions, from all board members	
% of votes issued with face-to-face attendance and representations made with specific instructions about the total number of votes during the year	100.00

Of the Directors that make up the Board of Directors, eight attended all the meetings, four missed only one meeting, and one missed three meetings. In each case, those absent appointed another Board Member as their proxy with instructions for the session in question.

C.1.27 State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

☒ Yes
☐ No

Identify, where applicable, the person or people that certified the company's individual and consolidated annual accounts for presentation to the board:

Name	Position
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	CHIEF EXECUTIVE OFFICER
MR IGNACIO MARTINEZ SANTOS	CHIEF FINANCIAL OFFICER

C.1.28 Explain any measures established by the Board of Directors to prevent the individual and consolidated financial statements prepared by the Board from being submitted to the General Shareholders' Meeting with a qualified audit opinion.

Among its various functions, the Audit and Compliance Committee liaises with the External Auditors and, as part of this work, it must monitor that the opinion of the audit report on the annual accounts does not contain any kind of reservations. The audit reports concerning the company's annual accounts have never contained reservations.

C.1.29 Is the secretary of the Board also a board member?

☒ Yes
☐ No

If the secretary is not a board member, please complete the following table:

C.1.30 State, the specific measures established by the company to ensure the independence of its external auditors, as well as, if any, the measures to preserve the independence of the financial analysts, investment banks, and rating agencies, including how legal provisions have been implemented in practice.

It is the responsibility of the Audit and Compliance Committee, among other tasks, and in accordance with the Law, to ensure the independence of the external Auditors and, especially, to receive information concerning matters which could jeopardise their independence.

In this sense, the Audit and Compliance Committee is responsible for the selection process of the auditors and to receive written confirmation of the auditors on their independence and to issue a report on the Committee's opinion in this regard. Similarly, it authorises the provision of services other than those of the legal audit in accordance with the Policy on the External Auditor's Provision of Services other than the Legal Audit that it approved in 2017.

The Company also fully respects the prohibitions and incompatibilities stipulated in the Audit Law, after the enactment of Law 22/2015 of 20 June.

In 2019, the independence of the External Expert was reported on in the Audit and Compliance Committee and the independence report issued by the External Expert was examined.

With regards to financial analysts and investment banks, at this time, there is no established procedure aimed at guaranteeing the independence of these bodies, though the company has always acted transparently with them.

With regards to rating agencies, this is not applicable as at this time there is no relationship with any of them.

C.1.31 State whether, during the fiscal year, the Company has changed its external auditor. Where applicable, identify the incoming and outgoing auditor:

☐ Yes
☒ No

In the event that there were disagreements with the outgoing auditor, explain these disagreements:

☐ Yes
☒ No

C.1.32 State whether the audit firm performs other tasks for the company and/or its group other than auditing assignments and, if so, declare the sum of the fees received for these tasks and the percentage this represents of the fees invoiced to the company and/or its group:

☒ Yes
☐ No

	Company	Group companies	Total
Amount of assignments other than auditing (thousands of euros)	12	2	14
Amount of assignments other than auditing/ amount of auditing assignments (in %)	30.00	3.33	14.00

C.1.33 State whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the chairman of the audit committee to the shareholders at the General Shareholders' Meeting to explain the content and extent of the aforementioned qualified opinion or reservations.

☐ Yes
☒ No

C.1.34 State the number of consecutive years the current audit firm has been auditing the individual and/or consolidated financial statements of the company. Furthermore, state the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of uninterrupted financial years	3	3

	Individual	Consolidated
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No. of financial years audited by the current audit firm/No. of financial years for which the company or its group has been audited (in %)	8.80	8.80
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C.1.35 State whether there is a procedure whereby board members have the information necessary to prepare the meetings of the governing bodies with sufficient time and provide details if applicable:

☒ Yes
☐ No

Explanation of procedure

It is the responsibility of the Chairman, Managing Director and the Board Secretary to prepare and facilitate the rest of the Directors all information necessary for the adoption of the proposed agreements in the agenda of each Board of Directors meeting, in advance of at least three business days from the date of the respective meeting.

Furthermore, the board members have a duty to request and the right to collect from the Company the appropriate and necessary information for the fulfilment of its obligations and shall be channelled through the Chairman. They may also obtain any advice they may need about any aspect of the Company, which will be channelled through the Chairman.

The External Board Members may mutually agree on the engagement of the expert Company, which shall be communicated to the Company Chairman and shall be implemented by the Managing Director, and may be vetoed by a majority of two-thirds of the Board if it is not deemed accurate for the performance of its duties or is not reasonable.

In the Audit and Compliance Committee and the Appointments and Remuneration Committee, the Secretary shall provide its members with the resources and documentation to fulfil their duties and it is also anticipated that external information and advice may be collected on any aspect of the Company, in this latter case by prior communication and approval by the Chairman, which will not be rejected except for justified reasons.

C.1.36 State whether the company has established rules whereby board members must provide information regarding and, if applicable, resign, in circumstances that may damage the company's standing and reputation:

☒ Yes
☐ No

Explain the rules

Board Members must inform the Board of the criminal cases in which they are involved as defendants, as well as subsequent procedural events.

If a Board Member is prosecuted or an order to proceed to a public hearing was issued against this Board Member for any of the crimes indicated in article 213 of the Capital Companies Act, the Board will assess the case as soon as possible and, in light of the specific circumstances, will decide whether or not the Board Member should remain in their position. All this will be reported, in a logical manner, in the Annual Corporate Governance Report.

C.1.37 State whether any member of the Board of Directors has notified the company that he/she has been tried or notified that legal proceedings have been filed against him/her, for any offences described in Article 213 of the LSC:

☐ Yes
☒ No

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

The company has not adopted any agreement coming into force in case of a change of control of the company as a result of a takeover bid.

- C.1.39 Identify individually for board member, and generally in other cases, and provide detail of any agreements made between the company and its board members, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of beneficiaries	12
Type of beneficiary	Description of the agreement
Executive Board Members and Directors	In the event that an Executive Board Member who has not had a previous employment relationship with Alba is dismissed, the Executive Board Member is entitled to a compensation equivalent to one year's Fixed Remuneration, increased by one twelfth of that year's Fixed Remuneration for each year of service in Alba, subject to a limit of two years. If an Executive Board Member who has had a previous employment relationship with Alba is dismissed, if the previous employment relationship is resumed and terminated by decision of Alba, the compensation will be in accordance with employment regulations, and the greater of the following amounts will be paid (i) the amount of the fund set up as a pension supplement, or (ii) the amount of one year's Fixed Remuneration, plus one twelfth of that annuity for each year of service with Alba. The compensation is not paid until it is verified that the Executive Board Member has met the performance criteria established.

State if these contracts have been communicated to and/or approved by management bodies of the company or of the Group. If they have, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	General assembly
Body authorising the clauses	✓	
	Yes	No
Is the general assembly informed of the clauses?	✓	

The contracts that must be approved by the company's bodies are those of the executive Board Members. In the Remuneration Policy of the Board of Directors approved by the General Shareholders' Meeting of 17 June 2019, there is still a section concerning the basic conditions of the contracts of these Board Members, including a section concerning compensation for early cancellation or termination of the contractual relationship between the company and the Board Member.

However, according to the provisions of article 249 bis. h) and 529 quidecies.3.e) and g) of the Capital Companies Act, as well as articles 5 2.1. h) and 36. e) and g) of the Regulation of the Board of Directors of Corporación Financiera Alba, S.A., it is the responsibility of the Board of Directors, after informing the Appointments and Remunerations Committee, to appoint and dismiss Directors who reported directly to the Board or any of its members, as well as establishing the basic condition of their contracts and the remuneration policy applicable to these Directors.

The Board of Directors of Corporación Financiera Alba, S.A., in its meeting of 17 June 2019, approved the basic conditions and the Remuneration Policy for the Directors of the Company, following the Remuneration Policy of the Board of Directors approved by the General Shareholders' Meeting on that same date.

C.2. Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their membership, and the proportion of executive, proprietary, independent and other external board members that comprise them:

AUDIT AND COMPLIANCE COMMITTEE		
Name	Position	Category
MS MARÍA EUGENIA GIRÓN DAVILA	MEMBER	Independent
MS CLAUDIA PICKHOLZ	MEMBER	Independent
MS ANA MARÍA PLAZA ARREGUI	CHAIRPERSON	Independent

% executive board members	0.00
% of proprietary board members	0.00
% of independent board members	100.00
% of other external board members	0.00

The changes in the composition of this Committee during 2019 is as follows: Up until 17 June 2019, the Audit and Compliance Committee was chaired by the independent Director Mr Carlos González Fernández, who had been the appointed Director taking into account his knowledge and experience in accounting or auditing, or in both, and had been appointed Chairman of the Committee on 30 September 2015. The Committee has been chaired since 17 June 2019 by Ms Ana María Plaza Arregui.

Explain the duties exercised by this committee, other than those that are established by law, and describe the rules and procedures it follows for its organisation and operation. For each one of these duties, briefly describe its most important actions during the year and how it has exercised in practice each of the duties attributed thereto by law, in the articles of association or other corporate resolutions.

Since 2017 (in accordance with Recommendation 19 of the CNMV Technical Guide 3/2017) the Audit and Compliance Committee has its Rules and Regulations.

a) Duties:

1. Inform the General Shareholders' Meeting about issues in relation to matters within its competence and, in particular, the result of the audit and how this has contributed to the integrity of the financial information and its function in that process.
2. Supervise the effectiveness of the company's internal control, internal audit and risk management systems, discussing with the auditor any significant weaknesses in the internal control system detected in the audit, without impinging upon their independence, and may present recommendations or proposals to the Board and timeframes for monitoring it.
3. Oversee the development and presentation of financial information, and submits recommendations or proposals to the Board to safeguard its integrity.
4. Refer proposals for selection, appointment, re-election and replacement of the accounts auditor to the Board, and is responsible for the selection process, the conditions for its procurement and gathers information concerning the audit plan and its execution from the auditor, in addition to preserving the auditor's independence in the exercise of their duties.
5. Establish appropriate relations with the external auditor in order to receive information concerning matters that could threaten its independence, for examination by the Committee, and any other Committee involved in the account audit process, as well as on the authorisation of services, other than those prohibited, in the independence system, as well as other communications provided in account auditing legislation and in audit standards. Receive annually the declaration of their independence from the external auditors in relation to the entity or entities linked to it directly or indirectly, and the detailed and individualised information of the additional services of any kind rendered and the corresponding fees received.
6. Issues annually, prior to the account audit report, an opinion report on whether the independence of auditor of accounts or companies is compromised, and with the assessment of the provision of the additional services referred, individually considered and collectively, and in relation to the regime of independence or the regulation of the auditing activity.
7. Informs the Board in advance about the matters set forth in the Law, articles of association and Board Rules, and in particular, the financial information to be published periodically; the creation or acquisition of interests in special purpose entities or domiciled in countries or territories that are considered tax havens; and related parties.
8. Supervises the compliance with corporate governance rules, internal codes of conduct and the corporate social responsibility policy.

b) Composition and organisation: A minimum of 3 and up to 5 members, chosen between external or non-executive board members. Most must be Independent Directors, as well as the Chairperson, and at least one of them shall be appointed taking into account their knowledge and experience in accounting or auditing, or in both. As a whole, it will have relevant technical knowledge

concerning the area of activity of the Company. Its Secretary will be from the Board, whether or not he/she is a member. Substitutes may be appointed from among the cited Board Members, in case of vacancies, absences or conflicts of interest. The post lasts until the mandate as board member is terminated, and there is a possibility of re-election. It will be summoned in advance with a minimum of five days' notice and will include the agenda. For it to be validly in session, the majority of its members, present or represented, may be convened and represented by another member. Agreements are adopted based on a majority of those present or represented. The Chairperson has a vote in the event of a tie. It periodically informs the Board, via its Chairperson, of its activities, and advises and proposes measures within the scope of their duties.

c) Actions: In 2019, it had 3 members and held 7 meetings. During 2019, the following Committee actions are highlighted in the following areas:

1. Review of periodic financial information: it made suggestions and intended to publish them on the Company's website.
2. External audit and relations with the auditors: It was briefed on Annual Accounts for the year, about the review of the first half of 2019 financial statements and the 2019 audit planning. It assessed the external auditor and reported on its independence.
3. Risk identification and internal control system: Six meetings addressed risk management and tracking, examining follow-up reports, or being informed by the Company's persons in charge of risk management. The revision of the Risk Map was also approved.
4. Internal audit: It approved its Activities Plan for 2018, was informed of its duties and reported to the Board as well as the follow-up of the SCIIF. It evaluated the Internal Audit Service.
5. Review of non-financial information: It favourably reported the Sustainability Report 2018.
6. Regulatory compliance and others: Examined Compliance Follow-up reports. Monitored the effectiveness of the Crime Prevention Model. It issued the Related Operations Report in 2018 and examined the Annual Corporate Governance Report project. It assessed its performance in 2018, without changes in the internal organisation and company procedures. Its action report is published with the summoning of the General Shareholders' Meeting.

Identify the board members who are member of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Names of board members with experience	MS ANA MARÍA PLAZA ARREGUI
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Date of appointment of the chairperson	17/06/2019
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INVESTMENT COMMITTEE (since 17 June 2019)		
Name	Position	Category
MR JOSE DOMINGO DE AMPUERO Y OSMA	CHAIRPERSON	Independent
MS MARÍA LUISA GUIBERT UCÍN	VOCAL	Independent
MR ANTONIO MARIA PRADERA JAUREGUI	VOCAL	Independent
MR JUAN MARCH DE LA LASTRA	VOCAL	Proprietary
MR JUAN MARCH JUAN	VOCAL	Proprietary
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	VOCAL	Executive

% executive board members	16.67
% of proprietary board members	33.33
% of independent board members	50.00
% of other external board members	0.00

Explain the duties exercised by this committee, other than those that are established by law, and describe the rules and procedures it follows for its organisation and operation. For each one of these duties, briefly describe its most important actions during the year and how it has exercise in practice each of the duties attributed thereto by law, in the articles of association or other corporate resolutions.

The Investments Committee was formed by the Board of Directors at its session of 17 June 2019 and replaces the Operations

Committee and the Investment Monitoring Committee, which were dissolved on the same date.

a) Duties

- Reporting on the Company's investment strategy.
- Reporting, optionally, on the investment or divestment decisions which fall under the responsibility of the Board of Directors in a plenary session. Investments or disinvestments of more than 200 million euros are considered to fall under the responsibility of the Board of Directors in a plenary session.
- Make investment and divestment decisions when these exceed the following amounts, and the amount provided in the section above is not reached:

(i) Investment or disinvestments in securities issued by entities which, at all times, form a direct or indirect part of the securities portfolio: 25 million euros.

(i) Investments in securities issued by entities which do not form a direct or indirect part of the securities portfolio: 10 million euros. (iii) Real estate investment and divestments: 25 million euros.

- Make investment or divestment decisions which fall under the responsibility of the Board of Directors, in a plenary session, in emergencies. These decisions must be ratified by the Board of Directors in the first session of the Board held after adoption of the decision.
- Receive information concerning changes in the entities in which Corporación Financiera Alba, S.A. has an ownership interest, with a view to tracking its strategy, compliance with its business plans and budgets and general changes to the entities and their sectors.
- Track the investments made in order to check that they comply with the targets and principles of the Investment Policy approved by the Board of Directors.
- Proposal of measures or decisions which are considered fitting for optimising the profitability of the investments.
- Proposals to the Board of Directors for the amendment of the shareholding or to agree the divestment.
- Any other duties related with matters falling under its responsibility which are requested by the Board of Directors or by its Chairperson.

b) Composition and organisation

The Investments Committee will be comprised of a minimum of three and a maximum of six Board Members who have the knowledge, abilities and experience of the Board Members and the tasks of the Committee. The Board will appoint the Chairman of the Committee and the Secretary of the Board of Directors or, failing this, the person appointed by the Committee for each session will act as the non-member Secretary.

The duration of the position will be for the period remaining up until termination of the mandate as a Board Member, however re-election is possible.

The Investments Committee will meet as many times as it is convened, based on an agreement of the Committee itself or its Chairman, with at least 24 hours' notice. Any person in the Company that the Committee considers appropriate may be invited and attend the meetings. The meetings of the Investments Committee will normally take place at the registered office, but can also be held in any other location determined by the Chairman and indicated in the call to meeting. Meetings may also be held by conference call or video conference, provided the Board Members have the technical resources required and no Board Member opposes this. Likewise, in order to better perform its duties, the Committee may solicit the advice of external professionals, first informing the Chairman of the Board of Directors and receiving the Chairman's approval.

The valid establishment of the Committee requires the majority of its members to be present or represented at the meeting. Each Committee member may confer his/her rights of representation to another member. This power of representation must be granted in writing. A fax or email sent to the Chairman of the Committee will be acceptable.

Agreements will be adopted based on a majority of members that are present or represented. In case of a tie, the Chairman will have a casting vote.

The Secretary of the Committee will prepare minutes of each of the sessions held which will be approved in the same session or the session immediately after. A copy of the minutes of the sessions will be sent to all Board Members.

c) Additional regulation

In matters not specifically provided for, the Investments Committee may regulated itself, with the Regulations of the Board of Directors relating to its functioning being supplementary applicable.

d) Actions

In 2019, from the moment of its creation on 17 June, the Investment Monitoring Committee comprised six members, and met on two occasions.

In 2019, from the moment of its creation on 17 June, the Investments Committee report on matters within its remit. It examined the investment in four listed companies and in two non-listed companies in the investment portfolio, the status of the investments and divestments

carried out as well as three investment proposals in non-listed companies. A summary of its activities is included in the corresponding report on the actions of the Investments Committee, which is made public with the call to meeting of the General Shareholders' Meeting.

APPOINTMENTS AND REMUNERATION COMMITTEE		
Name	Position	Category
MS MARÍA EUGENIA GIRÓN DÁVILA	CHAIRPERSON	Independent
MR CARLOS MARCH DELGADO	VOCAL	Proprietary
MR JOSE DOMINGO DE AMPUERO Y OSMA	VOCAL	Independent

% executive board members	00.00
% of proprietary board members	33.33
% of independent board members	66.67
% of other external board members	0.00

The changes in the composition of this Committee during 2019 were as follows: on 28 January 2019 Mr José Domingo Ampuero Osma was appointed as a member; on 17 June 2019, Ms. Cristina Garmendia Mendizábal resigned as Chairperson of the Committee, a post she had held until this date, with Ms. María Eugenia Girón Dávila being appointed as the Chairwoman of the Committee.

Explain the duties assigned to this committee, describe the procedures and rules for organisation and operation of the committee. For each one of these duties, briefly describe its most important actions during the year and how it has exercised in practice each of the functions attributed thereto by law, in the articles of association or other corporate resolutions.

a) Duties.

In 2019, the Board, in accordance with Section 3.2 of the CNMV TG 1/2019 approved the Regulations of the Appointments and Remuneration Committee.

In accordance with Regulations of the Board and its Regulations, the main duties of the Committee are:

- Assess the skills, knowledge and experience needed on the Board of Directors. It will define the duties and abilities needed in the candidates who must fill vacant positions and assess the time and dedication needed to efficiently perform their tasks.
- Establish a representation target for the least represented gender on the Board of Directors and prepare guidelines on how to reach this target.
- Present proposals before the Board for the appointment of independent Directors and report on proposals for the appointment of remaining Board Members for their appointment by co-opting or to submit them for a decision by the General Shareholders' Meeting, as well as proposals for re-election or dismissal of these board members by the General Shareholders' Meeting.
- Announce proposals for the appointment and dismissal of senior executives and the basic conditions of their contracts.
- Examine and organise the succession of the Chairman of the Board and the company's top executive and, where applicable, make proposals to the Board so that this is in an orderly and organised manner.
- Propose, to the Board, the remuneration policy for the board members and general directors, or individuals performing senior management duties, reporting directly to the Board, Executive Committees or Managing Directors, and individual compensation and other contractual conditions of the executive Board Members, ensuring these are observed.
- Periodically review the remuneration policy applied to Board Members and senior executives, including share-based remuneration systems and their application, in addition to guaranteeing that their individual remuneration is proportional to what is paid to other Board Members and senior executives of the company.
- Report on the proposed appointment and dismissal of the Secretary of the Board.
- Examine the information provided by the Board Members concerning their other professional obligations, should these interfere with the level of dedication required.
- Review the classification of the Board Members on an annual basis.
- Check information concerning the remuneration of Board Members and senior executives in the various corporate documents, including the annual report Director remuneration, and ensure the remuneration is transparent and that it is included in the Annual Report on Director's Remuneration.
- Ensure any conflicts of interest do not jeopardise the independence of the external advice provided to the committee.

b) Composition and organisation

This Committee will be comprised of a minimum of three and a maximum of five Board Members, all external or non-executive, appointed by the Board of Directors. At least two will be independent directors, and one of them appointed by the Board will be the Chairman, taking into account their knowledge and experience in corporate governance, human resources, the selection of directors and senior management, performance of senior management tasks and remuneration of directors and senior management.

All efforts will be made to ensure that as a whole, they have the sufficient knowledge and experience to discharge their duties, while favouring the diversity in its composition in terms of gender, age and professional experience. The Board Secretary will act as the Secretary. The Board may also appoint substitutes from among the Board Member categories indicated, in case of vacancies,

absences or conflicts of interest.

The duration of the position will be for the period remaining up until the termination of the mandate as a Board Member, however re-election is possible.

It shall convene as often as is required by agreement of the Committee or its Chairman, or at the request of the Board of Directors, and at least three times a year.

It shall be deemed validly convened when the majority of its members are present or represented. Another member of the committee may be appointed as a proxy.

Agreements will be adopted based on a majority of members that are present or represented. In the event of a tie, the Chairperson has the casting vote.

To fulfil its duties, it can gather all types of information on the Company, and obtain advice from external professionals for technical or significant aspects, with the approval of the Chairman of the Board of Directors, who will not deny such a request without reason.

c) Actions:

Up until 17 June 2019 it was comprised of four members, and then by three, meeting on ten occasions. It has made proposals and issued reports concerning the matters within its remit. Thus, it reported on: the review of the remuneration of the Executive Directors and the Directors; the Remuneration Policy followed in 2018, the Annual Remuneration Report for 2018 and the transparency of information on the Remuneration of the Directors in the Annual Accounts; the new Directors' Remuneration Policy applicable since its approval by the General Shareholders' Meeting on 17 June 2019, the establishment of a variable remuneration plan and the multi-year variable remuneration plan; the renewal of Directors and their category; the composition of Committees, including the new Investments Committee, and the new members and renewals; the resignation of a Director; the amendments to the category of two Directors; the matrix of Board competences; the proposed plan for the succession of the Chairman and the First Executive; the new professional activities of

a Director, the Board's self-assessment in 2018 and the Committee's activity in that year; the new Basic Terms and Conditions of the Contracts and the Remuneration Policy of the Directors. The summary of its activities is included in the report on the actions of the Appointments and Remuneration Committee, which is public on the occasion of the General Shareholders' Meeting.

C.2.2 Complete the following table with information concerning the number of female board members on the committees of the Board of Directors at the close of the last four financial years:

	Number of female board members							
	Fiscal Year 2019		Fiscal Year 2018		Fiscal Year 2017		Fiscal Year 2016	
	Number	%	Number	%	Number	%	Number	%
AUDIT AND COMPLIANCE COMMITTEE	3	100.00	2	66.66	1	33.33	1	33.33
INVESTMENTS COMMITTEE (since 17 June 2019)	1	16.67	-	-	-	-	-	-
APPOINTMENTS AND REMUNERATION COMMITTEE	2	66.66	2	66.66	2	96.66	1	33.33

C.2.3 State, where applicable, the existence of regulation for the committees of the board, the location where they may be consulted and the amendments made during the financial year. In turn, an indication will be given as to whether any annual report concerning the activities of each committee was voluntarily prepared.

The regulation of the Audit and Compliance Committee is contained in the Regulation of the Board of Directors and in its own regulation, which was approved by the Board of Directors in its meeting of 23 October 2017, following Recommendation number 19 of the Technical Guide of the CNMV 3/2017 concerning Audit Committees in Public Interest Entities.

The regulation of the Appointments and Remuneration Committee is included in articles 35 and 36 of the Regulation of the Board of Directors and in its own Regulation, which was approved by the Board on 17 June 2019, in accordance with section 3.2 of Technical Guide of the CNMV 1/2019 of 20 February concerning Appointments and Remuneration Committees.

The regulation of the Operations Committee was contained in the agreement creating and delegating the powers of this Committee,

adopted at the meeting held on 23 March 2015. This Committee was dissolved by the Board of Directors on 17 June 2019, resigning all its members.

The regulation of the Investment Monitoring Committee was contained in its charter adopted in a session on 27 March 2017. This Committee was dissolved by the Board of Directors on 17 June 2019, resigning all its members.

The regulations of the Investments Committee are contained in its charter and delegation of the powers of this Committee, adopted in a session of the Board of Directors on 17 June 2019.

The Regulations of the Board of Directors, the Audit and Compliance Committee and the Appointments and Remuneration Committee are available on the corporate website (www.corporacionalba.es) and at its corporate address.

The resolution dissolving the Operations Committee and the creation and delegation of the powers to the Investments Committee are entered in the Commercial Registry.

The Audit and Compliance Committee, Appointments and Remuneration Committee, and Investments Committee submitted a report on their activities in the previous year.

D. RELATED-PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS

- D.1. Explain, where applicable, the procedure and competent bodies for approving transactions with related parties and intragroup transactions.

Report of the Audit and Compliance Committee and approval by the Board of Directors.

- D.2. Describe any transactions which are significant, either because of the amount involved or subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name or company name of the significant shareholder	Name or business name of the company or entity of its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
BANCA MARCH, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A	Corporate	Dividends and other gains distributed	8,748
BANCA MARCH, S.A.	ARTÁ CAPITAL, SGEIC, S.A.U.	Contractual	Other	567

All transactions made with Banca March, S.A. constitute the company's ordinary traffic and are performed under normal market conditions.

- D.3. Describe any transactions that are significant, either because of their amount or subject matter, entered into between the company or entities within its group and board members or directors of the company:

Name or company name of board members or managers	Name or company name of the related party	Relationship	Type of transaction	Amount (thousands of euros)
No data				N/A

- D.4. Report any significant transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the preparation of the consolidated financial statements and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any case, any intragroup transaction made with entities established in countries or territories that are considered a tax haven will be reported:

Company name of the organisation in the group	Brief description of the transaction	Amount (thousands of euros)
MARCH ASSET MANAGEMENT, SGIIC, SA	OPERATIONAL LEASE AGREEMENT	195
MARCH RISK SOLUTIONS, CORREDURIA DE SEGUROS Y REASEGUROS, SA	PROVISION OF SERVICES	1,932
MARCH VIDA, SA DE SEGUROS Y REASEGUROS	INSURANCE PREMIUMS	786
MARCH GESTION DE PENSIONES, SGFP, SA	OPERATIONAL LEASE AGREEMENT	48

FUNDACIÓN JUAN MARCH	Partnership agreement	300
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- D.5. State the amount of any transactions conducted with the company or entities of the group or other related parties that have not been reported in the previous sections:

Company name of the related party	Brief description of the transaction	Amount (thousands of euros)
No data		N/A

- D.6. Describe the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its board members, senior management or significant shareholders.

According to the provisions of the Regulations of the Board, Board Members cannot directly or indirectly make professional or commercial transactions with the entity or with any of its subsidiary Companies, unless they inform the Board of Directors in advance for its approval, subject to the prior report by the Audit and Compliance Committee.

On the other hand, in the event of public requests to delegate voting powers made by the Board of Directors or any of its members, the direction in which the representative will vote must be indicated in the event that no instructions have been given by the shareholder. Furthermore, in case of a public request to delegate voting powers, the Director cannot exercise the voting power for the shares represented concerning matters on the agenda where there is a conflict of interest.

- D.7. Is there more than one company in the group listed in Spain?

☐ Yes
☒ No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's Risk Management and Control System, including tax compliance risk:

Corporación Financiera Alba, S.A. (hereinafter Alba or the Group) has defined an Integrated Risk Management System aimed mainly at:

- Enabling the identification and proactive and efficient assessment of Company risks, as well as monitoring and continually tracking these risks.
- Integrating, coordinating and directing the various efforts which, in terms of risk management, the company is performing.
- Achieving reasonable risk acceptance and reinforcing the responsibility of employees of the Company.
- Ensuring the control systems are aligned with the real risks of the Company.
- Facilitating and streamlining the application of corrective measures.

This Integrated Risk Management System was implemented at a corporate level to mitigate the risks encountered by the Group, given the nature and degree of complexity of its transactions and the environment in which it operates. This System unites three key components:

(i) Continued Risk Management process, understood as those activities performed by all individuals in the Company under the supervision of the Audit and Compliance Committee that are focused on identifying those potential risk events that could affect it, managing the risks identified and ensuring reasonable security in achieving the Company's objectives.

By way of a summary, the continued risk management process involves performing the following activities:

- Identifying and assessing the risks that could affect the Company.
- Determining the level of risk that is can be tolerated, by defining key risk indicators (KRIs) for each critical risk and establishing tolerance levels for these risks.
- Identifying checks.
- Identifying the processes in which these risks and controls occur.
- Assessing the effectiveness of the checks in mitigating the risks identified.
- Design and implementation of action plans, as a response to the risks.

In this regard, Alba has prepared the company's Risk Map, which shows the company's key risks based on their impact and probability. In order for this map to effectively become a management tool that allows the Company to make informed decisions, the map is reviewed and updated periodically to adjust it to the Company's current circumstances. In 2019, the company's Risk Map was updated, with the agreement of the Audit and Compliance Committee as well as the Board of Directors.

Likewise, the Company has prepared Risk Indexes for the most critical risks, identifying the key risk indicators with their corresponding tolerance levels, the checks associated and, where applicable, the action plans to be implemented.

These Indexes allow the Company to periodically assess and monitor its risks and to determine the most appropriate response to these risks.

(ii) An organisational focus, with clearly defined and communicated roles and responsibilities. Full risk management affects all staff of the Company, as a result, it is vital to establish an organisational focus on risk management that is suited to the organisational structure and the Company's corporate culture.

Though the Integrated Risk Management System affects and involves all Company staff, the main participants, as are described in the next section (E.2), are as follows: risk managers, the Risk Control and Management Department, the Audit and Compliance Committee and the Board of Directors.

(iii) A tracking model, which identifies and provides the crucial information needed so that all those involved in the risk management process can make informed decisions concerning the risks. This tracking model is cross-sectional as it allows the System to behave dynamically and, above all, to anticipate risks, rendering risk management and control, within the limits set by the Company, possible.

These components combine to form a model which allows appropriate management of risks and checks to mitigate risks at a corporate level.

E.2. Identify the bodies within the company responsible for creating and executing the Risk Management and Control System, including tax compliance risk.

Alba's Integrated Risk Management System involves all the Company's staff, though the main parties responsible for the System are as follows:

a) Board of Directors.

The Board of Directors has reserved the right to determine the risk control and management policy, including for tax risks, and to supervise the internal reporting and control systems.

In this regard, the Board of Directors is the main body responsible for the risk management system, since it develops the mechanisms needed so that all the relevant risks involved in the activities and business dealings are adequately identified, managed and controlled within the limits established.

b) The Audit and Compliance Committee.

The Audit and Compliance Committee, which has been entrusted, among other duties, with supervising the effectiveness of the company's internal checks, internal audits and risk management systems. It assesses whether or not there is sufficient organisation, staff, policies and processes needed to identify and control its main risks.

c) The Risk Control and Management Department.

The Risk Control and Management Department is under the direct supervision of the Audit and Compliance Committee and has been expressly given the following duties, which are included in its Articles of Association, and which have been approved by the Board of Directors:

- Ensuring the smooth running of the risk control and management systems and, specifically, that all the important risks affecting the company are identified, managed and appropriately quantified.
- Actively participating in preparing the risk strategy and important decisions concerning its management.
- Ensuring that the risk control and management systems appropriately mitigate risks, as part of the policy identified by the Board of Directors.

d) Risk Managers.

These managers are responsible for monitoring the risks they have been assigned and for informing the Risk Control and Management Department of any relevant information concerning the risks.

With regard to the risk management processes, it is noteworthy that, in addition to the aforementioned Risk Management and Control Department, Alba has Regulatory Compliance processes which are performed by the various operational and support departments, as well as an Internal Audit Service (SAI), which is defined as an advisory and control body in the service of the Audit and Compliance Committee, that is independent within the organisation as regards its actions, aimed at assessing the various areas and functional activities of the Company, as is stipulated in the Charter of the Internal Auditing Service.

The analysis and proposal of recommendations for improving the risk management processes, as well as performing independent assessments concerning the effectiveness and efficiency of internal checks are included among the duties entrusted to the Internal Audit Service, which works in partnership with the Risk Control and Management Department in order to avoid duplicating tasks and/or areas without sufficient coverage.

Likewise, and as regards crime prevention, Alba has an Organisation and Management Model for preventing the commission of crimes, alongside the Crime Prevention Manual, which was updated in 2017 and the Risks and Controls Matrices which were updated in 2019.

E.3. State the primary risks, including tax compliance risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives:

The Group is subject to various risks inherent to the different sectors and markets in which it or its associated companies or companies in which it has holdings operate, and which could prevent it from achieving its targets and successfully executing its strategies.

As indicated above, Alba has a Risk Map, which is a tool that makes it possible to put the risks that could affect corporate targets into context, in addition to identifying and prioritising the most relevant and critical risks, making it possible to make decisions concerning steps to take to mitigate these risks.

Alba has a risk tracking and updating system which makes it possible to identify and incorporate any new risk identified during the financial year in the company's map. Likewise, the system ensures that all key risks are reviewed at least twice per year. As a result of this review and analysis process, in 2019 a new risk was added to the corporate Risk Map, and one with a more moderate impact was removed, and four risks had merged into two, meaning that the Risk Map consists of a total of nine risks.

As a result, in the process of identifying and assessing risks affecting the Group, the following risk factors were considered to inherently be the most relevant (in other words, before applying the checks established):

- Macro-economic and socio-political factors.
- Investment management.
- Measurement and monitoring of investments.
- Requirements regarding financial and non-financial information.
- Tax management.
- CNMV requirements.
- Technological security.
- Corporate reputation.

The Crime Prevention Manual, by identifying the criminal risks likely to affect the Company, highlights the crimes of corruption in business dealings, among other offences. Based on the risk tracking reports, there do not appear to be any significant corruption risks that affect the Company. The Code of Ethics and Conduct approved in 2018 formally expresses the Company's condemnation of any form of corruption.

E.4. State whether the entity has risk tolerance levels, including tolerance for tax compliance risk:

Alba's risk assessment and management model categorises risks, including tax, into four classifications, based on the impact of the risk and the probability of occurrence, as well as the perceived degree of internal control mitigating these risks.

Based on these parameters, the risks are classified as:

- Minor risks: Risks whose inherent criticality is medium-low and whose perceived degree of internal control is medium-high. These risks are managed with a view to rationalising the efforts made to mitigate these risks, without this causing appreciable damage to the perceived degree of internal control.
- Average risks: Risks whose inherent criticality is medium-low and whose perceived degree of internal control is medium-low. These risks are tracked with a view to confirming that they maintain a medium-low level of inherent criticality, otherwise, the corresponding corrective measures will be taken.
- High risks: Risks whose inherent criticality is medium-high and whose perceived degree of internal control is medium-high. For this type of risk, the associated checks are assessed in order to confirm the effectiveness of their design and method, and to confirm that the checks adequately mitigate the risks.
- Critical risks: Risks whose inherent criticality is medium-high and whose perceived degree of internal control is medium-low. These risks are continually monitored by the of Alba's Management and action plans will be established to increase their degree of internal control, where necessary.

Alba has identified Key Risk Indicators (KRIs) for all risks categorised as high and critical and has established tolerance levels for each of the risks. The results are periodically assessed and reported within Alba's Integrated Risk Management System tracking model (see detailed explanation in section E.6).

E.5. State which risks, including tax compliance risks, have materialised during the year:

During the 2019 financial year, the most relevant risks for the ALBA Group did not materialise.

E.6. Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise:

As stated in the previous sections, Alba has appointed a Risk Manager for each risk assessed as being critical or high. The Risk Manager is responsible for monitoring each risk assessed and for informing the Risk Control and Management Department of relevant information concerning such risks, basically:

- Changes in the perception of the risk level.
- Effective operation of the checks identified for mitigation of these risks (and, where applicable, the potential effects).
- Values collected using the indicators and comparison with established tolerance levels.
- Status of the actions plans underway (if there is an action plan for this risk) and, where applicable, proposal of new action plans.

The effective operation of this key process of the Integrated Risk Management System is based on the existence of a Tracking Model (as indicated in section E.1) which is a cross-sectional component that allows the System to have dynamic behaviour and, above all, to

anticipate risks, allowing for risk management and control within the limits set by Alba. With this as a basis, the persons in charge of risk management periodically provide relevant information to the Risk Unit, which conducts an independent and informed assessment of the Risk Unit and prepares the relevant risk report for the Audit and Compliance Committee, which is assigned to, among others, the role of monitoring the effectiveness of internal control of the company, internal audit and risk management systems.

The Integrated Risk Management System, alongside of Alba's policies and management and control systems, have made it possible to identify risks and new threats sufficiently in advance, which are the focus of the tracking report that is submitted for inspection to the Board of Directors.

The Regulatory Compliance function coordinates, systematises and monitors the various actions and efforts in this regard with the Board of Directors approving the compliance model established and its tracking. In 2019, tracking reports were drawn up and submitted to the Board of Directors, which has approved them.

The Integrated Risk Management System (described in section E.1), together with the Risk Management Policy, the Risk Management and Control Function Charter, and the remaining elements of that System, such as the ongoing risk management process, the main participants (section E.2) allow the Board of Directors to identify and respond to issues arising in relation to the risks that may affect the Company.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (SCIIF)

Describe the mechanisms comprising the risk control and management systems with regards to your entity's process for publishing financial information (SCIIF).

F.1. The entity's control environment.

Report, according to its main characteristics, on the following, at the very least:

- F.1.1** Which bodies and/or units are responsible for: (i) the existence and maintenance of an appropriate and effective SCIIF; (ii) its establishment; and (iii) its supervision.

The Internal Financial Information Control System (SCIIF) is part of the risk management and control system of Corporación Financiera Alba, S.A. (hereinafter, "ALBA" or the "Group"), the purpose of which is to ensure reasonable security over the reliability of the financial information that Alba, as a listed company, discloses to the stock markets.

The bodies of Alba responsible for the existence and maintenance of an appropriate and effective SCIIF, as well as its duties, are as follows:

The Board of Directors, which has ultimate responsibility in this regard, according to the provisions of article 5 section 2.2.b) of the Regulation of the Board of Directors.

The Audit and Compliance Committee, for its part, is responsible for supervising the effectiveness of the company's internal checks and audit services, as well as supervising the process of preparing and presenting regulated financial information and the company's internal control systems in this regard. Following Recommendation number 19 of the Technical Guide of the CNMV 3/2017, on Audit Committees of Public Interest Entities, the Board of Directors, at its meeting held on 23 October, 2017 approved the Regulations of the Audit and Compliance Committee.

According to this Regulation, the Audit and Compliance Committee is responsible for:

- "Periodically reviewing the internal control and risk management systems, so that the main risks are identified, managed and suitably reported."
- "Reviewing the process for preparing the Company's financial information, in order to establish its integrity, technological quality and internal check quality, compliance with regulatory requirements, proper delimitation of the consolidation perimeter, proper application of generally accepted accounting principles and standards, which are duly documented in an Accounts Plan, and compliance with remaining legal requirements concerning this information."
- "Ensuring the independence of the department assuming internal audit duties."
- "Reviewing updates to financial information on the Company's website".

The Audit and Compliance Committee is supported by the Internal Audit Service which is responsible for, among other matters, the preparation and execution of an annual action plan; ensuring compliance with established standards and instructions; assessing the sufficiency and application of internal checks; informing the Audit and Compliance Committee of irregularities detected and tracking accepted recommendations. These responsibilities are formalised in the Charter of the Internal Audit Service, which were updated in the session of the Board of Directors of 13 November 2017.

On the other hand, Financial Management is responsible for designing, establishing and operating the SCIIF, as well as identifying and assessing risks and determining the checks to be established.

- F.1.2** If these exist, especially as regards the process of preparing financial information, the following items:

- Departments and/or mechanisms responsible for: (i) designing and reviewing the organisational structure; (ii) clearly defining lines of responsibility and authority, with proper distribution of tasks and duties; and (iii) ensuring that there are sufficient procedures for proper distribution throughout the entity:

The Board of Directors, as established in its Regulation:

- Is responsible for approving the definition of the structure of the Group of companies, as well as the corporate governance policy. Additionally, at the suggestion of the company's first executive, the Board decides to appoint and potentially to dismiss the Group's senior executives.

- Likewise, the Board reserves, as part of its duties, the right to approve the company's general Policies and strategies and, in particular, the strategic or business Plan, as well as management targets, the Group's investment and financing Policy, determination of the Risk and Management Policy and the determination of the company's tax strategy. The Board also reserves the power to supervise and check that Management has met the targets set and is respecting the Company's purpose and corporate interests.

Financial Management is principally responsible for preparing the financial information. This Management department establishes the structure of those responsible for financial information and the status of the internal control system for financial information, in addition to coordinating and supervising its actions.

The Board of Directors, via the corresponding areas and departments, distributes relevant information concerning the Company including, but not limited to, information concerning the convening of the General Shareholders' Meeting, its agenda, relevant events, internal corporate governance regulation and the Annual Report, among other information.

The distribution media used ensures unrestricted communication, in time and form, including its possible publication on the website and/or intranet, having approved and published a company communication Policy.

- Code of conduct, approval body, degree of distribution and instruction, principles and values included (indicating if there are specific mentions in the register of operations and preparation of financial information), body responsible for analysing compliance failures and proposing corrective measures and penalties:

The ALBA Group has had a Code of Ethics and Conduct since December 2011.

Following the favourable report from the Audit and Compliance Committee, the Board of Directors on 22 October 2018, approved a new Code of Ethics and Conduct, to address, in particular, the evolution of the legal regulation of criminal liability of legal persons.

The Code of Ethics and Conduct of Corporación Financiera Alba, S.A. and the companies in its Group is a formal expression of the values and principles which must govern the conduct of the entities in the ALBA group and the individuals accountable to the Group in the performance of its activities and duties, its labour, commercial and professional relations, with a view to achieving a universally accepted corporate ethic.

The Board of Directors is responsible for reviewing and updating the Code of Conduct and for enhanced supervision of effective compliance with the Code of Conduct, in addition to the adoption of measures which may be required to make the Code consistent with other corporate governance regulations and procedures.

The Code of Ethics and Conduct has been sent individually to all persons to whom the Code applies, by its delivery to its recipients. The Code was accepted in writing and is available on the Company's intranet and on the corporate web page.

Training concerning the Code is mainly provided with the training on criminal prevention and using reminders or digital communications concerning its most relevant aspects. In 2019, a reminder of the main points of the Code was sent to recipients of the Code. Likewise, a copy of the Code is given to new hires for their written adherence.

The Group's Code of Conduct is based on the following values:

- Supporting and respecting internationally recognised human rights.
- Ethical and legal conduct.
- Fair and respectful treatment with employees and co-workers, ensuring equal opportunities and non-discrimination of individuals.
- Respect of the interests of others related to the Company, including customers, suppliers, authorities, shareholders and other stakeholders.
- Professionalism and correction of conduct in the development of business in accordance with corporate policies.
- Prudence when performing activities, assuming risks and in relations with customers and suppliers.
- Commitment to the United Nations Global Compact.
- Respect toward the environment.
- The treatment of information with rigour, integrity and transparency.

Likewise, it addresses matters of:

- Conflicts of interest and provides guidelines for reporting such conflicts.

- Improper use or application of goods, business opportunities, confidential information and privileged information.
- Obligation to internally report possible failures to comply with the Code, or alternatively to use the Complaints Channel.
- Relationships with shareholders, government agencies, and Suppliers, contractors and collaborators as well as the defence of competitors.
- Bribes and gifts.
- Preventing money laundering and terrorism financing.
- Dedication and incompatibilities.

Furthermore, section 6.14 of the Code expressly stipulates that: "ALBA considers the veracity of information as a basic principle of its actions, as a result, Affected Persons must truthfully convey information they must report, both internally and externally, and, under no circumstances will they knowingly provide incorrect or inaccurate information which may cause errors or confusion.

The economic and financial information will faithfully reflect the economic, financial and equity circumstances of ALBA, according to generally accepted accounting principles and international financial information standards that apply. To this end, no Affected Person will conceal or distort the information on ALBA's accounting registers or reports, which will be complete, accurate and true."

For its part, sections 6.17 and 6.19 provide that:

"The information sent to shareholders will be true and complete and will provide an adequate reflection of the Company's circumstances."

"Correspondence concerning financial information or other matters sent on behalf of ALBA will, under no circumstances, contain misleading or fictitious data or data which has not been thoroughly checked."

The body responsible for ensuring compliance with the Code and proposing corrective measures, where applicable, is the Monitoring Committee of the Code of Ethics and Conduct.

- A complaints channel allowing people to inform the audit committee of financial and accounting irregularities, in addition to any failures to comply with the code of conduct and irregular activities in the organisation, stating, where applicable, if this information is confidential:

The 2011 Code of Ethics and Conduct contemplated a "confidential whistleblowing channel," which was effectively implemented.

Given the importance of internal reporting channels, an annex to the Code of Ethics and Conduct approved in 2018 is now included, which outlines a more detailed procedure for handling complaints that allows one to confidentially report any acts or conduct committed that may be contrary to applicable regulations or the Code of Ethics and Conduct within the company, in the performance of third parties that are in contract with the company or to its detriment.

The description of the operations of the channel includes the identity of the individuals to whom these complaints can be sent (these are the Chairman of the Audit and Compliance Committee or the Code of Ethics and Conduct Tracking Committee) and the options for sending this complaint (email or ordinary post sent to the address of the managers indicated).

Preliminary examination for the admission or filing of the complaint is commissioned to the Chairman of the Audit and Compliance Committee. The complaints will be processed by the Monitoring Committee of the Code of Ethics and Conduct, unless the complaints are against one of its members, in which case the Chairman of the Audit and Compliance Committee will carry out the preliminary inspection and handle the complaint.

This Monitoring Committee is comprised of the Secretary of the Board, the Chief Financial Officer, the Director of Investments and a member of the Legal Department.

In addition, the Crime Prevention Model, updated in 2017, can also be referenced and which aims to:

- Raise awareness among and training Board Members, Directors and employees of the Group concerning the importance of regulatory compliance, especially the prevention of criminal proceedings.
- Inform employees of the consequences of violating the provisions of the Code of Ethics and Conduct and the Crime Prevention Manual.
- Expressly record the clear condemnation of Corporación Financiera Alba of any illegal conduct which, in addition to contravening legal provisions, is contrary to the Group's values.

The Audit and Compliance Committee has considered the monitoring of the Crime Prevention Model appropriate.

- Periodical training and updating programmes for staff involved in preparing and reviewing financial information, as

well as the assessment of the SCIIF, covering, at the very least, accounting, audit, internal control and risk management regulation:

Staff involved in preparing and reviewing financial information, as well managing and supervising the SCIIF, receives, based on their various responsibilities, periodical training concerning accounting, auditing, internal control and risk management regulation.

In this manner, Financial Management periodically makes training efforts for staff involved in preparing the Financial Statements and managing the Group's SCIIF. These training actions are primarily focused on deepening knowledge and update to International Financial Reporting Standards (IFRS) and legislation and other regulations concerning Internal Control of Financial Information.

Likewise, the staff of the Internal Audit Service is updated on a continued basis concerning changes to Internal Controls, especially Financial Information and Risk Management.

Additionally, Financial Management and other areas involved in the preparation, review and reporting of financial information have received various publications updating accounting, financial, internal control and tax regulation.

F.2. Assessment of financial information risks.

Report the following, at the very least:

F.2.1 Describe the main characteristics of the risk identification process, including risks associated with errors or fraud, with regard to:

- Whether the process exists and is documented:

In fiscal year 2011, the Group undertook an examination process for identifying business risks of all kinds (operational, technological, financial, legal, reputational, environmental etc.) that could affect the achievement of its targets. The result of this was an initial version of the Risk Map for this which was duly documented, examined by the Audit Committee and approved by the Board of Directors.

The Risk Map is periodically reviewed to assess whether it needs updating. It was reviewed in 2016 and updating was deemed unnecessary; it was updated in 2017, and in 2018 it was deemed unnecessary to implement any amendments or updates.

The Risk Map was reviewed in 2019 and updated, which was examined by the Audit and Compliance Committee and by the Board of Directors, which have given their approval.

Likewise, Alba has a process for identifying and assessing specific risks concerning financial information, both in terms of its consolidated accounts, the entity and business processes, which is updated at least once a year.

The process is updated annually at the very least. The process is based on the consolidated financial information and uses this information to categorise accounting headings and notes, as well as identifying those which are the most relevant, according to quantitative (material aspects) and qualitative criteria.

The categorised headings and notes are associated with the Group's processes or business areas, in order to classify these processes or business areas in terms of their relevance in generating financial information.

The most important processes or areas are analysed and documented. These documents identify and analyse transaction flows, possible risks of error or fraud in the financial information, associated checks which mitigate these risks and features such as Integrity, Existence & Occurrence, Rights & Obligations, Measurement & Valuation and Presentation.

The process and criteria used for assessing these risks are documented in the "ALBA Group's Internal Control System on Financial Information (SCIIF) Manual", the latest revision carried out was on 21 February 2019.

- If the process covers all targets associated with financial information (existence and occurrence; integrity; valuation; presentation, breakdown and comparability; and rights and obligations), if it is updated and how frequently:

As discussed above, the significant processes or areas generating financial information are analysed on an annual basis at a minimum, in order to identify possible risks of error or fraud involving the financial information, and as regards its objectives of Integrity, Existence & Occurrence, Rights & Obligations, Measurement & Valuation and Presentation.

- The existence of an identification process for the consolidation perimeter, bearing in mind, among other aspects, the possible existence of complex corporate structures, instrumental or special purpose entities:

Financial Management is responsible for analysing the companies that are included and those that are no longer part of this perimeter, as well as any change to the percentage ownership interest in these companies. Both the establishment and acquisition of ownership interests in companies and the sale of these interests or the liquidation of these interests are subject to internal authorisation processes that make it possible to clearly identify incoming items, outgoing items and changes to the consolidation perimeter.

The Group's scope of consolidation is submitted to the Audit and Compliance Committee every six months.

The main duties of the Audit and Compliance Committee are to review the "process for preparing the Company's financial information, with a view to confirming its integrity, technological quality and for internal control, as well as compliance with regulatory requirements, proper delimitation of the consolidation perimeter, proper application of generally accepted accounting principles and standards, and compliance with remaining legal requirements concerning this information."

- If the process takes other types of risks into account (operational, technological, financial, legal, fiscal, reputational, environmental etc.), to the extent that these affect the financial statements:

The process for identifying risks of error or fraud in the financial information takes into account the effects of other types of risks (operational, technological, financial, legal, reputational, environmental etc.), to the extent that these affect the financial statements. These risks are assessed and managed by the Company (according to the description in Section E of this Report).

- What governance body in the entity supervises the process:

The Financial Management is responsible of the process for identifying and assessing specific risks concerning financial information, both in terms of its consolidated accounts, the entity and business processes, which is updated at least once a year. Likewise, the Audit and Compliance Committee is responsible for its supervision.

F.3. Control activities.

Report, indicating its main characteristics, if it has at least:

- F.3.1 Procedures for reviewing and authorising financial information and the SCIIF description which will be published on the stock markets, indicating those responsible for this information, as well as documents describing the flows of activities and checks (including those associated with the risk of fraud) of the various types of transactions that can have a material effect on the financial statements, including the closing of accounts procedure and specific reviews of opinions, estimates, valuations and relevant forecasts

According to the provisions of the Regulation of the Board of Directors:

- The approval of financial information to be made periodically is the responsibility of the Board of Directors (including the description of the Group SCIIF).
- Likewise, when the financial statements are submitted for deliberation by the Board of Directors, they must first be certified with regard to their accuracy and integrity, by the Chief Executive Officer and the Chief Financial Officer.

Likewise, according to the provisions of the Regulation of the Audit and Compliance Committee:

- The main duties of the Audit and Compliance Committee are to review the process for preparing the Company's financial information, with a view to confirming its integrity, technological quality and for internal control, as well as compliance with regulatory requirements, proper delimitation of the scope of consolidation, proper application of generally accepted accounting principles and standards, and compliance with remaining legal requirements concerning this information.

The information review process takes the following flow:

The Group has a procedure for closing the accounts and performs a specific review of opinions, estimates, valuations and relevant forecasts. The respective units make the estimates, ratings or projections of those aspects that they are competent and the reasonableness of them is valued by the Financial Management; they are subsequently submitted to the Audit and Compliance Committee and the Board of Directors, as part of the exposure of the financial statements.

The Group publishes financial information on a quarterly basis. This information is prepared by Financial Management which performs, as part of the account closure process, the control activities identified in the process, as well as analysing and reviewing the information prepared. The information prepared is then sent to the Audit and Compliance Committee for its supervision.

The six monthly financial reports and the individual and consolidated annual accounts of Alba, the Report and the Annual Corporate Governance Report (which includes, by way of additional information, a description of the SCIIF) are reviewed by the Audit and Compliance Committee before being reviewed by the Board of Directors. Likewise, the Audit and Compliance Committee reviews the remaining financial information and any other relevant information before submitting this information to the markets or to the supervisory bodies.

The Group has an internal financial information control system based on the COSO [Committee of Sponsoring Organisations of the Treadway Commission] model, which provides reasonable certainty with regards to achieving the targets of this system, in other words: effectiveness and efficiency of the operations, safeguard of the assets, reliability of the financial reports and compliance with the applicable laws and regulations, the latest version being 21 February 2019.

The principles and criteria for defining and managing the SCIIF are documented in the Group's SCIIF Manual. The Group has documents describing the flows of activities and checks (including those associated with the risk of fraud) of the various kinds of transactions that can have a real impact on the financial statements. These documents include the significant and matrix processes for risks and checks.

According to the SCIIF Manual, Financial Management is responsible for identifying and documenting these significant processes in addition to being responsible for managing the internal SCIIF certification process for evaluating its efficiency.

F.3.2 Internal control policies and procedures for information systems (among others, concerning security of access, change control, operation of these changes, operational continuity and segregation of duties) which support the relevant processes of the entity with regard to preparing and publishing financial information.

Among the checks considered for mitigating or managing risks of error in the financial information, there are some related to more relevant IT applications, such as checks of user access permits or those related to the integrity of the transfer of information between applications.

Additionally, the Group has guidelines or regulations and internal control procedures on information systems regarding software acquisition and development, system infrastructure acquisition, software installation and testing, change management, service level management, third-party service management, system security and access, incident management, operations management, operations continuity and segregation of duties.

These guidelines and procedures are applied to all the information systems, including those that support the relevant financial information generation processes, and on the infrastructure needed for its operation.

This entire internal network of IT infrastructure is controlled by a Department of internal professionals responsible for defining and executing the Group's IT strategy, as well as supporting users, operating the system and IT security.

Likewise, the Group has systems security and contingency programmes.

The Group's SCIIF Manual provides that, on an annual basis, the systems manager of the group certifies the effectiveness of the internal checks established for the IT systems.

Likewise, the Group has systems security and contingency programmes.

F.3.3 Internal control policies and procedures intended to supervise management of the activities subcontracted to third parties, as well as those assessment, calculation or valuation matters entrusted to independent experts that could have a material impact on the financial statements.

Generally speaking, the ALBA Group does not subcontract important duties to third parties that have a direct impact on the financial information, evaluations, calculations or valuations that could have a material impact on the financial statements, with the exception of the valuation of its investments in property, the actuarial valuation of pensions and the valuation of investments in non-listed companies.

There are internal checks for selecting the property valuation provider, which include the following supervisory criteria: Type and frequency of the reports; competence and independence of the provider; methodology and validation of the information and database used for the analysis; reasonableness of the hypotheses and criteria applied; methodology for reviewing the findings and Reports prepared.

With regard to the actuary valuation of pensions, the existence of the policies used as well as the coherence and consistency of the databases used is checked.

F.4. Information and communication.

Report, indicating its main characteristics, if it has at least:

- F.4.1 A specific service responsible for defining and keeping accounting policies up-to-date (accounting policies area or department), as well as resolving doubts or conflicts associated with their interpretation, maintaining smooth communication with those responsible for operations in the organisation, as well as an updated accounting policies manual that is sent to the departments through which the entity operates.

Financial Management is responsible for defining and keeping accounting policies up-to-date as well as resolving doubts or conflicts associated with their interpretation and maintaining smooth communication with those responsible for operations in the organisation. To this end, accounting changes are periodically identified and communicated to the various Management supervisors. Likewise, in the event that application queries arise, these are referred to and resolved by the Head of Administration and the Chief Financial Officer.

Alba considers that accounting standards are directly applicable, given the low level of complexity of its transactions. Accounting standards are kept up-to-date and are at the disposal of Financial Management staff.

- F.4.2 Mechanisms for capturing and preparing financial information in coherent formats that are applicable to and can be used by all the departments of the entity or group that support the main financial statements and the notes, as well as the information detailed concerning the SCIIF.

The Group has mechanisms for capturing and preparing financial information, with suitable formats and applications, which is used by all the departments. Centralised and uniform IT systems are used for the Group. Likewise, there are checks that are needed for the IT systems and a supervisory and review process is performed by Financial Management.

F.5. Supervision of operation of the system.

Report, indicating their main characteristics, at least concerning:

- F.5.1 The SCIIF supervisory activities performed by the audit committee as well as if the entity has an internal audit service whose powers include supporting the committee in its task of supervising the internal control system, including the SCIIF. Likewise, the scope of the SCIIF evaluation performed during the financial year will be reported, as well as the procedure used by the individual that performed the evaluation for announcing their results, if the entity has an action plan that details any corrective measures, and if its impact on the financial information has been considered.

The Regulations of the Board of Directors and the Regulations of the Audit and Compliance Committee entrust the following duties to the Audit and Compliance Committee:

- Supervise the efficiency of the internal control of the company, the internal audit and the risk management systems, including tax risks, discussing significant weaknesses in the internal control system that are detected as part of the audit with the accounts auditor.
- Supervise the process for preparing and presenting the mandatory financial information.

The SCIIF supervisory activities performed by the Audit and Compliance Committee essentially include:

- Monitoring the process of evaluating the SCIIF by Financial Management.
- Reviewing the process for preparing the Company's financial information, with a focus in confirming its integrity, technological quality and for internal control, as well as compliance with regulatory requirements, proper delimitation of the consolidation perimeter, proper application of generally accepted accounting principles and standards, and compliance with remaining legal requirements concerning this information.
- Reviewing the periodical financial statements that must be submitted by the Company to the markets and its supervisory bodies, prior to approval by the Board, in its plenary session.
- Evaluating and approving the proposals suggested by Management concerning changes to the accounting principles and standards.
- Supervising Management's decisions of adjustments proposed by the external auditor, as well as familiarising itself with and, where applicable, mediating in disagreements between them.
- Reviewing, with the support of the Internal Audit Service, the design and operation of the internal control system, in order to evaluate its effectiveness and,
- Holding periodical meetings with external auditors, internal auditors and senior management in order to review, analyse and discuss the financial information, the perimeter of companies they cover and the accounting criteria applied, as well as, where applicable, significant internal control weaknesses identified.

Additionally, the Audit and Compliance Committee is responsible for overseeing the definition of the Annual and Strategic Internal Audit Plan as well as its development in the SCIIF.

Likewise, since 2011, the Group has had an Internal Audit Service, whose Regulations provide that it is its responsibility to ensure that this process happens and that the checks established work effectively. Its role is targeted towards assisting the Group in maintaining effective checks, by evaluating the efficiency and effectiveness of them and driving efforts of continuous improvement. The Regulations of the Internal Audit Service were updated in the session of the Board of Directors of 13 November 2017.

According to the Group's SCIIF Manual, the Audit and Compliance Committee has entrusted performing this duty to the Internal Audit Service. The SCIIF supervision process, via the Internal Audit Service, includes the following tasks:

- Validate the SCIIF model with regard to the definition of the SCIIF scope or the documents concerning the significant processes (Narrative and Risk and Control Matrixes).
- Review and evaluating the process and the findings concerning the effectiveness resulting from the annual review performed by Financial Management.
- Include, as part of the Internal Audit Strategic Plan and the Internal Audit Annual Plan, where applicable, the SCIIF processes to be reviewed.
- Assess and communicate the results obtained from the SCIIF supervision process and the checks on the processes involving the affected department and the Financial Management.
- Inform the Audit and Compliance Committee of the degree of progress of the supervision, the results obtained and the weaknesses detected, where applicable, when presenting the degree of progress and results of the internal audit works for the financial year.

Finally, the Group's SCIIF Manual sets criteria for categorising issues based on their potential impact on financial information and probability of occurrence after detection and subsequent communication and monitoring process.

- F.5.2** If there is a discussion procedure in which the accounts auditor (according to the provisions of the NTA), the internal audit service and other experts can inform senior management and the audit committee or board members of the entity of significant internal control weaknesses identified during the annual account review processes or other processes entrusted to them. Likewise, an announcement will be made as to whether there is an action plan addressing the correction or mitigation of the weaknesses observed.

Generally speaking, the discussion procedure concerning significant internal control weaknesses identified is based on periodical meetings which the various agents hold.

To this end, the Audit and Compliance Committee holds meetings with Internal Auditing and Financial Management for the bi-annual and for the annual closure and, also, with the External Auditor, for the annual closure, in order to discuss any relevant aspect of the process of preparing the resulting financial information.

Specifically, the Regulations of the Board of Directors and the Regulations of the Audit and Compliance Committee provide that the Audit and Compliance Committee must:

- Discuss the significant weaknesses in the internal control system detected when performing the audit with the accounts auditors or audit firms.
- Establish appropriate relations with the accounts auditors or audit firms in order to receive information concerning matters that could threaten their independence, for examination by the Committee, and any other matter related to the process of performing the accounts audit, as well as other announcements provided in accounts auditing legislation and in auditing standards.

For its part, the regulations of the Internal Audit Service provide that the Audit and Compliance Committee must maintain free and open communication with the Director of the Internal Audit Service. Specifically, the Director of the Internal Audit Service has direct access to the Audit and Compliance Committee, with which it will address the following matters, among others:

- The significant events observed when performing the internal audits.
- The degree of compliance with the most relevant recommendations.
- The most significant risks and the level of Internal Control in the Group, bearing in mind the results of the audits performed and the evaluation of the Internal Control performed by the Internal Audit Service.
- Coordination with external auditors and the remaining individuals responsible for supervising the Internal Control.

Likewise, Financial Management also holds meetings with the Internal Audit Service, both for the bi-annual closure and for the annual closure, and with External Auditors for the annual closure, with a view to addressing significant questions concerning the financial information.

F.6. Other relevant information.

The Audit and Compliance Committee at its session on 21 February 2019 examined and approved the new SCIIF manual, with the aim of updating and simplifying the Manual of 2013, in order to adapt it to the reality of the Group and to take into account the activities it carries out.

In addition to the SCIIF supervision process (entrusted to the Internal Audit Service), according to the ALBA's SCIIF Manual, in 2019 the corresponding process for the annual evaluation of the effectiveness and validity of the process was performed by Financial Management.

In the development of the Risk Management function, entrusted to the Risk Management and Control Unit, Alba has had since 2015 a Charter for the Risk Management and Control Function which allows this Unit to supervise the smooth running of the risk control and management systems and, specifically, that all the important risks affecting the company are identified, managed and appropriately quantified; actively participate in preparing the risk strategy and important decisions concerning its management; and ensure that the risk control and management systems appropriately mitigate risks, as part of the policy identified by the Board of Directors.

Likewise, the purpose of the Regulatory Compliance service is to provide reasonable security that Alba is complying with key legal and normative requirements, identifying the main legislative and normative obligations of the company, designing a compliance model and a monitoring and tracking model for the Compliance activities. In 2017, the Crime Prevention Model was updated with this in mind. In 2018, the Board of Directors approved a Charter for the Regulatory Compliance Function so that the Compliance Unit can establish adequate control and an efficient and prudent management of regulatory obligations.

F.7. Report of the external auditor.

Report on:

- F.7.1** If the SCIIF information sent to the markets was submitted for review by the external auditor, in which case the entity should include the corresponding report as an appendix. Otherwise, it should explain its reasons for this.

The SCIIF information sent to the markets has been submitted for review by the external auditor, who will issue the corresponding report alongside the report for the company's annual accounts.

G. EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree to which the company follows the recommendations of the Code of good governance for listed companies.

In the event that any recommendation is not followed or is followed partially, include a detailed explanation of the reasons why so that shareholders, investors and the market in general have sufficient information for assessing the procedures of the company. General explanations will not be acceptable.

1. The Articles of Association of listed companies do not limit the maximum number of votes that a single shareholder can make, nor do they contain restrictions hindering the gain of control of the company by the buyback of its shares on the market.

Complies [X] Explain []

2. When a parent company and a subsidiary are listed, both publicly define, in a detailed manner:

- a) The respective areas of activity and any business relations between them, as well as those of the listed subsidiary company with other companies in the group.
- b) Mechanisms provided for resolving any conflicts of interest which could arise.

Complies [] Complies partially [] Explain [] Not Applicable [X]

3. During the sessions of the regular general shareholders' meeting, in addition to the distribution, in writing, of the annual corporate governance report, the chairman of the board of directors verbally informs shareholders, with sufficient detail, of the most relevant aspects of the company's corporate governance and, in particular:

- a) Changes that have occurred since the last General Shareholders' Meeting.
- b) Specific reasons the company did not follow one or more of the recommendations of the Code of Corporate Governance and, if so, the alternative rules that were followed instead.

Complies [X] Complies partially [] Explain []

4. The company has established and promotes a policy of communication and contact with shareholders, institutional investors and proxy advisors that fully respects standards against market abuse and gives similar treatment to shareholders in the same position.

And the company makes this policy public on its website, including information concerning the way in which the company has put into practice and identified the spokespersons or individuals responsible for implementing the policy.

Complies [X] Complies partially [] Explain []

5. The Board of Directors has not made a proposal to delegate powers to the General Shareholders' Meeting, with a view to issuing shares or convertible bonds without a pre-emptive right, for an amount greater than 20% of the capital at the time of the delegation.

When the Board of Directors approves any issuance of shares or convertible bonds, without a pre-emptive right, the company immediately publishes the reports (referred to in commercial legislation) concerning the fact that this right was excluded on its website.

Complies [X] Complies partially [] Explain []

6. The listed companies that prepare the reports that are detailed below, either voluntarily or because it is mandatory, publish the reports on their website sufficiently in advance of the ordinary general assembly, even though their distribution is not mandatory:

- a) Report regarding the auditor's independence.
- b) Reports regarding the workings of the audit committee and the appointments and remuneration committee.
- c) Report by the audit committee regarding related-party transactions.
- d) Report on the corporate social responsibility policy.

Complies [X] Complies partially [] Explain []

7. The company directly broadcasts the general shareholders' assemblies on its website.

Complies [X] Complies partially []

8. The Audit Committee ensures that the Board of Directors endeavours to present the accounts to the general shareholders' assembly without limitations or reservations in the audit report and, in exceptional cases where there are reservations, both the chairman of the audit committee and the auditors clearly explain the content and scope of these limitations or reservations to the shareholders.

Complies [X] Complies partially [] Explain []

9. The company permanently makes the requirements and procedures it will accept for proving ownership of shares, the right to attend the general shareholders' assembly and the exercise or delegation of voting rights public on its website.

These requirements and procedures encourage attendance and the exercise of shareholders' rights and are applied in a non-discriminatory manner.

Complies [X] Complies partially [] Explain []

10. When any legitimate shareholder exercises, prior to the general shareholders' assembly, the right to add to the agenda or to make new agreement proposals, the company:

- a) Immediately distributes the agreed additions and new proposals.
- b) Publishes the attendance card credential or proxy form or form for distance voting with the changes such that the new agenda items and alternative proposals may be voted upon under the same terms and conditions as those proposals made by the Board of Directors.
- c) Submits all of these items on the agenda or alternative proposals to a vote and applies the same voting rules to them as are applied to those drafted by the Board of Directors including, particularly, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the results of said additions or alternative proposals is communicated.

Complies [X] Complies partially [] Explain [] Not Applicable []

11. In the event that the company has planned to pay attendance fees to the General Shareholders' Meeting, establish a general policy for these fees and ensure this policy is sustainable beforehand.

Complies [] Complies partially [] Explain [] Not Applicable [X]

12. The board of directors performs its duties with unity of purpose and independence, treating all shareholders in the same position in the same way and allowing itself to be guided by the interests of the company, which are understood as achieving a profitable and long-term sustainable business which promotes the continuity of the business and maximising the economic value of the company.

In the search for the interests of the company, in addition to respecting laws, regulations and conduct based on good faith, ethics and respect of commonly accepted customs and good practices, endeavour to reconcile the interests of the company itself with, where applicable, the legitimate interests of its employees, providers, customers and other stakeholders that could be affected, as well as the impact of the company's activities on the community as a whole and the environment.

Complies [X] Complies partially [] Explain []

13. The board of directors is of the right size to operate efficiently and to allow for participation by board members, meaning that it should be comprised of between five and fifteen members.

Complies [X] Explain []

14. The Board of Directors has approved a board member selection policy which is:

- a) Is concrete and verifiable.
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the needs of the Board of Directors.
- c) Encourages diversity in knowledge, experience and gender.

The result of the prior analysis of the needs of the board of directors is detailed in the supporting report of the appointments committee which is published when summoning the General Shareholders' Meeting to which the ratification, appointment or re-election of each board member is submitted.

The board member selection policy is promoting the target that, in 2020, the number of female board members should represent, at least, 30% of the total members of the Board of Directors.

The appointments committee will check, on an annual basis, that the board member selection policy has been respected and this will be detailed in the annual corporate governance report.

Complies [X] Complies partially [] Explain []

15. Proprietary and independent board members constitute a broad majority on the Board of Directors and the number of executive directors is the minimum required, bearing in mind the complexity of the corporate group and the percentage ownership interest of the executive directors in the company's capital.

Complies [X] Complies partially [] Explain []

16. The percentage of proprietary board members among the total non-executive board members is no greater than the existing proportion between the capital of the company represented by these board members and the remaining capital.

This criterion may be mitigated:

- a) In companies with a high market capitalisation in which interests that are legally considered significant are minimal.

- b) In companies where a diversity of shareholders is represented on the Board of Directors without ties among them.

Complies [X] Explain []

17. The number of independent board members represents, at the very least, half of all board members.

However, when the company does not have a high market capitalisation or when, even if it does, it has a shareholder or various shareholders that act jointly and that control more than 30% of the share capital, the number of independent shareholders represents, at least, one third of all board members.

Complies [X] Explain []

18. The companies keep the following information concerning their board members public on their website, and keep this information up-to-date:

- a) Professional background and biography.
- b) Any other Boards to which the board member belongs, regardless of whether the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are related.
- d) The date of their first appointment as a director of the company's Board of Directors, and any subsequent re-election.
- e) The shares of the company and options on them, of which they own.

Complies [X] Complies partially [] Explain []

19. The annual corporate governance report, after being checked by the appointments committee, explains the reasons why proprietary board members were appointed instead of shareholders whose equity stake is below 3% of the capital; and the reasons why formal requests for presence on the board made by shareholders whose equity stake is equal to or greater than that of others in whose stead proprietary board members were appointed were not accepted are explained.

Complies [] Complies partially [] Explain [] Not Applicable [X]

20. Proprietary board members resign when the shareholder they represent fully disposes of their equity stake. The corresponding number also resign when this shareholder decreases their equity stake to a level that requires a reduction in the number of their proprietary board members.

Complies [X] Complies partially [] Explain [] Not Applicable []

21. The Board of Directors does not propose the dismissal of any independent board member before the end of the statutory period for which they were appointed, except when there is just cause considered to be acceptable by the board of board members, after informing the appointments committee. Specifically, just cause will be considered with merit when the board member occupies new positions or undertakes new obligations preventing them from dedicating the time needed to performing his/her role as a board member, failing to perform duties involved in their role or finding him/herself in any of the situations causing them to lose their independence, according to the provisions of applicable legislation.

The dismissal of independent board members may also be proposed as a result of takeover bids, mergers or other similar corporate transactions which involve a change to the company's capital structure, when these changes to the structure of the board of directors are brought about by the proportionality criteria indicated in recommendation 16.

Complies [X] Explain []

22. The companies should establish rules requiring board members to report and, where applicable, resign in cases that could damage the company's credibility and reputation and these rules specifically require them to inform the Board of Directors of the criminal cases in which they are involved as suspects, as well as subsequent procedural events.

If a board member was prosecuted or an order to proceed to a public hearing was issued against this board member for any of the crimes indicated in corporate legislation, the Board of Directors will assess the case as soon as possible and, in light of the specific circumstances, will decide whether or not the board member should remain in their position. And all of which the Board of Directors shall report, in a logical manner, in the annual corporate governance report.

Complies [X] Complies partially [] Explain []

23. All board members should clearly express their opposition when they think that any proposed decision brought before the Board of Directors could be contrary to the interests of the company. Independent board members and other board members, especially those, who are not affected by the potential conflict of interest should do the same in the case of decisions that could adversely affect shareholders that are not represented on the Board of Directors.

When the Board of Directors makes significant or repeated decisions concerning those which the board member expressed serious reservations about, the board member can draw his/her conclusions and, if they decide to resign, explain their reasons in the letter referred to in the recommendation below.

This recommendation also applies to the secretary of the Board of Directors, even though the secretary is not a board member.

Complies [X] Complies partially [] Explain [] Not Applicable []

24. When a board member leaves his/her position before the end of his/her mandate, either due to resignation or any other reason, the board member will explain the reasons in a letter sent to all members of the board of directors. The reason for their departure will be reported in the annual corporate governance report, without prejudice to this departure being reported as a significant event.

Complies [X] Complies partially [] Explain [] Not Applicable []

25. The appointments committee will ensure that non-executive board members have sufficient time to properly perform their duties.

The regulation of the board establishes the maximum number of company boards on which its board members may serve.

Complies [X] Complies partially [] Explain []

26. The board of directors will meet as frequently as necessary to effectively carry out their duties and, at least, eight times per year, based on the programme of dates and matters established at the beginning of the financial year. Each board member may individually propose other points on the agenda which were initially not included.

Complies [X] Complies partially [] Explain []

27. Instances where the board members are absent should be reduced to an absolute minimum and should be quantified in the annual corporate governance report. When such absences must occur, the board member should grant a power of representation with instructions.

Complies [X] Complies partially [] Explain []

28. When the board members or the secretary express concern about any proposal or, in the case of board members, concerning the running of the company and these concerns are not resolved in the board of directors, this is recorded in the minutes, at the request of the person who expressed the concerns.

Complies [X] Complies partially [] Explain [] Not Applicable []

29. The company should establish suitable options so that the board members may secure the advice needed in order to perform their duties including, if the circumstances so require, external advice paid for by the company.

Complies [X] Complies partially [] Explain []

30. Regardless of the knowledge required of board members in order to perform their duties, the companies also offer board members knowledge update programmes when circumstances indicate that this is necessary.

Complies [X] Complies partially [] Explain []

31. The agenda for the sessions should clearly indicate those points on which the board of directors must decide or reach an agreement so that the board members may first study or gather the information needed to reach a decision or adopt an agreement.

When, as an exception and in an emergency, the president wishes to submit decisions or agreements which are not on the agenda for the approval of the board of directors, the prior and express consent of the majority of board members present will be required, and this will be duly recorded in the minutes.

Complies [X] Complies partially [] Explain []

32. The board members will be periodically informed of changes to the shareholding structure and the opinion of significant shareholders, investors and rating agencies of the company and the group.

Complies [X] Complies partially [] Explain []

33. The president, who is responsible for the smooth running of the board of directors, in addition to performing the duties for which fall under the position's responsibility according to the law and the Articles of Association, prepares and submits a programme of dates and matters to address the board of directors, as well as organising and coordinating a periodical evaluation of the board, also, where applicable, that of the company's top executive. The president is also responsible for managing the board and ensuring it runs smoothly, ensuring that sufficient discussion time is dedicated to strategic matters, and agrees on and reviews the knowledge update programmes for each board member, when circumstances indicate that these are needed.

Complies [X] Complies partially [] Explain []

34. When there is a coordinating board member, the Articles of Association or the regulation of the board of directors, in addition to the powers legally held, grants the following powers: chairing the board of directors in the absence of the president and vice-presidents, if there are any; repeating the concerns of non-executive board members; maintaining contact with investors and shareholders, establishing their point of view in order to form an opinion of their concerns, in particular, with regards to the corporate governance of the company; and coordinating the president's succession plan.

Complies [] Complies partially [] Explain [] Not Applicable [X]

35. The Secretary of the Board of Directors above all ensures that, in its actions and decisions, the Board of Directors keeps in mind recommendations concerning good governance in this Code of Good Governance that is applicable to the company.

Complies [X] Explain []

36. The Board of Directors, in its plenary session, should assess, once per year, and adopt, where applicable, an action plan to correct the deficiencies detected with regards to:

- a) The quality and efficiency of the operation of the Board of Directors.
- b) The operation and composition of its committees.
- c) Diversity in the composition and responsibilities of the Board of Directors.
- d) The performance of the Chairperson of the Board of Directors and the company's top executive.
- e) The performance and contribution of each board member, paying special attention to those responsible for the various committees of the board.

The report the various committees submit to the board of directors will be used as the basis for evaluating these committees, and in order to evaluate the board of directors, the report submitted by the appointments committee will be used.

Every three years, the board of directors will be assisted by an external consultant for the evaluation. The external consultant will be verified by the appointments committee.

The business relations that the consultant or any company in its group maintains with the company or any company in its group must be shown in detail in the annual corporate governance report.

The process and areas evaluated will be described in the annual corporate governance report.

Complies ☒ Complies partially ☐ Explain ☐

37. When there is an executive committee, the ownership structure of the various classifications of board members will be similar to that of the board of directors itself and the secretary of the executive committee will also be the secretary of the board of directors.

Complies ☐ Complies partially ☐ Explain ☐ Not Applicable ☒

38. The board of directors should always be aware of the matters discussed and the decisions adopted by the executive committee, and all members of the board of directors should receive a copy of the minutes of the sessions of the executive committee.

Complies ☐ Complies partially ☐ Explain ☐ Not Applicable ☒

39. The members of the audit committee, and especially its president, should be appointed bearing in mind their knowledge and experience with accounting, auditing and risk management, and the majority of these members should be independent board members.

Complies ☒ Complies partially ☐ Explain ☐

40. Under the supervision of the audit committee, there is a department that performs internal audits, ensuring the smooth running of the information and internal control systems. This department, for all intents and purposes, reports to the non-executive president of the board or of the audit committee.

Complies ☒ Complies partially ☐ Explain ☐

41. The head of the department that performs internal audits presents their annual working plan to the audit committee, directly announces events which occur when implementing the working plan and delivers an activity report at the end of each

financial year.

Complies [X] Complies partially [] Explain [] Not Applicable []

42. In addition to the duties foreseen by law, the audit committee is also responsible for the following duties:

1. With regards to the IT and internal control systems:
 - a) Supervise the preparation and integrity of financial information relative to the company and, if applicable, the group, monitoring compliance with governing rules and the appropriate application of consolidation and accounting criteria.
 - b) Ensure the independence and effectiveness of the group charged with the internal audit function; propose the selection, appointment, re-election and dismissal of the head of internal audit; draft a budget for this department; approve its goals and work plans, making sure that its activity is focused primarily on material risks to the company; receive periodic information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.
 - c) Establish and supervise a mechanism that allows employees to report confidentially and, if appropriate, anonymously, any irregularities with important consequences, especially those of a financial or accounting nature, that they observe in the company.
2. With regards to the external auditor:
 - a) In the event that the external auditor resigns, examine the reasons for their resignation.
 - b) Ensure that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
 - c) Ensure the company informs the CNMV of the change of auditor, as a significant event, and accompany this announcement with a statement concerning any disagreements with the outgoing auditor and, if there were any, the substance of these disagreements.
 - d) Ensure that the company files a relevant fact with the CNMV when there is a change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
 - e) Ensure that the company and the external auditor comply with applicable rules regarding the rendering of services other than auditing, proportional limits on the auditor's billing, and all other rules regarding the auditor's independence.

Complies [X] Complies partially [] Explain []

43. The audit committee may summon any employee or director of the company, and even arrange for them to appear without any other director being present.

Complies [X] Complies partially [] Explain []

44. The audit committee should be informed of structural and corporate operations and changes which the company plans to perform for its analysis and should first inform the board of directors of its economic circumstances and accounting impact and, especially, where applicable, concerning the exchange equation proposed.

Complies [X] Complies partially [] Explain [] Not Applicable []

45. The risk control and management policy should, at the very least, identify:

- a) The various types of risk, financial and non-financial (among others, operational, technological, legal, social, environmental, political and reputational risks) faced by the company, including, among the financial or economic risks, contingent liabilities and other off balance sheet risks.
- b) The set level of risk the company considers acceptable.
- c) The measures provided for mitigating the impact of the risks identified, in the event that these risks materialise.
- d) The information and internal control systems that will be used to control and manage the aforementioned risks, including contingent liabilities or off balance sheet risks.

Complies [X] Complies partially [] Explain []

46. Under the direct supervision of the audit committee or, where applicable, of a specialist committee of the board of directors, there is an internal risk control and management service operated by an internal unit or department of the company, which is expressly given the following duties:

- a) Ensuring the smooth running of the risk control and management systems and, specifically, that all the important risks affecting the company are identified, managed and appropriately quantified.
- b) Actively participating in preparing the risk strategy and important decisions concerning its management.
- c) Ensuring that the risk control and management systems appropriately mitigate risks, as part of the policy identified by the board of directors.

Complies [X] Complies partially [] Explain []

47. The members of the appointments and remuneration committee - or the appointments committee and the remunerations committee, if they are separated - are appointed ensuring they have the knowledge, skill and experience needed for the duties they are required to perform and that the majority of these members are independent board members.

Complies [X] Complies partially [] Explain []

48. Companies with a high market capitalisation have a separate appointments and remunerations committee.

Complies [] Explain [] Not Applicable [X]

49. The appointments committee consults the president of the board of directors and the company's top executive, especially as regards to matters that concern executive board members.

Any board member can ask the appointments committee to take into consideration, if they are considered suitable in their opinion, potential candidates for covering vacant board member positions.

Complies [X] Complies partially [] Explain []

50. The remunerations committee should perform its duties independently and, in addition to the duties assigned by law, should perform the following duties:

- a) Propose the basic conditions of senior management contracts to the Board.
- b) Check the observance of the Remuneration Policy established by the company.
- c) Periodically review the remuneration policy applied to board members and senior executives, including share-based

remuneration systems and their application, in addition to guaranteeing that their individual remuneration is proportional to what is paid to other board members and senior executives of the company.

- d) Ensure any conflicts of interest do not jeopardise the independence of the external advice provided to the committee.
- e) Check information concerning the remuneration of board members and senior executives contained in the various corporate documents, including the annual report concerning board Member remuneration.

Complies [X] Complies partially [] Explain []

51. The remunerations committee consults the president and the company's top executive, especially as it regards matters that concern executive board members and senior executives.

Complies [X] Complies partially [] Explain []

52. Rules concerning the composition and operation of the supervisory and control committees are included in the regulation of the board of directors and are consistent with those applicable to legally mandatory committees, according to the recommendations above, including:

- a) They should be comprised exclusively of non-executive directors, with a majority of independent board members.
- b) Their presidents should be independent board members.
- c) The board of directors should appoint the members of these committees, bearing in mind the knowledge, skills and experience of the board members and the tasks of each committee, deliberate on its proposals and reports; and account, in the first plenary session of the board of directors after its meetings, for its activity and for the work performed.
- d) The committees can secure external advice, when they consider this necessary in order to perform their duties.
- e) Minutes will be prepared of its meetings which will be put at the disposal of all board members.

Complies [X] Complies partially [] Explain [] Not Applicable []

53. Supervision of compliance with corporate governance rules, internal codes of conduct and the corporate social responsibility policy is under the responsibility of one or is distributed among various committees of the board of directors. These may include the audit committee, the appointments committee, the corporate social responsibility committee, if there is one, or a specialist committee which the board of directors, exercising its self-organisation powers, decides to create with this end in mind, and to which the following duties will, at a minimum, be given:

- a) Supervising compliance with internal codes of conduct and the company's corporate governance rules.
- b) Supervising the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.
- c) Periodically evaluating the suitability of the company's corporate governance system, with a view to achieving its mission of promoting the interests of the company and keeping in mind, where applicable, the legitimate interests of remaining stakeholders.
- d) Reviewing the company's corporate social responsibility policy, ensuring it is focussed on value creation.
- e) Tracking the corporate social responsibility policy and practices, and changes in the degree of compliance.

- f) Supervising and evaluating relations processes with various stakeholders.
- g) Evaluating all matters concerning the company's non-financial risks, including operational, technological, legal, social, environmental, political and reputational risks.
- h) Coordinating the non-financial information reporting process and the diversity reporting process, according to applicable regulation and reference international standards.

Complies [X] Complies partially [] Explain []

54. The corporate social responsibility policy includes the principles or commitments that the company voluntarily assumes in its relationship with the various stakeholders, and identifies, at the very least:

- a) The objectives of the corporate social responsibility policy and the development of supporting mechanisms.
- b) The corporate strategy for sustainability, the environment and social matters.
- c) Specific practices for matters related to: shareholders, employees, providers, social matters, the environment, diversity, fiscal responsibility, respect of human rights and prevention of illegal conduct.
- d) The methods or systems for tracking results of the application of the specific practices indicated in the previous section, associated risks and their management.
- e) Non-financial risk monitoring mechanisms, ethics and business conduct.
- f) Channels of communication, participation and dialogue with stakeholders.
- g) Responsible communication practices that avoid manipulation of information and protect integrity and honour.

Complies [X] Complies partially [] Explain []

55. The company should announce, in a separate document or in the management report, matters related to corporate social responsibility, using, for this purpose, any of the internationally accepted methodologies.

Complies [X] Complies partially [] Explain []

56. The board members' compensation should be whatever is needed to attract and retain board members with the background desired and to compensate the dedication, qualification and responsibility the position demands, but should not be so high as to compromise the independence of non-executive board members.

Complies [X] Explain []

57. Variable remuneration that is linked to the output of the company and personal performance should be confined to executive board members, as well as remuneration by awarding shares, options or rights to shares or instruments referenced to the value of the share or long term savings schemes such as pension plans, retirement schemes or other social welfare schemes.

The awarding of shares may be considered as remuneration for non-executive board members when it is conditional upon them keeping these shares until they leave their position as board members. The above will not apply to shares which the board member needs to sell, where applicable, to meet costs related to their acquisition.

Complies [] Complies partially [X] Explain []

The annual variable remuneration is only received by the executive Directors and the multi-year variable remuneration can be established in favour of the executive Directors and those other Directors that represent Alba on the Board of Directors of subsidiaries, investees or associated companies (at the moment, only in the case of two proprietary directors).

58. That as regards variable remuneration, the policies incorporate limits and administrative safeguards in order to ensure that said remuneration is in line with the work performance of the beneficiaries and are not based solely upon general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk undertaken to achieve a given result.
- b) Promote sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with rules and internal operating procedures and risk management and control policies.
- c) Are based upon balancing short, medium and long-term objectives, permitting the reward of continuous achievement over a period of time long enough to judge creation of sustainable value such that the benchmarks used for evaluation are not comprised of one-off, seldom occurring or extraordinary events.

Complies [X] Complies partially [] Explain [] Not Applicable []

59. Payment of an appreciable part of the variable components of the compensation should be deferred for a minimum period of time that is sufficient to confirm that the previously established output conditions have been met.

Complies [X] Complies partially [] Explain [] Not Applicable []

60. The remuneration related to the company's earnings takes into account any reservations included in the external auditor's report and that these earnings should be reduced accordingly.

Complies [X] Complies partially [] Explain [] Not Applicable []

61. A significant percentage of the variable remuneration of executive board members should be linked to the awarding of shares or financial instruments referenced to the value of the shares.

Complies [X] Complies partially [] Explain [] Not Applicable []

62. Once the shares or options or rights to shares corresponding to the compensation schemes have been awarded, board members may not transfer ownership to a number of shares that is equivalent to twice their fixed annual compensation, nor may they exercise the options or rights until a period of at least three years has passed since they were awarded.

The above will not apply to shares which the board member needs to sell, where applicable, to meet costs related to their acquisition.

Complies [] Complies partially [] Explain [] Not Applicable [X]

63. The contractual agreements should include a clause allowing the company to claim reimbursement of the variable components of the remuneration when the payment has not been adjusted to the output conditions or when the payment has been made based on data whose inaccuracy was subsequently demonstrated.

Complies [X] Complies partially [] Explain [] Not Applicable []

64. Payments for termination of the contract should not exceed a set amount equivalent to two years of total annual remuneration and the payments should not be made until the company has demonstrated that the board member has met the previously established output criteria.

Complies []

Complies partially [X]

Explain []

Not Applicable []

In the event the Executive Board Member who has not had a previous employment relationship with Alba, the payments for termination of the contract will consist of a compensation equivalent to one year's Fixed Remuneration, increased by one twelfth of that year's Fixed Remuneration for each year of service in Alba, subject to a limit of two years.

If an Executive Board Member who has had a previous employment relationship with Alba is dismissed, if the previous employment relationship is resumed and terminated by decision of Alba, the compensation will be in accordance with employment regulations, and the greater of the following amounts will be paid (i) the amount of the fund set up as a pension supplement, or (ii) the amount of one year's Fixed Remuneration, plus one twelfth of that annuity for each year of service with Alba.

In both cases the compensation is not paid until it is verified that the Executive Board Member has met the performance criteria established.

H. FURTHER INFORMATION OF INTEREST

1. If there is any aspect regarding corporate governance in the company or other companies in the group that have not been included in other sections of this report, but which are necessary in order to obtain a more complete and comprehensible picture of the structure and governance practices in the company or group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not redundant.

Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

3. The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. Where applicable, the code in question will be identified, as well as the adherence date. In particular, it should mention if it has adhered to the Code of Good Tax Practice, 20 July 2010:

SECTION C.2.1. APPOINTMENTS AND REMUNERATION COMMITTEE

In 2019, and in accordance with the provisions set forth in its regulations, the Appointments and Remuneration Committee approved the Board of Directors Competency Matrix, detailed below, along with the result of the evaluation by the Directors.

COMPETENCIES	TOTAL DIRECTORS	PERCENTAGE (%)
- Investments and Capital Risk	11	91.6
- Financial Sector	7	58.3
- Industrial Sector	11	91.6
- Accounting, Finance, Risks	12	100.0
- Senior Management	12	100.0
- HR and Organisation	9	75.0
- Legal, Public Sector	3	25.0
- Corporate Governance and Sustainability	10	83.0
- Strategy	11	91.6
- Technology and Digital Transformation	4	33.3
- International	10	83.3

SECTION C.2.1. OPERATIONS COMMITTEE (until 17 June 2019)

The Board of Directors at its session on 17 June 2019 agreed to dissolve the Operations Committee, terminating all its members, which were at that moment the following Directors: As Chairman, Mr Antonio María Pradera Jáuregui, and as members, Ms María Eugenia Girón Dávila, Mr Juan March de la Lastra, Mr Juan March Juan, Mr Santos Martínez-Conde Gutiérrez Barquín and Ms Carlos González Fernández.

a) Duties

The Operations Committee was entrusted the following duties:

- Reporting on the Company's investment strategy.
- Reporting on the investment or divestment decision which fall under the responsibility of the Board of Directors in a plenary session. Investments or disinvestments of more than 200 million euros are considered to fall under the responsibility of the Board of Directors in a plenary session.
- Make investment and divestment decisions when these exceed the following amounts, and the amount provided in the section above is not reached:

(i) Investment or disinvestments in securities issued by entities which, at all times, form a direct or indirect part of the securities portfolio: 25 million euros.

(i) Investments in securities issued by entities which do not form a direct or indirect part of the securities portfolio: 10 million euros. (iii) Real estate investment and divestments 25 million euros.

- Make investment or divestment decisions which fall under the responsibility of the Board of Directors, in a plenary session, in emergencies. These decisions must be ratified by the Board of Directors in the first session of the Board held after adoption of the

decision.

- Any other duties related with matters falling under its responsibility which are requested by the Board of Directors or by its Chairperson.

b) Composition

The Operations Committee will be comprised of a minimum of three and a maximum of six Board Members appointed by the Board of Directors, taking into account the knowledge, abilities and experience of the Board Members and the tasks of the Committee. And other Board Member who so desires may attend the Committee's sessions with voice but no vote.

c) Actions in 2019, until its dissolution on 17 June 2019

The Operations Committee comprised of six members, and met on two occasions.

The Operations Committee, within the remit of its competences, reported on its activities during 2018. The summary of its activities until its dissolution is included in the report on the actions of the Investments Committee, which has assumed its duties and which is made public at the General Shareholders' Meeting.

SECTION C.2.1. INVESTMENT MONITORING COMMITTEE (until 17 June 2019)

The Board of Directors during its session on 17 June 2019 agreed to dissolve the Investment Monitoring Committee, terminating all its members, which were at that moment the following Directors: As Chairman Mr José Domingo de Ampuero Osma, and as members, Mr Juan March de la Lastra, Mr Santos Martínez-Conde Gutiérrez Barquín, Ms Cristina Garmendia Mendizábal and Ms Claudia Pickholz.

a) Duties

As provided by the Board of Directors in its Charter, adopted on 27 March 2017, the Investment Monitoring Committee had the following duties:

- Receive information concerning changes in the entities in which Corporación Financiera Alba, S.A. has an ownership interest, with a view to tracking its strategy, compliance with its business plans and budgets and general changes to the entities and their sectors.
- Track the investments made in order to check that they comply with the targets and principles of the Investment Policy approved by the Board of Directors.
- Analysis and assessment of significant milestones, both internal and external, affecting the value of the entities in which the company has an ownership interest and their activities, as well as tracking exceptional events or situations which could have a significant impact on the entities and the main decisions made by their management bodies.
- Proposal of measures or decisions which are considered fitting for optimising the profitability of the investments.

b) Composition

The Investment Monitoring Committee was comprised of a minimum of three and a maximum of six Board Members who had the knowledge, abilities and experience of the Board Members and the tasks of the Committee. The Board appointed who would hold the position of Chairman and the Secretary of the Board would act as non-member Secretary or, failing this, the person appointed by the Committee for each session would act as the non-member Secretary.

c) Actions in 2019, until its dissolution on 17 June 2019

The Investment Monitoring Committee comprised of six members, and met on two occasions.

The Investment Monitoring Committee reported on matters within its remit. It reported on its actions during 2018; it examined the investment in two listed companies in its investment portfolio, and the status of the investments and divestments carried out. The summary of its activities until its dissolution is included in the report on the actions of the Investments Committee, which has replaced the Investment Monitoring Committee, and which is made public at the General Shareholders' Meeting.

SECTION G, Recommendation 10

In 2019, there was no situation in which this recommendation was applied.

SECTION G, Recommendation 14

Since 2016, the Appointments and Remunerations Committee has already set a target for the least represented gender on the Board, and that this gender should reach 30% of total members by 2020. In 2019, with the incorporation of two new female Directors, the Board of Directors has 33.33% of female Directors.

It has also deemed it appropriate to approve a new Director Selection Policy, in accordance with the regulation introduced by the Law 11/2018 of 28 December concerning non-financial information and diversity and the provisions set forth in CNMV Technical Guide

1/2019 of 20 February, on Appointments and Remuneration Committees.

SECTION G, Recommendation 15

In 2019, two Directors changed their category from executive to proprietary, thus causing the proprietary and independent directors to represent 75% of all the Directors.

SECTION G, Recommendation 20

In 2019, there was no situation in which this recommendation was applied.

SECTION G, Recommendation 21

In 2019, an independent directors tendered her resignation before the end of her term as her other professional commitments and the applicable regulatory requirements prevented her from remaining on the Board of the Company.

SECTION G, Recommendation 22

Article 19.4 of the Regulations of the Board of Directors expressly states that "The Board Members must inform the Board of the criminal cases in which they are involved as defendants, as well as subsequent procedural events.

If a Board Member is prosecuted or an order to proceed to a public hearing was issued against this Board Member for any of the crimes indicated in article 213 of the Capital Companies Act, the Board will assess the case as soon as possible and, in light of the specific circumstances, will decide whether or not the Board Member should remain in their position.

In 2019, there was no situation in which this standard was applied.

SECTION G, Recommendation 23

Article 15.5 of the Regulations of the Board specifically provides that "Board Members must clearly express their opposition when they think that any proposed decision brought before the Board of Directors could be contrary to the interests of the company. Independent board members and other board members, especially, who are not affected by the potential conflict of interest should do the same in the case of decisions that could prejudice shareholders that are not represented on the Board."

In 2019, there was no situation in which this standard was applied.

SECTION G, Recommendation 25

In 2019, a Director tendered her resignation before the end of the term, complying with all the conditions provided for in Recommendation 25.

SECTION G, Recommendation 28

Article 15.6 of the Board Regulation specifies that when the Board members or the Secretary express concern about any proposal or, in the case of Board members, concerning the running of the Company and these concerns are not resolved by the Board, at the request of the person who expressed the concerns, they may request that this be recorded in the minutes of the meeting.

In 2019, there was no situation in which this standard was applied.

SECTION G, Recommendation 31

In 2019, there was no situation in which this recommendation was applied.

SECTION G, Recommendation 34

According to the provisions of article 529 f.2 of the Capital Companies Act, the appointment of a Coordinating Board Member is only provided for cases in which the Chairman of the Board of Directors is also an Executive Director, which is not the case with Corporación Financiera Alba, S.A.

However, since this is considered as a good Corporate Governance practice and in order to facilitate its actions, the Board of Directors of Corporación Financiera Alba, S.A., in its session of 25 January 2016, appointed, with the abstention of the executive Board Members, one Coordinating Board Member from the independent Board Members.

SECTION G, Recommendation 36

In relations to the assessment process of the Board of Directors it should be noted that it was carried out under the coordination of the

Chairman of the Board of Directors and with the participation of the Board Members (by answering questionnaires prepared for this purpose) of the different Committees (by preparing reports concerning its activities in the financial year) and with the intervention of the Appointments and Remunerations Committee, which had the assistance of an external consultant for the assessment of the Board.

The areas assessed were as follows: Corporate Governance in general; composition, functioning and size of the Board; competences of the Board; duties of the board members; frequency and attendance of the meetings; performance of the Chairman, the Managing Director, the Secretary and the Lead Director; composition, functioning and size of the Committees; strategy; diversity; relationship with Senior Management; integration and training; application of the Code of Ethics and Conduct and the Internal Regulations on Conduct within the scope of the Securities Market and of the Crime Prevention and Anti-Fraud Policy.

The Board assessment report includes some findings concerning the smooth running of the Board.

SECTION H.1.3.

The Company has adhered to the United Nations Global Compact since 22 December 2015.

This annual corporate governance report was approved by the company's Board of Directors, in its session of:

30/03/2020

State whether any board member has voted against or abstained from approving this report.

☐ Yes
☒ No



CORPORACIÓN FINANCIERA ALBA, S.A.

Auditor's Report on the "Internal Control over
Financial Reporting (ICOFR) Information" of
Corporación Financiera Alba, S.A. for 2019

(Free translation from the original in Spanish. In the
event of discrepancy, the Spanish-language version
prevails.)



KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Auditor's Report on the "Internal Control over Financial Reporting (ICOFR) Information" of Corporación Financiera Alba, S.A. for 2019

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Directors of Corporación Financiera Alba, S.A.

As requested by the board of directors of Corporación Financiera Alba, S.A. (the "Company") and in accordance with our proposal letter dated 16 March 2020, we have applied certain procedures to the "ICOFR information" attached hereto in section F of the Annual Corporate Governance Report (ACGR) of Corporación Financiera Alba, S.A. for 2019, which summarises the Company's internal control procedures for annual financial reporting.

The Directors are responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and monitoring of an adequate system of internal control and developing improvements to that system, as well as defining the content of and preparing the ICOFR information attached hereto.

In this respect it should be borne in mind that, irrespective of the quality of the design and operation of the internal control system adopted by the Company in relation to annual financial reporting, the system may only provide reasonable, but not absolute, assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Company's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures on the Company's annual accounts. Consequently, the scope of our evaluation of internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the efficacy of this internal control over regulated annual financial reporting.

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the auditor's report on the information on internal control over financial reporting of listed companies, published on the website of the Spanish National Securities Market Commission (CNMV), which define the work to be performed, the minimum scope thereof and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on the efficacy thereof, nor on its design or operating effectiveness, with respect to the Company's annual financial reporting for 2019 described in the ICOFR information attached hereto. Consequently, had additional procedures been applied other than those established in the aforementioned Guidelines, or had an audit or a review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

As this special work did not constitute an audit of accounts and is not subject to the legislation regulating the audit of accounts in Spain, we do not express an audit opinion under the terms provided in such legislation.

The procedures applied were as follows:

1. Reading and understanding of the information prepared by the Company regarding ICOFR – disclosures included in the directors' report – and an evaluation of whether this information meets all the minimum reporting requirements, taking into account the minimum content described in section F, on the description of ICOFR, of the ACGR template provided in Spanish National Securities Market Commission (CNMV) Circular 5/2013 of 12 June 2013, subsequently amended by CNMV Circular 7/2015 of 22 December 2015 and CNMV Circular 2/2018 of 12 June 2018 (hereinafter the CNMV Circulars).
2. Inquiries of the personnel responsible for drawing up the information detailed in point 1 above in order to: (i) obtain an understanding of the process that goes into drawing up the information; (ii) obtain information that permits an evaluation of whether the terminology used complies with the framework definitions; (iii) obtain information on whether the control procedures described are in place and functioning in the Company.
3. Review of the explanatory documents supporting the information detailed in point 1 above, including documents directly made available to those responsible for describing ICOFR systems. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the audit committee.
4. Comparison of the information detailed in point 1 above with the knowledge of the Company's ICOFR obtained through the external audit procedures applied during the audit of the annual accounts.
5. Reading of the minutes taken at meetings of the board of directors, audit committee and other committees of the Company to evaluate the consistency between the ICOFR business transacted and the information detailed in point 1 above.
6. Obtaining a representation letter in connection with the work performed, signed by those responsible for preparing and approving the information detailed in point 1 above.

As a result of the procedures applied to the ICOFR information, no inconsistencies or incidents have come to light that could affect it.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

This report has been prepared exclusively within the context of the requirements laid down in article 540 of the Revised Spanish Companies Act and in the CNMV Circulars for the purposes of the description of ICOFR in annual corporate governance reports.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Borja Guinea López

1 April 2020