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**ISSUER IDENTIFICATION DETAILS**

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Year-end date:

[ 2021/12/31 ]

TAX ID (CIF):

[ A-28060903 ]

Company Name:

[ CORPORACION FINANCIERA ALBA, S.A. ]

Registered Office:

[ CASTELLO, 77, 5ª PLANTA MADRID ]

## A. OWNERSHIP STRUCTURE

**A.1.** Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Indicate whether company bylaws contain the provision of double loyalty voting:

☐ Yes  
☒ No

Date of the last modification of the share capital	Share capital (euros)	Number of shares	Number of voting rights
18/06/2018	58,240,000.00	58,240,000	58,240,000

Indicate whether there are different classes of shares with different associated rights:

☐ Yes  
☒ No

**A.2.** List the company's significant direct and indirect shareholders at year end, including directors with a significant shareholding:

Name or company name of the shareholder	% of voting rights attached to the shares		% 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	11.95	8.34	0.00	0.00	20.29
CATALINA MARCH JUAN	4.54	0.00	0.00	0.00	4.54
BANCA MARCH, S.A.	15.02	0.00	0.00	0.00	15.02
CARLOS MARCH DELGADO	18.91	1.23	0.00	0.00	20.14
JUAN MARCH DE LA LASTRA	6.92	1.17	0.00	0.00	8.09
JUAN MARCH JUAN	3.75	1.26	0.00	0.00	5.00

For explanatory purposes, Ms GLORIA MARCH DELGADO has an indirect shareholding in the share capital of 0.006%. It is indicated as 0.01 because the system only admits two decimal points.

Mr JUAN MARCH DELGADO is the Chairman of the Board of Trustees of the FUNDACIÓN MARCH JUAN and the FUNDACION INSTITUTO JUAN MARCH DE ESTUDIOS E INVESTIGACIONES.

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.

Breakdown of the indirect holding:

Name or company name of the indirect shareholder	Name or company name of the direct shareholder	% of voting rights attached to the shares	% voting rights through financial instruments	% of total voting rights
GLORIA MARCH DELGADO	AGROPECUARIA EL AGUILA, S.A.	0.01	0.00	0.01
JUAN MARCH DELGADO	SURISLA, S.A.	0.78	0.00	0.78
JUAN MARCH DELGADO	M.B. DE INVERSIONES, S.A.	5.32	0.00	5.32
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
CARLOS MARCH DELGADO	CONCEPCION DE LA LASTRA RAMOS-PAUL	0.42	0.00	0.42
CARLOS MARCH DELGADO	SON DAVIU, S.L.	0.81	0.00	0.81
JUAN MARCH DE LA LASTRA	ATACAMPA, S.A.	1.17	0.00	1.17
JUAN MARCH JUAN	PEÑA TAJADA, S.L.	1.26	0.00	1.26

Indicate the most significant changes in the shareholder structure during the year:

Most significant movements

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**A.3.** Give details of the participation at the close of the fiscal year of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A2 above:

Name or company name of director	% of voting rights attached to the shares		% 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
SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total percentage of voting rights held by the Board of Directors						33.23	

Breakdown of the indirect holding:

Name or company name of director	Name or company name of the direct shareholder	% of voting rights attached to the shares	% voting rights through financial instruments	% of total voting rights	% voting rights that <u>can be transmitted</u> through financial instruments
No data					

List the total percentage of voting rights represented on the board:

Total percentage of voting rights held by the Board of Directors	33.23
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For explanatory purposes, Mr SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN is a direct shareholder of 0.003% of the Company. It is indicated as 0.00 because the system only admits two decimal points.

**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 or company name of related party	Nature of relationship	Brief description
JUAN MARCH DELGADO, GLORIA MARCH DELGADO	Family-related	JUAN MARCH DELGADO and GLORIA MARCH DELGADO are brother and sister.
CARLOS MARCH DELGADO, GLORIA MARCH DELGADO	Family-related	CARLOS MARCH DELGADO and GLORIA MARCH DELGADO are brother and sister.

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

- A.5.** If applicable, indicate 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 or company name of related party	Nature of relationship	Brief description
No data		

- A.6.** Unless insignificant for both parties, describe the relationships that exist between significant shareholders, shareholders represented on the Board and directors or their representatives in the case of directors that are legal persons.

Explain, if applicable, how significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders or who are linked to 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 of the listed company, or their representatives, as the case may be, of the listed company, who are, in turn, members or representatives of members of the Board of Directors 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
JUAN MARCH JUAN	JUAN MARCH DELGADO	JUAN MARCH DELGADO	JUAN MARCH JUAN is the son of JUAN MARCH DELGADO
JUAN MARCH JUAN	BANCA MARCH, S.A.	BANCA MARCH, S.A.	JUAN MARCH JUAN is a Director of BANCA MARCH, S.A.
CARLOS MARCH DELGADO	BANCA MARCH, S.A.	BANCA MARCH, S.A.	CARLOS MARCH DELGADO is a Director of BANCA MARCH, S.A.

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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
JUAN MARCH DE LA LASTRA	BANCA MARCH, S.A.	BANCA MARCH, S.A.	JUAN MARCH DE LA LASTRA is the Chairman of BANCA MARCH, S.A.
JUAN MARCH DE LA LASTRA	CARLOS MARCH DELGADO	CARLOS MARCH DELGADO	JUAN MARCH DE LA LASTRA is the son of CARLOS MARCH DELGADO

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

**A.7.** Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Spanish Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound by the agreement:

☐ 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.

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

☐ Yes  
☒ No

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

**A.8.** Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them.

☐ Yes  
☒ No

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**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 percentage of share capital
		0.00

(\*) Through:

Name or company name of the direct shareholder	Number of direct shares
No data	

**A.10.** Provide a detailed description of the conditions and terms 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 of 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 authorisations in force in 2021 were those agreed by the General Shareholders' Meeting on 18 June 2020 (until 21 June 2021) and by the General Shareholders' Meeting of 21 June 2021 and approved for a period of five years commencing as of that date.

**A.11.** Estimated floating capital:

	%
Estimated floating capital	23.21

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**A.12.** Indicate whether there are any restrictions (articles of incorporation, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover of the company through acquisition of its shares on the market, as well as such regimes for 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.** Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

☐ Yes  
☒ No

If so, explain the measures approved and the terms under which such limitations would cease to apply:

**A.14.** Indicate whether the company has issued shares that are not traded on a regulated EU market.

☐ Yes  
☒ No

If so, indicate each share class and the rights and obligations conferred:



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### B. GENERAL SHAREHOLDERS' MEETING

**B.1.** Indicate whether there are any differences between the minimum quorum regime established by the Spanish Corporate Enterprises Act for General Shareholders' Meetings and the quorum set by the company, and if so give details:

☐ Yes  
☒ No

**B.2.** Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Corporate Enterprises Act and, if so, give details:

☐ Yes  
☒ No

**B.3.** Indicate the rules for amending the company's articles of incorporation. In particular, indicate the majorities required for amendment of the articles of incorporation and any provisions in place to protect shareholders' rights in the event of amendments to the articles of incorporation.

The procedure for amending by Company's Articles of Association is regulated in the Spanish Corporate Enterprises 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 Articles of Association.

Amendment of the Articles of Association is expressly included among the powers of the Assembly, which are detailed in the Regulation of the General Shareholders' Assembly, 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 reporting year and of the two previous years:

Date of the general meeting	Attendance data				
	% physically present	% represent by proxy	% distance voting		
			Electronic voting	Other	
17/06/2019	66.48	26.53	0.00	0.00	93.01
Of which floating capital	2.74	18.15	0.00	0.00	20.89
18/06/2020	42.78	49.84	0.00	0.00	92.62
Of which floating capital	0.00	20.71	0.00	0.00	20.71
21/06/2021	46.06	50.74	0.00	0.00	96.80
Of which floating capital	0.00	20.78	0.00	0.00	20.78

The Ordinary and Extraordinary General Shareholders' Meetings of 21/06/2021 were held by remote means. Two shareholders voted by electronic means during this General Meeting, representing 0.0031% of the share capital. On the table, the percentage for voting by remote means appears as a 0.00 because the system does not permit additional decimals to be included.

**B.5.** Indicate whether any point on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason:

☐ Yes  
☒ No

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**B.6.** Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

☒ Yes  
☐ No

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

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

☐ Yes  
☒ No

**B.8.** Indicate the address and manner of access on the company's website to 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](http://www.corporacionalba.es)

Access path:

Main Menu / Shareholders and Investors / General Shareholders' Meeting

[www.corporacionalba.es/en/corporate-governance](http://www.corporacionalba.es/en/corporate-governance)

Main Menu / Shareholders and Investors / General Meeting

[www.corporacionalba.es/en/general-shareholders-meeting/general-meeting-information/](http://www.corporacionalba.es/en/general-shareholders-meeting/general-meeting-information/)

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**C. STRUCTURE OF THE COMPANY'S ADMINISTRATION**

**C.1. Board of Directors**

C.1.1 Maximum and minimum number of directors established in the articles of incorporation and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	7
Number of directors set by the General Meeting	10

Without prejudice to the General Shareholders' Meeting of 17 June 2019 establishing the number of Directors at 13, on 31 December 2021, the Board comprised 10 Directors, with the period provided for in article 145 of the Companies Register Regulation for appointments by the co-option method having passed.

C.1.2 Complete the following table on Board members:

Name or company name of director	Representative	Category of director	Position on the board	Date first appointed	Date last appointed	Election procedure
MARÍA EUGENIA GIRÓN DAVILA		Independent	BOARD MEMBER	08/06/2016	18/06/2020	RESOLUTION GENERAL SHAREHOLDERS' MEETING
SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN		Other External	BOARD MEMBER	27/09/2006	18/06/2018	RESOLUTION GENERAL SHAREHOLDERS' MEETING
ANTONIO MARIA PRADERA JAUREGUI		Independent	INDEPENDENT LEAD DIRECTOR	10/06/2015	17/06/2019	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MARÍA LUISA GUIBERT UCÍN		Independent	BOARD MEMBER	17/06/2019	17/06/2019	RESOLUTION GENERAL SHAREHOLDERS' MEETING
JUAN MARCH JUAN		Proprietary	VICE-CHAIRPERSON 2nd	23/03/2011	17/06/2019	RESOLUTION GENERAL SHAREHOLDERS' MEETING

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Name or company name of director	Representative	Category of director	Position on the board	Date first appointed	Date last appointed	Election procedure
CARLOS MARCH DELGADO		Proprietary	CHAIRPERSON	22/06/1988	18/06/2020	RESOLUTION GENERAL SHAREHOLDERS' MEETING
JUAN MARCH DE LA LASTRA		Proprietary	VICE-CHAIRPERSON 1st	28/05/2008	18/06/2020	RESOLUTION GENERAL SHAREHOLDERS' MEETING
ANA MARÍA PLAZA ARREGUI		Independent	BOARD MEMBER	17/06/2019	17/06/2019	RESOLUTION GENERAL SHAREHOLDERS' MEETING
CLAUDIA PICKHOLZ		Independent	BOARD MEMBER	08/06/2016	18/06/2020	RESOLUTION GENERAL SHAREHOLDERS' MEETING
IGNACIO DE COLMENARES BRUNET		Independent	BOARD MEMBER	21/06/2021	21/06/2021	RESOLUTION GENERAL SHAREHOLDERS' MEETING

Total number of directors	10
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Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or company name of director	Category of the director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his or her term
JOSE DOMINGO DE AMPUERO Y OSMA	Independent	19/06/2017	21/06/2021	Member of the Appointments and Remunerations Committee and Chairperson of the Investment Committee	NO
RAMON CARNE CASAS	Executive	17/06/2019	21/06/2021		YES

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Name or company name of director	Category of the director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his or her term
JOSE RAMON DEL CAÑO PALOP	Executive	19/06/2017	21/06/2021		NO

Reason for cessation when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of cessation of non-executive directors, explanation or opinion of the director dismissed by the general meeting
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Mr. Carné sent a letter to the Chairman of the Board of Directors, which was distributed among the Board, indicating that his resignation was on organisational grounds, deriving from the Company's new management structure. The removal of Messrs. Ampuero and del Caño was due to the expiry of their mandates.
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C.1.3 Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE DIRECTORS		
Name or company name of director	Post in organisation chart of the company	Profile
No data		

EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of director	Name or company name of the significant shareholder represented by the director or that proposed their appointment	Profile
CARLOS MARCH DELGADO	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 Study and Research Institute Foundation. He has been Vice-Chairman of Grupo Carrefour, Chairman of the Spanish section of the Board of Directors of the Association for the Monetary Union of Europe, founding member and first Chairman of the Institute of Economic Studies, Chairperson of the Spanish group on the Trilateral Commission, member of the International Committee of JP Morgan and of the International Advisory Board of Columbia University. He has been granted the Legion of Honour by the French Government.
JUAN MARCH DE LA LASTRA	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). He is the current Chairman of Banca March, S.A. and a Director at Viscofan, S.A. and is entrusted with the representation of Banca March, S.A. on the Board of Directors of Corporación

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**EXTERNAL PROPRIETARY DIRECTORS**

Name or company name of director	Name or company name of the significant shareholder represented by the director or that proposed their appointment	Profile
		Financiera Alba, S.A. as a Proprietary Director. He started off his professional career at JP Morgan and has been the Managing Director and Chairman of March Gestión de Fondos SGIIC, S.A. and March Gestión de Pensiones SGFP, S.A. He was member of the Boards of Directors of Indra Sistemas, S.A., ACS, Actividades de Construcción y Servicios, S.A. and Acerinox, S.A.
JUAN MARCH JUAN	JUAN MARCH JUAN	Bachelor's degree in Business Administration and Management from CUNEF and Executive MBA from IESE. He currently holds the position of Director and is a member of the Executive Committee of Banca March, S.A. and Vice-Chairman of Artá Capital, SGEIC, S.A.U. He previously worked at Goldman Sachs (London) in the Departments dedicated to assessing the Natural Resources and Energy, Industry, Transport and Infrastructures sectors. He was a member of the Boards of Directors of Bolsas y Mercados Españoles Sociedad Holding de Mercados y Sistemas Financieros, S.A., Cobra, of Pepe Jeans/Hackett Group and of Mecalux, among others.

Total number of proprietary board members	3
Percentage of Board	30.00

The significant shareholder BANCA MARCH, S.A. which has a 15.02% shareholding in the company appoints JUAN MARCH DE LA LASTRA as its representative in the Board of Directors of Corporación Financiera Alba, S.A.

**EXTERNAL INDEPENDENT BOARD MEMBERS**

Name or company name of director	Profile
MARÍA EUGENIA GIRÓN DAVILA	Industrial Engineering qualification from ICAI and MBA from Harvard Business School. She was a Director at the Loewe and the Chief Executive Officer at Carrera y Carrera after heading up the "Management Buy-I" process as well as Executive Director of IE Premium & Prestige Observatory. She is the current Chairperson of the Appointments and Remunerations Committee and Lead Director of Ecoener, and Chairperson of the ESG Committee, member of the Audit and Compliance and Appointments and Remunerations Committees at Cie Automotive. She is also the Vice Chairperson of the International Board of Trustees of Oceana and a member of the Boards of Trustees of the Real Fábrica de Tapices and the IE University, and she is also the Chairperson of the Diversity Foundation. She is a jury member of the European Innovation Council Accelerator of the Green Deal of the European Commission and the Harvard New Venture Competition. She is an associate Professor at IE University. She is also Co-Chair of the Women Corporate Directors and member of the Board of the Spanish Institute for Board Members and Directors (IC-A).

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EXTERNAL INDEPENDENT BOARD MEMBERS	
Name or company name of director	Profile
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, where he remained until 1993. In 1993, he moved to SEAT as Strategy Manager. In 1995, he played an important role in creating the Instituto Sectorial de Promoción y Gestión de Empresas, S.A. (INSSEC), becoming the Managing Director and remaining in the position until 2010. Currently, he is Chairman of the Board of Directors of Cie Automotive, S.A., Chairman of Global Dominion Access, S.A. and a Director at Tubacex, S.A.
MARÍA LUISA GUIBERT UCÍN	Graduated in Law and Business Science from ICADE. Chairperson of the Algeposa Group and Chairperson or Director of investee company, dedicated to port and railway logistics. She is also a Director of Rugui, S.L. and the Atusa Grupo Empresarial, S.A. She has sat on the Board of Directors since 2010, is Chairperson of the Appointments and Remunerations Committee, chairperson of the Audit Committee and Lead Director of Iberpapel Gestión, S.A. She is Vice-Chairperson of the Matía Foundation and a member of the Board of Trustees of Aquarium in San Sebastián. She is a member of the Management Committee of the Basque Country Business Circle. She has been Vice-Chairperson of the Gipuzkoa Chamber of Commerce and member of the Board of Directors of the Pasaia Port Authority.
ANA MARÍA PLAZA ARREGUI	Graduate in Economics and Business Studies and in Geography and History. She has postgraduate diplomas from IESE, Harvard Kennedy School, The Valley and ESADE. She is currently a Director at Renault España S.A., Chairwoman of the Audit Committee at Línea Directa Aseguradora, S.A., Vice-Chair of the Spanish Association Against Cancer (AECC for its acronym in Spanish). She also sits on several advisory councils. She has been an Independent Director and Chairperson of the Audit Committee at Grupo Isolux Corsán and member of the Board of Trustees and the Permanent Committee at the Loyola University Andalusia. She has more than 25 years of experience in the financial area. First as an auditor for Pricewaterhouse. Then, as the head of Internal Audit and Consolidation at Abengoa; Director of finance and investor relations at Telvent the Finance Director at Microsoft Spain. She then joined the Confederation of Business Organisations (CEOE), first as the Director of Operations and then as the Managing Director. She has also been the Managing Director of the Immune Coding Institute. The World Economic Forum recognised her as a Young Global Leader in 2007.
CLAUDIA PICKHOLZ	Born in the USA, she holds a degree in Economics from Rutgers University (New Brunswick, USA), an MBA from Harvard School of Business Administration (Boston, USA) and took the TCL Programme at INSEAD (Fontainebleau, France). She started her professional career at the Irving Trust Company, as an analyst for Europe and Latin America, before joining McKinsey & Company as a Consultant. In 1987, she moved to SC Johnson Wax Española, S.A., becoming the 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. Most recently, she has been the General Director for Spain and Latin America of Elsevier, S.A. and independent Director of Quabit Inmobiliaria, S.A. She is currently General Director for the Iberian Peninsula and Coordinator for Latin America of TCC (The Continuity Company).

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EXTERNAL INDEPENDENT BOARD MEMBERS	
Name or company name of director	Profile
IGNACIO DE COLMENARES BRUNET	Degree in Law from the Universidad Central of Barcelona and a Master's Degree in Economics and Business Management from the IESE Business School in Barcelona. Since 2010, he has been director of Ence Energía y Celulosa, S.A., where he currently holds the positions of Chairman and CEO and Chairman of its Executive Committee. Previously, he had a long professional career in the iron and steel sector and energy sector. He was the Sales and Export Director of the Compañía Española de Laminación, the embryo of the iron and steel CELSA Group. He then held the position of Sales Director at Nueva Montaña Quijano, an iron and steel company for common steel, and was the General Sales Director of the CELSA Trefilerías Group. In 1996, he became the General Manager of Trenzas y Cable de Acero-TYCSA, a company specialising in the manufacture of steel, aluminium and fiber-optic cable. In 2001, he joined the Global Steel Wire iron and steel group as the General Manager, a responsibility that he combined with his position of Director of Corporate Development at the CELSA Group. In 2008, he took the position of Chief Executive Officer of Isofotón, a manufacturing company of photovoltaic panels and the developer of solar facilities. He has also been the Chairman and Chief Executive Officer at Bergé Lift. He currently sits on the Board of Directors at Asociación Española de Fabricantes de Pasta, Papel y Cartón del Papel (ASPAPPEL).

Total number of independent directors	6
Percentage of Board	60.00

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

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



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**OTHER EXTERNAL DIRECTORS**

Identify the other external directors, indicate the reasons why they cannot be considered as proprietary or independent, and detail their ties with the company or its management or shareholders:

Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is	Profile
SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	He was an Executive Director of the Company until 15 November 2020.	CORPORACIÓN FINANCIERA ALBA, S.A.	Civil Engineer, Master's in Business Management and Administration from ICADE and Diploma in Nuclear Technology from ICAI. He was CEO of Corporación Financiera Alba, S.A. until November 2020. He is currently a Director at Acerinox, S.A., and CIE Automotive, S.A. He has been a Director, among other companies, at ACS, Actividades de Construcción y Servicios, S.A., Unión Fenosa, S.A., Artá Capital, SGEIC, S.A., Bolsas y Mercados Españoles Sociedad Holding de Mercados y Sistemas Financieros, S.A., Indra Sistemas, S.A. and Banca March, S.A. Before joining the March Group he worked at Sener Técnica Naval e Industrial, S.A., Técnicas Reunidas, S.A., Bestinver, S.A., Corporación Borealis and Banco Urquijo, S.A.

Total number of other external directors	1
Percentage of Board	10.00

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category
No data			

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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 directors				% of the total directors of each category			
	Year 2021	Year 2020	Year 2019	Year 2018	Year 2021	Year 2020	Year 2019	Year 2018
Executive					0.00	0.00	0.00	0.00
Proprietary					0.00	0.00	0.00	0.00
Independent	4	4	4	3	66.66	66.66	66.66	50.00
Other External					0.00	0.00	0.00	0.00
Total	4	4	4	3	40.00	33.33	33.33	25.00

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

- ☒ Yes  
☐ No  
☐ Partial Policies

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the nomination and remuneration committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and 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 Director Selection Policy, in order to adapt it to Law 11/2018 of 28 December concerning non-financial information and diversity and to CNMV [Spanish Securities Market Commission] 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.

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The Board of Directors debated in 2020 that the target for representing the least represented gender should reach 40% of all members of the Board of Directors. Since the General Shareholders' Meeting held on 21 June 2021, 40% of the positions on the Board are held by female Directors.

During 2021 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 election the Board Member Ignacio de Colmenares Brunet.

C.1.6 Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

### Explanation of measures

- 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 changes were ratified by the Appointments and Remuneration Committee in 2020, which, in accordance with the amendments to the Good Governance Code of Listed Companies approved by the CNMV on 26 June 2020, considered that the target for representing the least represented gender should comprise reaching 40% of the total number of members of the Board of Directors. This objective was reached on 31 December 2021, with the number of female directors sitting on the Board of Directors reaching 40% as of the General Shareholders' Meeting held on 21 June 2021.

In relation to senior management, the Company follows the Selection Policy approved by the Directors but the principles are not formalised in a specific document.

If in spite of any measures adopted there are few or no female directors or senior managers, explain the reasons for this:

### Explanation of reasons

Since June 2021, female Directors represent 40% of the total members of the Board of Directors.

Turning to senior management, the executives have a long history of service in the company, with no new additions. Any new addition will take into account the least represented gender objectives, as established by the Directors.

C.1.7 Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

The Board of Directors, at its session on 17 June 2019 updated the Director Selection Policy 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 state 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, with a Skills Matrix approved in 2019 in place and which has been subject to a review in 2022.

In 2020, in accordance with the amendments to the Good Governance Code of Listed Companies approved by the CNMV on

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26 June 2020 it was considered that the target for representing the least represented gender comprised reaching 40% of the total number of members of the Board of Directors. Since the General Shareholders' Meeting held on 21 June 2021, 40% of the seats on the board of Directors are held by female Directors, therefore the target detailed above has been fulfilled. For 2022, the indicated percentage will be maintained.

C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name or company name of the shareholder	Reason
No data	

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

☐ Yes  
☒ No

C.1.9 Indicate the powers, if any, delegated by the Board of Directors, including those relating to the option of issuing or repurchasing shares, to directors or board committees:

Name or company name of the board member or committee	Brief description
INVESTMENTS COMMITTEE	The Investment Committee was 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.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name or company name of director	Company name of the group entity	Position	Does the director have executive powers?
JUAN MARCH JUAN	ARTÁ CAPITAL, SGEIC, S.A.U.	VICE-CHAIRPERSON	NO

C.1.11 List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identify the director or representative	Company name of the listed or non-listed entity	Position
JUAN MARCH DE LA LASTRA	Banca March, S.A.	CHAIRPERSON
JUAN MARCH DE LA LASTRA	Viscofan, S.A.	BOARD MEMBER
JUAN MARCH JUAN	Banca March, S.A.	BOARD MEMBER
SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	Acerinox, S.A.	BOARD MEMBER
SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	Cie Automotive, S.A.	BOARD MEMBER

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Identify the director or representative	Company name of the listed or non-listed entity	Position
ANTONIO MARIA PRADERA JAUREGUI	Tubacex, S.A.	BOARD MEMBER
ANTONIO MARIA PRADERA JAUREGUI	Cie Automotive, S.A.	CHAIRPERSON
ANTONIO MARIA PRADERA JAUREGUI	Global Dominion Access, S.A.	CHAIRPERSON
MARÍA LUISA GUIBERT UCÍN	Iberpapel Gestión, S.A.	BOARD MEMBER
MARÍA LUISA GUIBERT UCÍN	Algeposa Gestion Portuaria, S.L.	CHAIRPERSON
MARÍA LUISA GUIBERT UCÍN	Inversiones Algeposa, S.A.U.	SOLE DIRECTOR
MARÍA LUISA GUIBERT UCÍN	Estibadora Algeposa, S.A.U.	SOLE DIRECTOR
MARÍA LUISA GUIBERT UCÍN	Agencia Marítima Algeposa, S.A.	SOLE DIRECTOR
MARÍA LUISA GUIBERT UCÍN	Marítima Guipuzcoana, S.A.U.	SOLE DIRECTOR
MARÍA LUISA GUIBERT UCÍN	Transportes TIC, S.L.	SOLE DIRECTOR
MARÍA LUISA GUIBERT UCÍN	Algeposa Outsorcing Industrial, S.L.	CHAIRPERSON
MARÍA LUISA GUIBERT UCÍN	Algeposa Corporate Services, S.L.	SOLE DIRECTOR
MARÍA LUISA GUIBERT UCÍN	Comifer, S.L.	SOLE DIRECTOR
MARÍA LUISA GUIBERT UCÍN	Algeposa Asturias, S.L.	CHAIRPERSON
MARÍA LUISA GUIBERT UCÍN	Algeposa Huelva, S.L.	CHAIRPERSON
MARÍA LUISA GUIBERT UCÍN	Bai Sea Chartering, S.L.	CHAIRPERSON
MARÍA LUISA GUIBERT UCÍN	Servicios Logísticos Portuarios, S.A.	CHAIRPERSON
MARÍA LUISA GUIBERT UCÍN	CSP Iberian Terminal Bilbao, S.L.	BOARD MEMBER
MARÍA LUISA GUIBERT UCÍN	Noatum Terminal Castellón, S.A.	BOARD MEMBER
MARÍA LUISA GUIBERT UCÍN	Noatum Terminal Tarragona, S.A.	BOARD MEMBER
MARÍA LUISA GUIBERT UCÍN	Noatum Terminal Sagunto, S.L.	BOARD MEMBER
MARÍA LUISA GUIBERT UCÍN	Algeposa Servicios Logísticos Ferroviarios, S.L.	CHAIRPERSON
MARÍA LUISA GUIBERT UCÍN	Railsider Logística Ferroviaria, S.A.	CHAIRPERSON
MARÍA LUISA GUIBERT UCÍN	Malgu, S.L.	CHAIRPERSON
MARÍA LUISA GUIBERT UCÍN	Guje, S.L.	BOARD MEMBER
MARÍA LUISA GUIBERT UCÍN	Palos Agencia Maritima, S.L.	CHAIRPERSON
MARÍA LUISA GUIBERT UCÍN	Sociedad Auxiliar Punta Sollana, S.L.	BOARD MEMBER
MARÍA LUISA GUIBERT UCÍN	Railsider Terminales Ferroviarias, S.L.U.	SOLE DIRECTOR
MARÍA LUISA GUIBERT UCÍN	Railsider Ferrocarril, S.L.U.	SOLE DIRECTOR
MARÍA LUISA GUIBERT UCÍN	Arabian Sea Port Services, LLC	CHAIRPERSON
MARÍA LUISA GUIBERT UCÍN	Railsider France	CHAIRPERSON

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Identify the director or representative	Company name of the listed or non-listed entity	Position
MARÍA EUGENIA GIRÓN DAVILA	Grupo Ecoener, S.A.	BOARD MEMBER
MARÍA EUGENIA GIRÓN DAVILA	Cie Automotive, S.A.	BOARD MEMBER
ANA MARÍA PLAZA ARREGUI	Línea Directa Aseguradora, S.A.	BOARD MEMBER
ANA MARÍA PLAZA ARREGUI	Renault España, S.A.	BOARD MEMBER

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table

Identify the director or representative	Other paid activities
MARÍA EUGENIA GIRÓN DAVILA	Associate Professor at IE University
CLAUDIA PICKHOLZ	Managing Director for The Continuity Company, S.A.

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

☒ 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, even 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 as a single position.

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	3,386
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	
Pension rights accumulated by former directors (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 Investment 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.

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There are no “rights accumulated by Board Members in terms of pensions”. However, in the Annual Report on Board Member Compensation (Section C.1.a.-iii- Long term savings schemes) the figure of the mathematical provisions which apply on the reference date of the report is included as “accumulated funds” for 2020, and that these were redeemed by the Company in 2021.

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

Name or company name	Position(s)
JAVIER FERNANDEZ ALONSO	MANAGING DIRECTOR
CARLOS ORTEGA ARIAS-PAZ	MANAGING DIRECTOR
IGNACIO MARTINEZ SANTOS	DIRECTOR
JOSE RAMON DEL CAÑO PALOP	DIRECTOR
RAMON CARNE CASAS	DIRECTOR
NICOLAS JIMENEZ-UGARTE LUELMO	DIRECTOR

Number of women in senior management	
Percentage of total senior management	0.00

Total senior management compensation (in thousands of euros)	4,223
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C.1.15 Indicate whether the Board regulations were amended during the year:

☒ Yes  
☐ No

Description of amendment(s)
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The purpose for the amendment of the Board Regulations approved in 2021 was mainly to include the changes introduced by the Corporate Enterprises Act by Law 5/2021, of 12 April. The amendments have affected the following articles:

Regarding the Board’s mission: Article 5. Functions

With regard to the Audit and Compliance Committee. Article 22. Sphere of operation

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors.  
List the competent bodies, steps to follow and criteria applied in each procedure.

- Selection and Appointment:

On 17.06.2019 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. Furthermore, the Regulations of the Board contain the following provisions:

1. Board Members will be appointed by the General Shareholders’ Meeting or by the Board on a provisional basis.
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 regard to the distribution of Board Members among executives and external Board Members and, among these, between proprietary and independent board members. The Board of Directors will ensure that the selection procedures foster diversity



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of gender, experience and knowledge, and are not subject to any implicit bias that could entail any form of discrimination.

3. Once there is a vacancy, the Chairman or any Board Member may propose candidates, and these 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 at the recommendation of the Appointments and Remuneration Committee in the case of Independent Directors, and 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 Shareholders' Meeting) and from the Appointments and Remuneration Committee.

### - Re-election:

According to Rules and Regulations of the Board of Directors, the re-election proposals for Board Members to be submitted before the General Shareholders' Meeting must undergo a formal preparation process, including a report by the Appointments and Remuneration Committee and the deliberations of the Board regarding the quality of work and commitment to the post during the preceding term of office.

### - Termination:

In accordance with the Rules and Regulations of the Board:

1. Board Members will stand down from 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: a) When the Director turns 70 years of age. 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. 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. In the case of external proprietary and independent Directors, 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 subject to a report by the Appointments and Remuneration Committee. Justified grounds will be deemed to exist if the Director has been in breach of any of the duties inherent in the position, or incurred any of the situations referred to in Article 8.1B of the Rules and Regulations of the Board of Directors.
4. Directors must inform the Board when circumstances arise which affect them, whether or not related to their actions in the company itself, and in particular of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold. When the Board is informed or becomes aware of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the Appointments and Remuneration Committee, whether or not any measure must be adopted, such as opening an internal investigation, asking the director to resign or proposing that he or she be dismissed. These events must be reported in the ACGR, unless there are any special reasons not to do so, which must also be noted in the minutes.
5. When a Director stands down before completing his or her term of office, due to resignation or any other grounds, the Director will provide sufficient reasons for their resignation or, in the case of non-executive directors, their opinion on the reasons for the termination by the General Shareholders' Meeting, in a letter addressed to the members of the Board. This will be detailed in the ACGR, in so far as it is relevant for investors.

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

### Description of amendment(s)

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 of actions that will be implemented during the financial year.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.



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Description of the evaluation process and evaluated areas

The evaluation process of the Board and its Committees is conducted annually through the Committee Reports and the preparation of a questionnaire sent to the Board Members addressing matters related both to the powers of these bodies and to their actions. The answers to the questionnaire serve as the basis for the Board's evaluation, which is prepared by the Appointments and Remuneration Committee and referred to the Board for its approval. Furthermore, based on the recommendations of the CNMV's Good Governance Code of 2015, every three years, the company has the Board evaluated by an external consultant, and Board Members, in addition to completing a questionnaire, are interviewed by the consultant.

The last assessment of the Board was carried out in 2020 with regard to the 2019 financial year with the assistance of an external consultant.

The assessment process of the Board and its Committees for 2021 was conducted under the coordination of the Chairman of the Board with the participation of the Directors (by answering questionnaires prepared for this purpose), as well as the participation of the different Committees (through the preparation of reports on their activities) and the Appointments and Remuneration Committee. The questionnaire for the Directors covered aspects associated to both the functioning and composition of these bodies as well as their actions. The Directors' answers have served as the basis for the Board's assessment, which is prepared by the Appointments and Remuneration Committee and submitted to the Board of Directors for its approval.

The areas assessed with regard to 2021 were as follows: Corporate Governance in general; the Composition and diversity of the Board of Directors;

skills of the Board of Directors; meeting frequency and attendance; commitment of the Directors; information on the Directors; conduct of the

meetings; performance of the Directors; Board Committees; training for Directors; 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 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

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C.1.19 Indicate the cases in which directors are obliged 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 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.

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

Yes ☐

No ☒

If so, please describe any differences.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

☐ Yes

☒ No

C.1.22 Indicate whether the articles of incorporation or Board regulations establish any limit as to the age of directors:

☐ 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 Indicate whether the articles of incorporation or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

☐ Yes

☒ No

C.1.24 Indicate whether the articles of incorporation or Board regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, please briefly describe these 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 Indicate the number of meetings held by the Board of Directors during the year.

Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	11
Number of board meetings held without the chairman's presence	0

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	2
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Indicate the number of meetings held by each Board committee during the year:

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Number of meetings held by the AUDIT AND COMPLIANCE COMMITTEE	8
Number of meetings of held by INVESTMENTS COMMITTEE	8
Number of meetings held by the APPOINTMENTS AND REMUNERATION COMMITTEE	7

C.1.26 Indicate the number of meetings held by the Board of Directors during the year with member attendance data:

Number of meetings at which at least 80% of directors were present in person	11
Attendance in person as a % of total votes during the year	99.00
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	11
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	100.00

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

[ ☒ ]      Yes  
[ ☐ ]      No

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the board:

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Name	Position
JAVIER FERNANDEZ ALONSO	MANAGING DIRECTOR
CARLOS ORTEGA ARIAS-PAZ	MANAGING DIRECTOR
IGNACIO MARTINEZ SANTOS	FINANCIAL DIRECTOR

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

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 director?

☐ Yes  
☒ No

If the secretary is not a director, complete the following table:

Name or company name of secretary	Representative
JOSE RAMON DEL CAÑO PALOP	

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of 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 2021, 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.

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C.1.31 Indicate whether the company changed its external auditor during the year. 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 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work.

☒ Yes

☐ No

	Company	Group Companies	Total
Amount invoiced for non-audit services (thousands of euros)	14	5	19
Amount invoiced for non-audit work/Amount for audit work (in %)	27.00	9.00	18.00

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

☐ Yes

☒ No

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	5	5

  

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	13.89	13.89

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

☒ Yes

☐ No

Details of the procedure
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It will be the responsibility of the Chairperson and the Secretary of the Board to prepare and provide to the Directors all

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information necessary to pass the resolutions proposed on the agenda of each meeting of the Board of Directors, at least three working days in advance of the date of the meeting in question.

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 management of the Company, 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 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

☒ 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.

When the Board is informed or becomes aware of any of the circumstances mentioned in the above paragraph, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the Appointments and Remuneration Committee, whether or not any measure must be adopted, such as opening an internal investigation, asking the director to resign or proposing that he or she be dismissed. These events must be reported in the ACGR, unless there are any special reasons not to do so, which must also be noted in the minutes.

C.1.37 Indicate whether, apart from such special circumstances as may have arisen and been duly minuted, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:

☐ 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 as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	8
Type of beneficiary	Description of the agreement

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Executive Board Members and Directors	As at 31 December 2021, there are no Executive Board Members. However, in accordance with the Board Remuneration Policy, 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 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.
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Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of Directors	General Shareholders'
Body authorising the clauses	√	
	Ye	No
Are these clauses notified to the General Shareholders'	√	

As at 31 December 2021, there are no Executive Board Members. However, the contracts of the Executive Board Members must be approved by the company's bodies. The Remuneration Policy for the Board of Directors approved by the General Shareholders' Meeting of 17 June 2019, and amended during the General Shareholders' Meeting of 18 June 2020, includes a section concerning the basic conditions of the contracts of these Board Members, and also a section concerning compensation for early cancellation or termination of the contractual relationship between the company and the Board Member.

Likewise, according to the provisions of article 249 bis. h) and 529 quincecies.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.

In 2019, the Board of Directors of Corporación Financiera Alba, S.A. 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. In 2021, at its meeting on 19 November, it agreed to the amendments to these conditions and the Policy referred to above.

## C.2. Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

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**AUDIT AND COMPLIANCE COMMITTEE**

Name	Position	Category
ANA MARÍA PLAZA ARREGUI	CHAIRPERSON	Independent
MARÍA EUGENIA GIRÓN DAVILA	MEMBER	Independent
CLAUDIA PICKHOLZ	MEMBER	Independent

% executive directors	0.00
% of proprietary directors	0.00
% of independent directors	100.00
% of other external directors	0.00

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

The regulations were adopted by the Board in 2017, amended in 2020 and in 2021. The last time was to include the changes made to the Corporate Enterprises Act by Law 5/2021.

a) Duties:

1. Inform the General Shareholders' Meeting about issues within its remit, 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 preparation and presentation of the financial and non-financial information and its communication policy, and submit recommendations or proposals to the Board to safeguard its integrity.
4. Submit before the Board any proposals for the selection, appointment, re-election and replacement of the accounts auditor, and is responsible for the selection and the terms and conditions of the engagement. Gather information on the audit plan and its execution, and maintain its independence during the performance of its duties.
5. Establish relations with the external auditor in order to receive information on matters that may pose a threat to its independence, for examination by the Committee, and others concerning the performance of the auditing of the accounts, and on the authorisation of services different to those prohibited, regarding the regime of independence, as well as other communications concerning the legislation and rules on the auditing of accounts. Receive the annual statement of independence and information on the additional services provided and the fees paid.
6. Annually issue, prior to the account audit report, an opinion report on whether the independence of auditor of accounts is compromised, and detail the assessment of the provision of the additional services referred, considered individually and as a whole, 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, and non-financial information, if appropriate; the creation or acquisition of interests in special purpose vehicles or those domiciled in tax havens; and the operations with related parties that must be approved by the General Shareholder's Meeting or the Board.
8. Supervise the compliance with corporate governance rules, internal codes of conduct and the sustainability policy, the application of the financial and non-financial information policy, and the processes concerning relationships with stakeholders.
9. Supervise the internal procedure for related-party transactions delegated by the Board.

b) Composition and organisation:

A minimum of 3 and a maximum of 5 members, all external or non-executive board members. The majority, and the Chairperson are independent directors. All members, in particular the Chairperson, will have a knowledge of accounting, auditing, experience in financial aspects, internal control and risk management. As a whole, it will have relevant technical knowledge concerning the area of activity of the Company. The Secretary, which may be a member, is the Secretary to the Board. Substitutes may be appointed from among the cited Board Members, in case of vacancies, absences or conflicts of



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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 the casting vote. 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 2021, eight meetings were held. The following 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, the review of the first half of 2021 financial statements and the 2021 audit planning. It assessed the external auditor and reported on its independence. 3. Risk identification and internal control system. Four meetings addressed risk management and tracking, examining follow-up reports, being informed by the Company's persons in charge of risk management. 4. Internal audit: It approved its Activities Plan for 2021, 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. The 2020 NFRS reported favourably, including the Progress Report for the Global Compact, as a signatory member, and on the monitoring of the Sustainability Policy. 6. Regulatory compliance and others: It examined the follow-up reports on Regulatory Compliance and crime prevention. It issued the Related Operations Report in 2020 and examined the ACGR project. It assessed its performance in 2020, without changes in the internal organisation and company procedures. It reported on the amendment to the ICC within the scope of the Securities Market, the Rules and Regulations of the Board of Directors and of the Audit and Compliance Committee. It reported on the participation in a special purpose vehicle and authorised the external auditor to perform a service other than the legal audit. Its action report is published with the summoning of the General Shareholders' Meeting.

Identify the directors who are members 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 on which the Chairperson of this committee was appointed

Names of directors with experience	ANA MARÍA PLAZA ARREGUI
Date of appointment of the chairperson	17/06/2019

**NOMINATION AND REMUNERATION COMMITTEE**

Name	Position	Category
MARÍA EUGENIA GIRÓN DAVILA	CHAIRPERSON	Independent
CARLOS MARCH DELGADO	MEMBER	Proprietary
SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	MEMBER	Other External
CLAUDIA PICKHOLZ	MEMBER	Independent

% executive directors	0.00
% of proprietary directors	25.00
% of independent directors	50.00
% of other external directors	25.00

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. 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 incorporation or other corporate resolutions.

In 2019, the Board approved its Regulations, which were amended in 2020 to adapt them to CNMV resolution of June 2020, amending the Good Governance Code.

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**a) Duties:**

- 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 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 corporate documents, including the ARR, and ensure the remuneration is transparent and that it is included in the Annual Report on Director's Remuneration.
- Making sure that potential conflicts of interest do not undermine the independence of external advice given to the Committee.

**b) Composition and organisation:**

A minimum of 3 and a maximum of 5 members, all external or non-executive board members. At least two, among them the Chairperson, will be independent directors. The Chairperson will be appointed by the Board, 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 Secretary of the Board will act as 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. Resolutions will be passed by the majority of the members present in person or by proxy. The Chairperson has the casting vote. 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:**

As at 31.12.2021, there were 4 members and it had met on 7 occasions. It has made proposals and issued reports concerning the matters

within its remit: the review of the remuneration of the Executive Board Members and the Directors; the ARR for 2020 and the transparency of information on director remuneration in the Financial Statements; the monitoring of the Remuneration Policy, the annual variable remuneration and the multi-year variable remuneration plan; the proposals for appointments to the Board, the appointment of a new lead Director and the resignation of a Director; the composition and renewals on the Committees; the review of the Board's skills matrix; the new professional activities of the Directors; the self-assessment of the Board in 2020; the monitoring of the Directors selection policy;

The summary of its activities detailed in the report on its actions, published with the call for the General Shareholders' Meeting.

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**INVESTMENTS COMMITTEE**

Name	Position	Category
ANTONIO MARIA PRADERA JAUREGUI	CHAIRPERSON	Independent
IGNACIO DE COLMENARES BRUNET	MEMBER	Independent
MARÍA LUISA GUIBERT UCÍN	MEMBER	Independent
JUAN MARCH DE LA LASTRA	MEMBER	Proprietary
JUAN MARCH JUAN	MEMBER	Proprietary
SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	MEMBER	Other External

% executive directors	0.00
% of proprietary directors	33.33
% of independent directors	50.00
% of other external directors	16.67

Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

The Investment Committee was formed by the Board of Directors at its session of 17 June 2019.

**a) Duties**

- Report 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.
  - (ii) 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 Investment 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

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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 Investment 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 Investment 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 likewise be held by conference call for videoconferencing, provided that the Directors have appropriate technical resources in place, and no Director objects to 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 member of the Committee may vest powers of representation in 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.

Resolutions will be passed by the majority of the members present in person or by proxy. In the event of a tie, the President will hold the casting vote.

The Secretary of the Committee will draw up the Minutes of each of the meetings held, to be approved at the meeting itself or that immediately following. A copy of the minutes of the meetings will be sent to all members of the Board.

**c) Additional regulation**

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

**d) Actions**

In 2021, the Investment Monitoring Committee comprised of six members, and met on eight occasions.

In 2021, the Investment Committee reported on the matters within its remit. It examined the situation of the investments in five listed companies and in nine non-listed companies of the investment portfolio. It authorised the acquisition of bonds issued by a company of a group of investee companies, the signature of a non-sale commitment in a possible investment in a non-listed company and the acquisition of a real estate asset, as well as divestments in the portfolio of listed companies and additional investments in a listed company of the portfolio of companies.

A summary of its activities is included in the corresponding report on the actions of the Investment Committee, which is made public with the call to meeting of the General Shareholders' Meeting.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	2021 Financial Year		2020 Financial Year		2019 Financial Year		2018 Financial Year	
	Number	%	Number	%	Number	%	Number	%
AUDIT AND COMPLIANCE COMMITTEE	3	100.00	3	100.00	3	100.00	2	66.66
NOMINATION AND REMUNERATION COMMITTEE	2	50.00	1	33.33	1	33.33	2	66.66
INVESTMENTS COMMITTEE	1	16.67	1	16.67	1	16.67	N/A	N/A

There are no data for 2018 relating to the Investment Committee, which was constituted by a resolution of the Board of Directors on 17 June 2019.

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C.2.3 Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been 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 on 23 October 2017, following Recommendation number 19 of the Technical Guide of the CNMV 3/2017 concerning Audit Committees in Public Interest Entities, and was amended in 2020. In 2021, amendments were approved to include changes introduced into the Corporate Enterprises Act by Law 5/2021, of 12 April.

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, and was amended in 2020.

The regulations of the Investment 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 as well as the regulations of the Investment Committee, are available on the corporate website ([www.corporacionalba.es](http://www.corporacionalba.es)) and at its corporate address.

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

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**D. RELATED PARTY AND INTRAGROUP TRANSACTIONS**

**D.1.** Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intragroup parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

The General Shareholders' Meeting has approved those related-party transactions that fall within its remit by law, subject to favourable report by the Audit and Compliance Committee.

With regard to the remaining related-party transactions, whose approval falls within the remit of the Board, the preliminary report will be issued by the Audit and Compliance Committee.

The Regulations of the Board of Directors state that for transactions that fall within its remit, any Directors affected, or who represent or are related to the affected shareholders, must abstain from participating in the deliberations and voting with regard to the corresponding transaction.

There is no delegation of related-party transactions by the Board of Directors.

**D.2.** Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

	Name or company name of the shareholder or any of its subsidiaries	% Shareholding	Name or company name of the company or entity within it group	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
(1)	BANCA MARCH, S.A.	15.00	ALBA EUROPE, S.a.r.l.	500	Board of Directors	The Directors Carlos March Delgado, Juan March de la Lastra and Juan March Juan abstained.	YES
(2)	BANCA MARCH, S.A.	15.00	CORPORACIÓN FINANCIERA ALBA	590	Board of Directors	The Directors Carlos March Delgado, Juan March de la Lastra and Juan March Juan	YES

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	Name or company name of the shareholder or any of its subsidiaries	% Shareholding	Name or company name of the company or entity within it group	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
						abstained.	

	Name or company name of the shareholder or any of its subsidiaries	Nature of the relationship	Type of operation and other information required for its evaluation
(1)	BANCA MARCH, S.A.	Contractual	Other
(2)	BANCA MARCH, S.A.	Contractual	Other

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

**D.3.** Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

	Name or company name of the administrators or managers or their controlled or jointly controlled entities	Name or company name of the company or entity within its group	Relationship	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
No data							

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Name or company name of the administrators or managers or their controlled or jointly controlled entities	Nature of operation and other information required for its evaluation
No data	

**D.4.** Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Company name of the entity within the group	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No data		

**D.5.** Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Company name of the related party	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
FUNDACION INSTITUTO JUAN MARCH DE ESTUDIOS E INVESTIGACIONES	Partnership Agreement	300

**D.6.** Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other associated parties.

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 of these subsidiaries in advance and the Board of Directors, subject to a report by the Audit and Compliance Committee approving the transaction.

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,



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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.** Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

☐ Yes

☒ No

## E. RISK MANAGEMENT AND CONTROL SYSTEMS

### E.1. Explain the scope of the company's financial and non-financial risk management and control system, including tax risk.

The Company, which includes Corporación Financiera Alba, S.A. and its group companies 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.
- Facilitate and streamline the application of the corrective measures that mitigate the exposure to such risks.

This Integrated Risk Management System has been implemented at corporate level to mitigate the risks, both financial and non-financial, to which the Company is exposed, given the nature and degree of complexity of its operations 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.
- Prioritising the critical risks to which the Company is exposed.
- 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 the processes in which these risks occur.
- Identifying the mitigating controls of the risks.
- Assessing the effectiveness of the checks in mitigating the risks identified.
- Designing and implementing action plans as a response to the risks, when deemed necessary.

In this regard, the Company 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. The Company has likewise defined the Risk Datasheets for the most critical risks, identifying the key risk indicators (with their corresponding tolerances), the associate controls 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.

The most recent update of the Alba Risk Map took place in 2019, along with the corresponding Risk Sheets, with the agreement of the Audit and Compliance Committee and the Board of Directors.

In 2020, as a consequence of the pandemic, a specific analysis was carried out of the impacts of COVID-19, as well as an assessment of the organisation's response level in light of the challenges posed by COVID-19 to the Company's business model and, by association, the corporate systems for managing risks. Likewise, the risk management system was once again reviewed in 2021, as part of the usual regular monitoring activities. The findings of both reviews is that Alba's Risk Map adequately reflects its situation and exposure to critical risks, deeming it appropriate to update it along with the Risk Sheets, during 2022.

(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

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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 elements constitute a model that provides for an adequate management of the risks and mitigating controls over such a corporate level, which is applied to all risks indicated in section E.3, which includes fiscal risks.

**E.2.** Identify the bodies within the company responsible for preparing and executing the financial and non-financial risk management and control system, including tax risk.

The Company'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.

They are responsible for monitoring the risks assigned to them and for reporting any relevant information in this regard to the Risk Management and Control Unit.

As regards the risk management processes, it should be noted that in addition to the previously mentioned Risk Management and Control Unit, the Company has in place a Regulatory Compliance model, which establishes the regulatory requirements that must be followed by the different operational and support areas, as well as an Internal Audit Service, which is defined as an advisory and control body

that reports to the independent Audit and Compliance Committee within the organisation concerning its activities, focusing on the assessment of the different functional areas and activities of the Company, as indicated in the Internal Audit Service Regulations.

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.

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With regard to crime prevention, the Company has an Organisational and Management Model in place to prevent the commission of offences, along with the Crime Prevention Manual, which was updated in 2020, to include the results from the analyses of the impacts caused by COVID-19 during the financial year.

**E.3.** Indicate the main financial and non-financial risks, including tax risks, as well as 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 and 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, the Company 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.

The Company 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 Risk 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, the current Risks Map, updated in 2019 and reviewed in 2020, has a total of nine risks.

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

- Macro-economic and socio-political factors
- Investment management
- Measurement and monitoring of investments
- Real estate
- 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 formally expresses the Company's condemnation of any form of corruption.

**E.4.** Indicate whether the entity has risk tolerance levels, including for tax risk.

The Company'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.

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- 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 the Company's Management and action plans will be established to increase their degree of internal control, where necessary.

The Company 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.** Indicate which risks, including tax risks, have materialised during the year:

During the 2021 financial year, the most relevant risks for the Group, both financial and non-financial, including fiscal risks, did not materialise.

**E.6.** Explain the response and oversight plans for the company's main risks, including tax risks, 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, the Company 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 the Company. 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 2021, tracking reports were drawn up and submitted to the Board of Directors, which has approved them.

Likewise, in relation to crime prevention, the corresponding monitoring reports were submitted to the Audit and Compliance Committee and the Board of Directors in 2021 and approved.

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.

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**F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING  
FINANCIAL INFORMATION (ICFR)**

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Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

**F.1. The entity's control environment.**

Report on at least the following, describing their principal features:

F.1.1 The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; 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, distributes 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 in 2017, approved a Regulation of the Audit and Compliance Committee, which was amended on 26 October 2020 and 13 May 2021. This last amendment included the changes introduced into the Corporate Enterprises Act by Law 5/2021 of 12 April.

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 by the Board of Directors in 2017.

In relation to the audit plans on the review of the SCIIF, in 2021, the Audit and Compliance Committee examined the internal audit on the review of the SCIIF carried out in 2020, which indicated that the Company complied with the standards defined within the regulatory framework in the principles proposed by the CNMV and making some proposals to improve its wording. Furthermore, the review of the SCIIF was included in the Internal Audit Plan of Activities for 2021, without any irregularities being detected. The review of the SCIIF was included among the audits of the Plan of Activities for 2022.

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 Indicate whether the following exist, especially in relation to the drawing up of financial information:

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- Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination 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 executives, 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 summons of the general shareholders' assembly, 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. The Company's current communication policy, approved in 2020, introduced the policies relating to the communication of financial information, updating the 2015 version of the Company's Communication Policy.

- Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions:

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

Following the favourable report from the Audit and Compliance Committee, in 2018, the Board of Directors approved a new Code of Ethics and Conduct, to address, in particular, the changes to the legal regulation of criminal liability of legal persons, amended in 2020, to include the recommendations introduced by CNMV Resolution of 26 June 2020 in the Good Governance Code of Listed Companies.

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 sending the Code 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 2021, a training session on crime prevention for employees was carried out and 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.



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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 Code of Ethics and Conduct Monitoring Committee.

- Whistleblower channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistleblower and the person reported.

The Code of Ethics and Conduct approved in 2018 included an appendix outlining a more detailed procedure than that provided for in the Code of Ethics and Conduct approved in 2011 for processing reports allowing the communication, in a confidential manner, of 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 by third parties that are in contract with the company or to its detriment, thus addressing the importance given to the internal whistleblowing channels. In 2020, the situations in which anonymous reports are admissible were included in the whistleblowing channel Appendix.

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)



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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 Tracking 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 Tracking Committee is comprised of the Secretary of the Board, the Chief Financial Officer, a member of the Investments Department and a member of Legal Advisory.

In addition, the Crime Prevention Model, updated in 2020, 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.

- Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management:

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 risks in financial reporting.**

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- Whether the process exists and is documented:

The Risk Map, created after a process during which all types of business risks were identified (operational, technological, financial, legal, reputational, environmental, etc.) which could affect the attainment of the Company's objectives was approved in 2015 by the Board of Directors, and its last periodic review took place in 2019.

Towards the end of 2020, as a result of the pandemic, a periodic review was performed of the impacts caused by COVID-19 as well as a complete assessment report on the organisation's response to the challenges that this generated for Company's business model, and, therefore, with regard the corporate risk management and compliance system, Alba's Risk Map adequately reflected the situation and exposure to critical risks.

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In 2021, a periodic review of the Risk Map was carried out, but given that a complete review of the risks was carried out in 2020, as previously indicated, there was no need to amend the Risk Map. The next review will take place in 2022.

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 in 2019.

- Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.

As discussed above, the significant processes or areas generating financial information are analysed on at least an annual basis, 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, which cover all the objectives of the financial information.

- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles:

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."

- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they 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).

- The governing body within the company that supervises the process:

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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 on whether the company has at least the following, describing their main characteristics:

F3.1.1 Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

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 General Managers 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 has been publishing financial information on a quarterly basis until the first quarter of 2021. Due to the removal of the obligation to publish quarterly financial information, as set out in Law 5/2021 of 12 April, the Board, in agreement with the Audit and Compliance Committee, decided to cease publishing the quarterly financial information as of the third quarter of the financial year, given its voluntary nature.

All financial information is prepared by the Financial Department, which during the accounting year-end process, carries out all the control activities defined therein, 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 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

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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 IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of 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.

- F.3.3 Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect 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.

When selecting suppliers for appraising property and investments in unlisted companies, there are internal controls in place 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 on whether the company has at least the following, describing their main characteristics:

- F.4.1 A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through

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which the company 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 standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

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 the functioning of the system.

Report on at least the following, describing their principal features:

F.5.1 The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFRF. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting 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.

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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 Articles of Association 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 by the Board of Directors in 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 Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

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 Articles of Association 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.



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- 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 examined and approved in 2019 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 2021 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 2020, 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. External auditor's report.

Report:

- F.7.1 Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

The SCIIF information sent to the markets was submitted for review by the external auditor, whose report is attached as an Annex.

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**G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS**

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Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.

1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

Complies ☒ Explain ☐

2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

- a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.
- b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☒

3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

- a) Changes that have occurred since the last General Shareholders' Meeting.
- b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

Complies ☒ Complies partially ☐ Explain ☐

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies ☒ Complies partially ☐ Explain ☐

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.



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And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies [ X ]      Complies partially [   ]      Explain [   ]

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

- a) Report on the auditor's independence.
- b) Reports on the workings of the audit and nomination and remuneration committees.
- c) Report by the audit committee on related party transactions.

Complies [ X ]      Complies partially [   ]      Explain [   ]

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies [ X ]      Complies partially [   ]      Explain [   ]

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies [ X ]      Complies partially [   ]      Explain [   ]

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies [ X ]      Complies partially [   ]      Explain [   ]

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

- a) Should immediately distribute such complementary points and new proposals for resolutions.
- b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.
- c) Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be

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communicated.

Complies [ ☐ ]

Complies partially [ ☐ ]

Explain [ ☐ ]

Not applicable [ ☒ ]

In 2021, there was no situation in which this recommendation was applied.

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies [ ☐ ]

Complies partially [ ☐ ]

Explain [ ☐ ]

Not applicable [ ☒ ]

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment the community as a whole and the environment.

Complies [ ☒ ]

Complies partially [ ☐ ]

Explain [ ☐ ]

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies [ ☒ ]

Explain [ ☐ ]

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:

- a) Is concrete and verifiable;
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and
- c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies [ ☒ ]

Complies partially [ ☐ ]

Explain [ ☐ ]

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15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less than 30% prior to that date.

Complies [ X ]

Complies partially [ ]

Explain [ ]

In 2019 and 2020, 33.33% of the members of the Board were women, exceeding the target of 30% for Female Directors, which had been set for 2020.

In 2021, the figure of 40% for female Directors was reached, which was the target established by the recommendation for the end of 2022 and thereafter.

16. That the number of proprietary directors as a percentage of the total number of non- executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

- a) In large-cap companies where very few shareholdings are legally considered significant.
- b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies [ X ]

Explain [ ]

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies [ X ]

Explain [ ]

18. That companies should publish the following information on its directors on their website, and keep it up to date:

- a) Professional profile and biography.
- b) Any other Boards to which the directors belong, regardless of whether or not 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 connected.
- d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.
- e) Company shares and share options that they own.

Complies [ X ]

Complies partially [ ]

Explain [ ]

19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

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Complies [ ☐ ]

Complies partially [ ☐ ]

Explain [ ☐ ]

Not applicable [ ☒ ]

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies [ ☒ ]

Complies partially [ ☐ ]

Explain [ ☐ ]

Not applicable [ ☐ ]

In 2021, there was no situation in which this recommendation was applied.

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies [ ☒ ]

Explain [ ☐ ]

In 2021, there was no situation in which this recommendation was applied.

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

Complies [ ☐ ]

Complies partially [ ☐ ]

Explain [ ☐ ]

Article 19.1 of the Rules and Regulations of the Board of Directors, amended in 2020, expressly establishes that Directors must inform the Board when circumstances arise which affect them, whether or not related to their actions in the company itself, and in particular of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

When the Board is informed or becomes aware of any of the circumstances mentioned in the above paragraph, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the Appointments and Remuneration Committee, whether or not any measure must be adopted, such as opening an internal investigation, asking the director to resign or proposing that he or she be dismissed. These events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes.

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In 2021, there was no situation in which this standard was applied.

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies [ X ]      Complies partially [   ]      Explain [   ]      Not applicable [   ]

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. They must likewise do so, in particular in the case of independent Directors and others not affected by a potential conflict of interest, in the case of decisions that could be to the detriment of shareholders not represented on the Board.

In 2021, there was no situation in which this standard was applied.

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies [ X ]      Complies partially [   ]      Explain [   ]      Not applicable [   ]

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies [ X ]      Complies partially [   ]      Explain [   ]

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies [ X ]      Complies partially [   ]      Explain [   ]

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27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies [ X ]

Complies partially [ ]

Explain [ ]

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies [ X ]

Complies partially [ ]

Explain [ ]

Not applicable [ ]

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 2021, there was no situation in which this standard was applied.

29. That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies [ X ]

Complies partially [ ]

Explain [ ]

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies [ X ]

Explain [ ]

Not applicable [ ]

31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies [ X ]

Complies partially [ ]

Explain [ ]

In 2021, there was no situation in which this recommendation was applied.

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies [ X ]

Complies partially [ ]

Explain [ ]

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33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies [ X ]

Complies partially [ ]

Explain [ ]

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies [ ]

Complies partially [ ]

Explain [ ]

Not applicable [ X ]

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 2016, appointed, with the abstention of the executive Board Members, one Coordinating Board Member from the independent Board Members.

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies [ X ]

Explain [ ]

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a) The quality and efficiency of the Board of Directors' work.
- b) The workings and composition of its committees.
- c) Diversity in the composition and skills of the Board of Directors.
- d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

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

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Complies [ X ]

Complies partially [ ]

Explain [ ]

In relation to the activities of the Board in 2021, the assessment process 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 their activities in the financial year) and with the intervention of the Appointments and Remunerations Committee. The Board assessment report includes some findings concerning the smooth running of the Board.

The last assessment of the Board's activities with the assistance of an external assessor took place in 2020 in relation to its activities for 2019.

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies [ ]

Complies partially [ ]

Explain [ ]

Not applicable [ X ]

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies [ ]

Complies partially [ ]

Explain [ ]

Not applicable [ X ]

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies [ X ]

Complies partially [ ]

Explain [ ]

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies [ X ]

Complies partially [ ]

Explain [ ]

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies [ X ]

Complies partially [ ]

Explain [ ]

Not applicable [ ]

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

- a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption – reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria
- b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.



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- c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
- d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

- a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.
- b) Ensuring 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) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.
- e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies [ X ]

Complies partially [ ]

Explain [ ]

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies [ X ]

Complies partially [ ]

Explain [ ]

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies [ X ]

Complies partially [ ]

Explain [ ]

Not applicable [ ]

45. That the risk management and control policy identify or determine, as a minimum:

- a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.
- b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.
- c) The level of risk that the company considers to be acceptable.
- d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.
- e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies [ X ]

Complies partially [ ]

Explain [ ]

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46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:
- a) Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
  - b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
  - c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.
- Complies [ X ]      Complies partially [ ]      Explain [ ]
47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – can be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.
- Complies [ X ]      Complies partially [ ]      Explain [ ]
48. That large-cap companies have separate nomination and remuneration committees.
- Complies [ ]      Explain [ ]      Not applicable [ X ]
49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.
- And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.
- Complies [ X ]      Complies partially [ ]      Explain [ ]
50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:
- a) Proposing the basic conditions of employment for senior management to the Board of Directors.
  - b) Verifying compliance with the company's remuneration policy.
  - c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.
  - d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.
  - e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.
- Complies [ X ]      Complies partially [ ]      Explain [ ]
51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.
- Complies [ X ]      Complies partially [ ]      Explain [ ]

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52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

- a) That they be composed exclusively of non-executive directors, with a majority of independent directors.
- b) That their chairpersons be independent directors.
- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and their minutes be made available to all directors.

Complies [ ☐ ]

Complies partially [ ☐ ]

Explain [ ☐ ]

Not applicable [ ☒ ]

The Company does not have supervisory and control committees other than those legally established.

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies [ ☒ ]

Complies partially [ ☐ ]

Explain [ ☐ ]

54. The minimum functions referred to in the foregoing recommendation are the following:

- a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
- b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.
- c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.
- d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.
- e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies [ ☒ ]

Complies partially [ ☐ ]

Explain [ ☐ ]

55. That environmental and social sustainability policies identify and include at least the following:

- a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct.
- b) Means or systems for monitoring compliance with these policies, their associated risks, and management.

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- c) Means or systems for monitoring compliance with these policies, their associated risks, and management.
- d) Channels of communication, participation and dialogue with stakeholders.
- e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies [ ☒ ]      Complies partially [ ☐ ]      Explain [ ☐ ]

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies [ ☒ ]      Explain [ ☐ ]

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies [ ☐ ]      Complies partially [ ☒ ]      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 of the Company that represent the governing bodies of investee companies, subsidiaries or related companies (only in the case of proprietary directors).

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on 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 incurred to achieve a given result.
- b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.
- c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies [ ☒ ]      Complies partially [ ☐ ]      Explain [ ☐ ]      Not applicable [ ☐ ]

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59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies [ X ]      Complies partially [ ]      Explain [ ]      Not applicable [ ]

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies [ X ]      Complies partially [ ]      Explain [ ]      Not applicable [ ]

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies [ X ]      Complies partially [ ]      Explain [ ]      Not applicable [ ]

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies [ ]      Complies partially [ ]      Explain [ ]      Not applicable [ X ]

In 2021, the variable remuneration plan referenced to the share value approved by the Company's General Shareholders' Meeting on 18 June 2018 matured. This plan has generated an effective remuneration of €5.85/unit, having complied with the recommendation of paying out the remuneration after a period of 3 years.

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies [ X ]      Complies partially [ ]      Explain [ ]      Not applicable [ ]

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies [ ]      Complies partially [ ]      Explain [ ]      Not applicable [ X ]

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As provided for in the Remuneration Policy, in the event of Executive Board Members who have 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 performance criteria established have been met. As at 31 December 2021, the Company did not have executive board members, therefore the Recommendation was not applicable.

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### H. FURTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its 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 repetitive.

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

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.

H.1.1. and H.1.2.

#### SECTION C.1.7.

In 2019, and in accordance with the provisions set forth in its Regulations, the Appointments and Remuneration Committee approved the Board of Directors' Skills Matrix together with the result of the assessment by the Directors. It was the object of a review at the beginning of 2022, resulting in the Skill Matrix and the assessment by the Directors as detailed below.

SKILLS	TOTAL DIRECTORS	(%)
- Investments and Capital Risk	9	90
- Financial Sector	5	50
- Industrial Sector	10	100
- Accounting, Finance, Risks	10	100
- Senior Management	10	100
- HR and Organisation	7	70
- Good environmental, social and corporate governance practices	9	90
- Strategy	10	100
- Technology and Digital Transformation	5	50
- International	8	80

#### SECTION D.

Below follows the transactions that the Company or group companies have had with a significant shareholder, that are not related to the concepts detailed under the headings of section D.

In 2021, the significant shareholder, Banca March, received 8,749 thousand euros in dividends and other distributed benefits from Corporación Financiera Alba, S.A.

The significant shareholder Banca March and Artá Capital SGEIC, S.A. maintain a contractual relationship in which the latter paid the significant shareholder 326 thousand euros in 2021.

H.1.3. Adherence to codes of ethics or good practices.

- a) The Company has adhered to the United Nations Global Compact since 22 December 2015, as a signatory member.
- b) In 2020, Corporación Financiera Alba, by way of resolution of its Board of Directors, it has added to the Code of Good Tax Practices backed by the Ministry of Economy and Public Finance (20/07/2010), with the aim to reinforce its commitment, not only in complying with tax regulations, but also its active and transparent contribution to sustainability.

In relation to this Code, Alba has fulfilled its tax obligations and presented the corresponding returns; it has not used opaque

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infrastructures or base companies in tax havens or non-cooperating jurisdictions; it has not detected any fraudulent tax practices; and it has informed the Board of Directors and the Audit and Compliance Committee of the compliance with the approved Tax Policy.

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This Annual Corporate Governance Report was approved by the Board of Directors of the company in its meeting held on:

[ 28/03/2022 ]

Indicate whether any director voted against or abstained from approving this report.

[ ] Yes  
[√] No





# CORPORACIÓN FINANCIERA ALBA, S.A.

Informe de auditor referido a la "Información  
relativa al Sistema de Control Interno sobre la  
Información Financiera (SCIIF)" de Corporación  
Financiera Alba, S.A. correspondiente al ejercicio  
2021



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

**Informe de auditor referido a la “Información relativa al Sistema de Control Interno sobre la Información Financiera (SCIIF)” de Corporación Financiera Alba, S.A. correspondiente al ejercicio 2021**

A los administradores de Corporación Financiera Alba, S.A.

De acuerdo con la solicitud del Consejo de Administración de Corporación Financiera Alba, S.A. (la “Sociedad”) y con nuestra carta propuesta de fecha 8 de febrero de 2022, hemos aplicado determinados procedimientos sobre la “Información relativa al SCIIF” adjunta en el apartado F del Informe Anual de Gobierno Corporativo de Corporación Financiera Alba, S.A. correspondiente al ejercicio 2021, en el que se resumen los procedimientos de control interno de la Sociedad en relación a la información financiera anual.

El Consejo de Administración es responsable de adoptar las medidas oportunas para garantizar razonablemente la implantación, mantenimiento y supervisión de un adecuado sistema de control interno así como del desarrollo de mejoras de dicho sistema y de la preparación y establecimiento del contenido de la Información relativa al SCIIF adjunta.

En este sentido, hay que tener en cuenta que, con independencia de la calidad del diseño y operatividad del sistema de control interno adoptado por la Sociedad en relación a la información financiera anual, éste sólo puede permitir una seguridad razonable, pero no absoluta, en relación con los objetivos que persigue, debido a las limitaciones inherentes a todo sistema de control interno.

En el curso de nuestro trabajo de auditoría de las cuentas anuales y conforme a las Normas Técnicas de Auditoría, nuestra evaluación del control interno de la Sociedad ha tenido como único propósito el permitirnos establecer el alcance, la naturaleza y el momento de realización de los procedimientos de auditoría de las cuentas anuales de la Sociedad. Por consiguiente, nuestra evaluación del control interno, realizada a efectos de dicha auditoría de cuentas, no ha tenido la extensión suficiente para permitirnos emitir una opinión específica sobre la eficacia de dicho control interno sobre la información financiera anual regulada.

A los efectos de la emisión de este informe, hemos aplicado exclusivamente los procedimientos específicos descritos a continuación e indicados en la *Guía de Actuación sobre el Informe del auditor referido a la Información relativa al Sistema de Control Interno sobre la Información Financiera de las entidades cotizadas*, publicada por la Comisión Nacional del Mercado de Valores en su página web, que establece el trabajo a realizar, el alcance mínimo del mismo, así como el contenido de este informe.

Como el trabajo resultante de dichos procedimientos tiene, en cualquier caso, un alcance reducido y sustancialmente menor que el de una auditoría o una revisión sobre el sistema de control interno, no expresamos una opinión sobre la efectividad del mismo, ni sobre su diseño y su eficacia operativa, en relación a la información financiera anual de la Sociedad correspondiente al ejercicio 2021 que se describe en la Información relativa al SCIIF adjunta. En consecuencia, si hubiéramos aplicado procedimientos adicionales a los determinados por la citada Guía o realizado una auditoría o una revisión sobre el sistema de control interno en relación a la información financiera anual regulada, se podrían haber puesto de manifiesto otros hechos o aspectos sobre los que les habríamos informado.

Asimismo, dado que este trabajo especial no constituye una auditoría de cuentas ni se encuentra sometido a la normativa vigente en materia de auditoría de cuentas en España, no expresamos una opinión de auditoría en los términos previstos en la citada normativa.

Se relacionan a continuación los procedimientos aplicados:

1. Lectura y entendimiento de la información preparada por la Sociedad en relación con el SCIIF – información de desglose incluida en el Informe de Gestión – y evaluación de si dicha información aborda la totalidad de la información requerida que seguirá el contenido mínimo descrito en el apartado F, relativo a la descripción del SCIIF, del modelo de IAGC según se establece en la Circular 5/2013 de 12 de junio de la Comisión Nacional del Mercado de Valores (CNMV) y modificaciones posteriores, siendo la más reciente la Circular 3/2021, de 28 de septiembre de la CNMV (en adelante, las Circulares de la CNMV).
2. Preguntas al personal encargado de la elaboración de la información detallada en el punto 1 anterior con el fin de: (i) obtener un entendimiento del proceso seguido en su elaboración; (ii) obtener información que permita evaluar si la terminología utilizada se ajusta a las definiciones del marco de referencia; (iii) obtener información sobre si los procedimientos de control descritos están implantados y en funcionamiento en la Sociedad.
3. Revisión de la documentación explicativa soporte de la información detallada en el punto 1 anterior, y que comprenderá, principalmente, aquella directamente puesta a disposición de los responsables de formular la información descriptiva del SCIIF. En este sentido, dicha documentación incluye informes preparados por la función de auditoría interna, alta dirección y otros especialistas internos o externos en sus funciones de soporte a la comisión de auditoría.
4. Comparación de la información detallada en el punto 1 anterior con el conocimiento del SCIIF de la Sociedad obtenido como resultado de la aplicación de los procedimientos realizados en el marco de los trabajos de la auditoría de cuentas anuales.
5. Lectura de actas de reuniones del consejo de administración, comisión de auditoría y otras comisiones de la Sociedad a los efectos de evaluar la consistencia entre los asuntos en ellas abordados en relación al SCIIF y la información detallada en el punto 1 anterior.
6. Obtención de la carta de manifestaciones relativa al trabajo realizado adecuadamente firmada por los responsables de la preparación y formulación de la información detallada en el punto 1 anterior.



Como resultado de los procedimientos aplicados sobre la Información relativa al SCIIF no se han puesto de manifiesto inconsistencias o incidencias que puedan afectar a la misma.

Este informe ha sido preparado exclusivamente en el contexto de los requerimientos establecidos por el artículo 540 del Texto Refundido de la Ley de Sociedades de Capital y por las Circulares de la CNMV a los efectos de la descripción del SCIIF en los Informes Anuales de Gobierno Corporativo.

KPMG Auditores, S.L.

A handwritten signature in blue ink, appearing to read 'Borja', written over the printed name.

Borja Guinea López

29 de abril de 2022