



## **REPORT ON THE ACTIONS OF THE INVESTMENTS COMMITTEE IN THE FINANCIAL YEAR 2020**

### **I. Introduction**

This report on the functions and activities of the Investments Committee of Corporación Financiera Alba, S.A., has been drawn up in accordance with the recommendations on the corporate good governance of listed companies, and in particular those set out in the Good Governance Code of Listed Companies.

The Investments Committee was established on 17 June 2019 by resolution of the Board of Directors in accordance with the provisions on specialist committees at listed companies brought in by Act 31/2014, of 3 December 2014, amending the Capital Companies Act to improve corporate governance (Article 529 terdecies of the Act). It is a Delegated Committee of the Board, which is registered with the Companies Register.

This Committee was set up in order to replace the previous Operations Committee (established on 23 March 2015) and the Investments Monitoring Committee (established on 27 March 2017), which were wound up, with their functions being transferred to it in full.

### **II, Functions**

The Board of Directors established the Investments Committee in its resolution of 17 June 2019 to replace the Operations Committee and the Investments Monitoring Committee that had previously existed, entrusting the following functions to it:

- a) Report on the Company's investment strategy.
- b) Report on an optional basis on investment or divestment decisions for which the plenary of the Board of Directors has responsibility. Investments or divestments are deemed to lie within the responsibility of the plenary of the Board of Directors in the case of strategic investments and divestments, to be understood at this Company as those amounting to a figure of more than 200 million euros (TWO HUNDRED MILLION EUROS).
- c) Reach investment or divestment decisions that are in excess of the following amounts, but are less than the amount indicated in subsection (b) above:
  - (i) Investments or divestments in securities issued by entities that at the time in question directly or indirectly form part of the securities portfolio of Corporación Financiera Alba, S.A.: 25 million euros (TWENTY-FIVE MILLION EUROS).
  - (ii) Investments in securities issued by entities that do not directly or



indirectly form part of the securities portfolio of Corporación Financiera Alba, S.A.: 10 million euros (TEN MILLION EUROS).

- (iii) Real estate investments or divestments: 25 million euros (TWENTY-FIVE MILLION EUROS).
- d) Reach investment or divestment decisions that are the responsibility of the plenary of the Board of Directors, as indicated in subsection (b) above in urgent cases, which must then be ratified by the Board of Directors at the first meeting that it holds after the decision is taken.
- e) Receive information as to the progress of those entities in which Corporación Financiera Alba, S.A., holds a stake, so as to monitor their strategy, fulfilment of their business plans and economic forecasts, and the general progress of the entities and their sectors.
- f) Monitoring of the investments made so as to confirm that they are consistent with the objectives and principles of the Investments Policy approved by the Board of Directors.
- g) Proposal of measures or decisions deemed suitable in order to optimise the profitability of investments.
- h) Formulate proposals for the Board of Directors intended to modify holdings or reach a divestment decision.
- i) Any other issues connected with the matters for which it is responsible and that are requested of it by the Board of Directors or the Chairperson.

### **III, Composition**

The Investments Committee is an internal body of the Board of Directors, comprising a minimum of three and a maximum of six Directors appointed by the Board of Directors, taking into account the knowledge, aptitudes and experience of the Directors and the tasks of the Committee. Meetings of the Committee may be attended by any other Directors so wishing, with the right to speak but not to vote.

According to the Constitution of the Investments Committee, appointments will be held for the remainder of a Director's term, with the possibility of re-election.

The composition of this Committee as of 31 December 2020 was as follows: Mr José Domingo de Ampuero y Osma, as Chair, Ms María Luisa Guibert Ucin, Mr Antón Pradera Jáuregui, Mr Juan March de la Lastra, Mr Juan March Juan and Mr Santos Martínez-Conde Gutiérrez-Barquín, as Members, the Secretary being Mr José Ramón del Caño Palop. The Chair has the status of independent external Director, as do Mr Pradera Jáuregui and Ms Guibert Ucin; Mr March de la Lastra and Mr March Juan are proprietary Directors, and Mr Martínez-Conde



was, up until 15 November 2020, an Executive Director, following which he was transferred to the status of other external Directors.

The composition of this Committee is fully aligned with the recommendations on specialist committees set out in the Good Governance Code of Listed Companies, approved by the National Securities Market Commission on 18 February 2015, and revised on 26 June 2020.

#### **IV. Functioning and activity**

The internal functioning of the Investments Committee is governed, in terms of meetings, the calling of meetings, quorum, adoption of resolutions, minutes and functions, by the terms of the resolution passed by the Board of Directors establishing the corresponding Committee, referring on a supplementary basis to the provisions of the Regulation of the Board of Directors regarding its functioning. As a consequence, it functions in accordance with the regulations contained in Article 529 terdecies of the Capital Companies Act, brought in by Act 13/2014.

At its meeting held on 10 June 2015, the Board of Directors approved the Investment Policy of Corporación Financiera Alba, S.A., having received a prior report by the Operations Committee, which was amended by the Board of Directors at its meeting held on 23 October 2017, with a favourable report by said Committee, in order explicitly to include the possibility of making investments outside Spain and to include aspects regarding corporate governance and social responsibility, among the criteria to be taken into account when making investments, in accordance with trends and recommendations in this regard.

The activities of the Investments Committee comply with the Investment Policy in force from time to time.

During the 2020 financial year, the Investments Committee held seven meetings, at which it addressed the aforementioned functions, and in particular:

- Reported on the actions of the Investments Committee during 2019.
- Examined the divestment at a listed company.
- Examined the situation of the investments in five listed companies of the portfolio of companies.
- Examined the situation of the investments in nine non-listed companies of the portfolio of companies.
- Examined the proposals for investment in one listed company and in one fund.

Madrid, 24 February 2021