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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. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR**

**A.1.1** Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards directors' remuneration both in their capacity as such and for executive functions carried out.

In any case, the following aspects must be reported, as a minimum:

- a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.
- b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- c) Information on whether any external advisors took part in this process and, if so, their identity.
- d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

The current Remuneration Policy was approved by the General Shareholders' Meeting on 19 June 2019, and amended by the General Shareholders' Meeting 18 June 2020 to include the multi-year variable remuneration system for Directors discharging executive functions and those representing ALBA in the administrative bodies of investee subsidiaries or associated entities referenced to their net asset value (NAV),

In accordance with that outlined in articles 529r and concordant provisions of the Corporate Enterprises Act, for the calculation and approval of the Remuneration Policy of the Board of Directors of the Company, the Appointments and Remuneration Committee approves the corresponding report on the Remuneration Policy and submits the Proposed Remuneration Policy to the Board of Directors, which is submitted for approval to the General Shareholders' Meeting. It is the responsibility of the Appointments and Remuneration Committee, as provided for in its Rules and Regulations, to verify the compliance with the Remuneration Policy.

In relation to the members of the Board of Directors in their position of such, the Remuneration Policy calculates their remuneration within the system put forth by statutory regulations and includes the maximum amount of annual remuneration to satisfy the group of them in their capacity of Directors.

In relation to the Directors performing executive functions (Executive Directors), the Remuneration Policy considers the amount of the annual fixed remuneration, the parameters for fixing the variable components, and the main terms and conditions of their contracts. There are no plans for there to be any Executive Board Members in 2022.

Any remuneration received by the Directors for the exercise or termination of their position and for the performance of executive functions must be consistent with the applicable Remuneration Policy at each time, except for remunerations expressly approved by the General Shareholders' Meeting.

To this end, the principles underpinning the Remuneration Policy are:

- Balance and moderation.
- Alignment with generally accepted remuneration practices.
- Generally monitoring the recommendations on good corporate governance relating to the remuneration of the Directors.
- Compatibility with (i) adequate and effective risk management, not providing incentives to take risks that are based on the

level of risk tolerated, and (ii) the Group's long-term business strategy, goals, values and interests, avoiding potential conflicts of interest, and

- Being subject to the decisions taken by the General Shareholders' Meeting.

The Remunerations Policy distinguishes the remuneration of the Directors in their capacity as such and the remuneration of the Directors for their performance of executive functions.

The remuneration of Directors as such is based on the following principles:

- Sufficiency to compensate for their dedication, skill and responsibility, but without this being so high as to compromise their independence.
- Relationship with the effective dedication.
- Connection with the responsibility and the development of their functions by the various Directors.
- Absence of variable components.
- Incentive by nature, but in measures that do not affect their independence.
- To take into account, as reference, market criteria, focusing on the remuneration foreseen for Directors of listed companies with which a comparison can be established.

With regard to the remuneration for Directors who perform executive functions are based on the following principles:

- To reward the performance of their functions with a comprehensive offer of cash and non-cash elements that meet the variety of needs and expectations in a professional environment, and that serve as a tool for the communication of organizational and business objectives.
- To align performance with the objectives of the group at different time lines, encouraging the sustainability of results.
- To recognise the capacity for creating value, as well as personal abilities and characteristics.
- To promote a culture of commitment of the group's objectives, taking into account that it is essential to have the contribution of both the individual and the team.
- To evaluate professional development and the results of activities using standardised criteria.
- To provide equitable and competitive remuneration, bearing in mind the responsibilities of the position and a flexible approach to the market, in order to attract and retain the best professionals.
- To review the systems and remuneration updates so that, the necessary adjustments can be introduced, where appropriate, addressing the results and the capacity for motivation.

In 2019, when the current Remuneration Policy was approved, a comparison was made of the remuneration of the Directors of other listed companies, with this being one of the principles on which the Directors' remuneration in their capacity as such is based.

In 2022, a Remuneration Policy will be submitted before the General Shareholders' Meeting for approval which, among other matters, will include the conditions and elements that may be the object of temporary exceptions to the policy and the procedures for applying exceptions, covering type of directors, taking into account that there are currently no Executive Board Members, and it will adapt to the provisions set forth in the Corporate Enterprises Act after the amendments incorporated by Law 5/2021, of 12 April.

**A.1.2** Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.

Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

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With regard to the multi-year variable remuneration plans for 2019, 2020 and 2021, it is impossible at the present time to determine the relative effect of the variable remuneration on the fixed remuneration of Directors with executive functions, since the variable remuneration items approved by the General Shareholders' Meeting held on 17 June 2019, 18 June 2020 and 21 June 2021 have not yet materialised, since they will be due, in each case, on the third year after their establishment, therefore they cannot be quantified.

In 2021, the relative importance of the multi-year variable remuneration generated in the period 2018-2021 and the variable annual remuneration of said period, in relation to the Fixed Remuneration for 2021 for Directors with executive functions, was 57.66%.

The Remuneration Policy anticipates that the remuneration of the Directors must save a reasonable proportion with the importance of the company, the financial position it has at any time and the comparable business market standards, to be driven by promoting the long-term profitability and sustainability of the company, incorporating the necessary precautions to prevent excessive risk taking and unfavourable results.

Fees for Directors in their capacity as such, as well as those established for their participation in the committees of the Board, are established in moderate amounts, especially if compared with those established for other listed companies.

The annual variable remuneration is based on the establishment of a series of parameters that allow the evaluation of the performance and the degree of fulfilment, as well as the deferment of half the accrued remuneration. The parameters and weighting applied are the following:

- Evolution of Alba's net asset value (NAV) over the calendar year, measured in absolute terms relative to a target (25% weighting).
- Total return to the shareholder (evolution of the NAV plus dividends), measured in relative terms to the total return for the Ibex-35 shareholder (25% weighting).
- Value drivers (50% weighting), considering as such: execution of the international strategy, tracking existing investments, analysis and execution of investments and divestitures and corporate management.

To set the multi-year variable remuneration, the following criteria are considered:

- The variable remuneration of Executive Directors shall take into account the management functions they perform and the results obtained therewith.
- For quantifying this remuneration, one must take into account the creation of value for the shareholder, according to the evolution of the net value of the company's assets.
- The Executive Directors' variable remuneration will relate to their professional performance and not simply derived from the general evolution of the markets.

To reduce exposure to excessive risks, the Board of Directors has agreed that investment and divestiture decisions are taken collectively, by the Board of Directors itself, if they exceed the two hundred million euros, or by the Investment Committee, when operations exceed the limits set by the Managing directors, who will make these decisions jointly only for amounts under twenty-five or ten million euros, depending on the investment concerned.

Thus, no Executive Director can take decisions that may involve a risk to the Company. There are no plans for there to be any Executive Board Members in 2022.

To address the Company's long-term results, the multi-year variable remuneration system for the Executive Directors and for any personnel of the Company that may be approved by the Board of Directors. is linked to the evolution of the company's net asset value (NAV), maturing three years from its approval. These plans will be drawn up at the discretion of the Company, by way of cash payments, the granting of stock options and/or shares. This remuneration is received according to the number of units allocated, to link them more directly to the value creation process for the shareholders of Corporación Financiera Alba, S.A. The maximum number of units to be awarded is established annually.

The multi-year variable remuneration system intended for the Executive Directors and the Company personnel determined by the Board of Directors does not accrue annually, so it implies a period of deferral of the payment thereof, given no payment of the relevant variable remuneration shall be paid until three years after the date the Board of Directors agrees to commence the multi-year variable remuneration system approved by the General Shareholders's Meeting. This deferral in paying multi-

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year variable remuneration allows for the fulfilment of the established conditions to be verified.

Similarly, the annual variable remuneration includes a deferment of the payment of half of the accrued amount in each period, which is converted into units over the Company's net asset value (NAV) ("phantom shares"), and which will be settled, together with the revaluation and the dividends, no earlier than five years after their accrual, and no later than eight, at the beneficiaries request.

The Remuneration Policy approved in 2019 and amended in 2020 includes a clawback agreement which will be executed in the event that (i) the variable remuneration was paid on the basis of data the inaccuracy of which is demonstrated after the time when said variable remuneration was paid (for example, on the basis of possible reservations in the external auditor's report that would reduce the results), (ii) a fraudulent action was performed by the Director, or (iii) the Director caused serious harm to the Company involving culpable or seriously negligent behaviour, the Company will be entitled to claw back from Directors discharging executive functions the corresponding components of the variable remuneration. In such a case, the claim may be made within a period of three years starting from the moment when the Company has paid the variable remuneration that is the subject of the claim.

### A.1.3 Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.

According to the Remuneration Policy in force, the remuneration of the Directors acting as such is as follows:

- The remuneration of all members of members of the Board of Directors in their capacity as such is 100,000 euros per year. 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.

The amounts indicated are fixed, not depending on the number of meetings held throughout the year. In the event that any membership of the Board of Directors does not extend throughout the year, the amounts will be prorated by quarters.

The annual amount of the fixed remuneration expected to be accrued for the Directors in their capacity as such for the 2022 is 2,055,000 (euros)

### A.1.4 Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

During this financial year, there are no executive Board Members sat on the Board of Directors, nor is it expected to appoint any during the year, therefore, no amounts will be paid under this heading.

### A.1.5 Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

During this financial year, there are no executive Board Members sat on the Board of Directors, nor is it expected to appoint any during the year, therefore, no remuneration in kind will be accrued given that the Remuneration Policy only provides such for Executive Board Members.

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### A.1.6 Amount and nature of variable components, differentiating between those established in the short and long terms.

Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

For the financial year in course, the Company does not have any Executive Board Members sat on its Board of Directors.

In accordance with the Remuneration Policy, Directors who discharge executive functions at Corporación Financiera Alba may, at the Company's discretion, be the beneficiaries of two types of variable remuneration:

#### 1) Annual variable remuneration.

This variable remuneration is based on the establishment of a series of parameters that allow the evaluation of the performance and the degree of fulfilment, as well as the deferment of half the accrued remuneration, which is converted into units based on the Company's net asset value (NAV), and which will be settled, together with the revaluation and the dividends, no earlier than five years after their accrual, and no later than eight, at the beneficiaries request.

For the generation of the "Bonus pool", a "Bonus target" is set for each beneficiary at the beginning of the year and, at the end of the year, the Board determines the degree of fulfilment of the objectives for the whole team between 0% and 125%. The "Bonus pool" is calculated by multiplying the degree of fulfilment by the total of the "Bonus targets". The targets are reviewed annually.

At the proposal by the Appointments and Remuneration Committee, and depending on the "Bonus target" and of the assessment of the performance, it will allocate the part of the "Bonus pool" earmarked for the General Directors. The remainder will be distributed in the same manner, but at the proposal by the General Directors.

In accordance with the Remuneration Policy of the Board, the maximum amount of the Variable Remuneration for all the Directors discharging executive functions is 1,000,000 euros.

In 2022, there will be no annual variable remuneration in favour of Executive Board Members, as there will be no Directors of this type.

In the case of voluntary resignations before the year-end, the right to receive the variable annual remuneration will be forfeit, and in the case that this occurs during a deferral period, at least five years will have had to have passed in order not to lose said right. In the case of dismissal, the remuneration will be forfeit, both that for the year, and any deferred remuneration. In the case of death, retirement or disability, the right to the annual variable remuneration is conserved, and it shall be settled in the month following the effective cause.

The annual variable remuneration takes into account non-financial parameters, given that the corporate governance, environmental and social matters are set out in the Investment Policy and in the Code of Ethics and Conduct of Alba, as the main guiding principles of its activity, which are taken into consideration for the assessment of the "Value Drivers" mentioned above (50% weighting).

Given the characteristics of the annual variable remuneration, and how investment and divestment decisions at the Company are made, it cannot be said that Executive Directors have a certain risk profile or that they generate a particular risk.

#### 2) Multi-year variable remuneration.

The multi-year variable remuneration plans are linked to the evolution of the Company's net asset value (NAV) and is established in favour of the executive Directors, the Directors that represent Alba in subsidiaries, investee or associated companies, the senior management and other personnel agreed by the Company. Such plans may be realised, if the Company

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so chooses, by way of cash payments, the granting of stock options and/or shares.

Currently, the present multi-year variable remuneration plans are expected to be settled in cash, although, at the Company's choosing, they may be settled by payment in shares valued at the closing of the day before they are transferred to the Directors.

When variable remuneration is in the form of stock option plans or share plans, these plans shall have the following principal characteristics: they will be issued free of charge; the settlement will be carried out by differences, and they shall be not be transferable, unless subject to exceptions.

In accordance with the Remuneration Policy applicable to the yearling course, approved by the General Shareholders' Meeting of 17 June 2019 and amended by the General Shareholders' Meeting of 18 June 2020, the variable remuneration may be established every year, and its maturity may be multi-year, and will take into account the difference between the "initial" Net Asset Value (initial NAV) and the "final" Net Asset Value (final NAV) of the Company, which shall be calculated by valuing the assets of Corporación Financiera Alba, S.A. with the criteria set by the Board of Directors, deducting the treasury stock and excluding the taxes derived from the theoretical settlement.

In order to establish the initial NAV and the final NAV of Alba, the valuation of the Company's assets shall be in accordance with the following criteria:

- The scope of consolidation will comprise Corporación Financiera Alba, S.A. and the companies in which it has a state of more than 50%.
- Listed companies: the closing share price on the day of the calculation
- Non-listed companies: the value determined in the report as at 30 June carried out by the independent expert.
- Real estate: the appraisal value as at 30 June determined by the independent expert.
- Other assets and liabilities: at book value, less the provision for the multi-year variable remuneration recognised in the company's accounts, and those of a tax nature relating to Corporation Tax.

The calculation of the initial NAV of each share will take into account the mean net asset value per share of Corporación Financiera Alba, S.A. during the ten stock exchange trading sessions prior to the "initial date" of the Plan.

The "initial day" of the Plan shall be the day agreed by the Board of Directors on which to implement the plan.

The calculation of the final NAV will take into account the mean net asset value per share of Alba during the ten stock market sessions prior to the "final date" of the Plan, which will be the date on which the number of years established in the plan counted from the "initial date" have elapsed.

The maximum amount of the Multi-year Variable Remuneration for all the Directors who perform executive functions is 9,000,000 euros per year.

In the event that upon maturity of a plan a positive result is not obtained, the initial NAV of any plan that might be approved as a successor to that which matured will be calculated with a minimum equivalent to 90% of the initial NAV of the matured plan.

The multi-year variable remuneration does not take into account non-financial parameters. The parameters described are not directly related to the performance of each Executive Director individually, but to the entity.

Given the characteristics of the variable remuneration systems, and how investment and divestment decisions at the Company are made, it cannot be said that Executive Directors have a certain risk profile or that they generate a particular risk.

In the multi-year variable remuneration plans referred to in detail in Section B.7 of this Report (referred to in 2019, 2020 and 2021), the monetary ranges for the different Plans will be as follows:

- For 2019: between 0 and 4,235,000 euros
- For 2020: between 0 and 3,736,000 euros
- For 2021: between 0 and 2,010,500 euros

Taking into account the evolution of the final net asset value, as at the date of this report, it is forecast that in 2022



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there will be an accrual of the multi-year variable remuneration corresponding to the 2019 plan, described in Section B.7.

Variable remuneration clawback agreement. The Remuneration Policy of the Board of Directors takes into account the possibility of recovering the variable remuneration paid in the event that (i) the variable remuneration is paid based on data whose inaccuracies are demonstrated after it has been paid, (ii) a fraudulent action is committed by the Director, or (iii) the Director causes serious harm to the Company due to fault or gross negligence. In these cases the Company will have the right to reclaim the reimbursement of the relevant components of the variable remuneration from the Director discharging executive functions (the claim may be presented within a period of three years counted from the moment that the Company paid the variable remuneration object of the claim).

**A.1.7** Main characteristics of long-term savings schemes. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.

Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the attainment of certain objectives or parameters relating to the director's short- or long-term performance.

The Remuneration Policy for Executive Directors contemplates two possible benefits plans, one of determined benefits and one of defined benefits, provided that the relationship is prior to or after 01-01-2017. It is outsourced with insurance companies.

In the current financial year, there are no Executive Board Members sitting on the Board of Directors who may be granted a pension scheme.

The characteristics of the two systems are detailed as follows:

### A. Defined benefit planning system.

A.1. Alternative pension system: When reaching the legal age of retirement, Directors may retire at their own request or by the decision of the Company, which, irrespective of the pension of the Social Security, shall pay an annual income and lifetime pension of 35% of the Basic Remuneration ("Retirement Pension"). If they voluntarily retire early, they will be entitled to the annual income and cited lifetime pension, accrued to that date.

A.2. Disability Pension: If the Director's permanent disability is declared, they will receive an annuity income equivalent to the Retirement Pension in the year of disability.

A.3. Widow's Pension: Should the Director die, the spouse will receive an annual income of 21% of the Fixed Remuneration that would have been received by the Director in the year of his/her death. If the Director dies while in a state of disability or when retired, the surviving spouse will receive an annual income equivalent to 60% of what the Director was receiving in the year of his/her death. The spouse's right to the Widow's Pension will be governed by Social Security rules.

A.4. Orphan's Pension: If the Director dies, and in addition to the spouse there are surviving children who may receive an Orphan's Pension, each of them will be paid, in accordance with the requirements, a pension in an amount equal to 7% of the Fixed Remuneration in the year of death. The total amount of the Widow's Pension and/or Orphan's Pension shall not exceed 35% of the sum of Fixed Remuneration that the Director would have received in the year of his/her death. For declared disabled orphans, the Orphan's Pension will remain until recovery, regardless of age. In the case of orphans with no surviving parent, the eldest of those entitled to an Orphan's Pension will also receive the income that would correspond to the spouse's Widow's Pension, and the remaining orphans the above detailed Orphan's Pension. In this case, orphans will have the right to receive the Orphan's Pension that they are entitled to until each of them reaches legal age, which will be extended to 25 years, if the beneficiaries are studying. The amount to be received by the orphans may not exceed 35% of the Fixed Remuneration that the Director would have been entitled to in the year of his/her death.

### B. Defined contribution planning system.



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B.1. Alternative pension system: Upon reaching the legal age of retirement, the Director may retire at their own request or by the decision of the Company, and shall be entitled to the mathematical provision derived from the contributions provided. The maximum of that mathematical provision will be the capital required to purchase a lifetime income (annual, fixed and reversible at 60% in favour of the spouse and 20% for each orphan, with a joint limit of 100%) this amount being 35% of the sum of the Fixed Remuneration of the year in which retirement occurs. If the Director voluntarily retires early, he/she shall be entitled to receive the above mathematical provision.

B.2. Disability pension: If the Director's permanent disability is declared, he/she shall be entitled to receive 100% of the mathematical provision calculated in B.1., in the year in which the disability occurs.

B.3. Widow's Pension: If the Director dies while active, his/her spouse will be entitled to 60% of the mathematical provision calculated in B.1., in relation to the year of death. The spouse's right to the Widow's Pension will be governed by Social Security rules.

B.4. Orphan's Pension: If the Director dies, and in addition to being survived by the spouse, there are surviving children who may receive an Orphan's Pension, each of them shall be entitled to a temporary income equal to 20% of that of the Director in a situation of retirement in accordance with B.1., and referenced to the year of death. The accumulation of Widow and Orphan benefits may not exceed 35% under any circumstances, 35% of the Fixed Remuneration paid to the Director. In the case of disabled orphans, the Orphan's Pension to be paid will remain until recovery, regardless of age. In the case of orphans with no surviving parent, the eldest of those entitled to an Orphan's Pension will also receive the income that would correspond to the spouse's Widow's Pension, and the remaining orphans the above detailed Orphan's Pension. In this case, orphans will be entitled to the Orphan's Pension that they are entitled to until each of them meets the statutory age, which will be extended to 25 years, if the beneficiaries are dedicated solely to pursue studies. The amount to be received by the orphans will not exceed the limit set in B.1.

C. The maximum amount of contributions by the Company to the planning systems shall be 1,500,000 euros per year. Accrual or receipt of benefits is not linked to the achievement of certain short or long-term objectives or parameters by the Director. As there are no Executive Board Members during the current financial year, no contributions will be paid out by the Company.

**A.1.8** Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.

In respect of the basic terms of the contracts of the Directors who carry out executive functions at the Company, the Remuneration Policy in force contains the following clauses relating to indemnification or golden parachute clauses for early termination or termination of the contractual relationship between the Company and the Director:

- If, upon ceasing to perform the executive functions assigned under contract, the Director takes on other functions that are also executive ones, the remuneration agreed upon in his contract shall be maintained, unless some other arrangement is mutually agreed on.
- If at the end of the Directorship in the performance of the executive functions a previous employment relationship resumes its validity, and the termination of that employment relationship is also decided, the remuneration to be paid in case of termination of the relationship by the will of the Company will be adjusted to labour regulations, but shall not be less than the amount of the fund constituted as a pension supplement (depending on that stipulated in the system that may be applicable), or the amount of an annuity of the Fixed Remuneration, increased by one twelfth of said annuity for each year elapsed since the date of seniority in the Group, whichever is greater.
- If, upon ceasing to perform the executive functions, the Director has not resumed any previous working relationship, the Director shall be entitled to remuneration equivalent to the amount of a year's Fixed Remuneration, plus one twelfth of the annual payment for every year that has elapsed since the date of seniority in the Group, with a maximum of two years' payment, however from that amount the amount of the fund constituted as a pension supplement (depending on that stipulated in the system that may be applicable), will be deducted, which will be fully applicable, in any case.

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- The indemnity will not be paid until the Company has been able to verify that the Director has met the performance criteria that may be established.

In addition, the following exclusivity covenants are established: The provision of services is based on the exclusive dedication of the Director, who may not provide services to any other entity, even if his activity is not concurrent with that of the company, unless he has the Company's prior consent. In the event that the exercise of other activities is authorised and these are paid, the amount of such remuneration may be deducted from the Director's remuneration, if the Company so decides when granting authorisation.

Post-contractual, non-competition or permanence agreements are not established.

As there are no Executive Board Members during the current financial year, the above provisions may not be applied.

**A.1.9** Indicate the conditions that contracts of executive directors performing senior management functions must contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as compensation or golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non- competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

The basic conditions of contracts of directors who perform executive functions at Corporación Financiera Alba are as follows:

- Contract duration: indefinite.

- Notice periods: fifteen days, as a general rule.

- Dedication: exclusive.

- Remuneration:

•Fixed remuneration: This comprises an annual fixed monetary remuneration (Fixed Remuneration) but the amounts received from the Company as a Director acting as such or for any positions or functions in subsidiaries, investees or associated companies, will also be calculated as part of the fixed remunerations, the amount of which will be deducted from the amount paid by the Company.

•Variable remuneration: Two types of variable remuneration are established. An annual variable remuneration, the calculation of which will take into account, with the weighting established for each case, the following parameters: evolution of the Company's NAV over the calendar year, total return for the shareholder, and the value drivers, such as the execution of the international strategy, tracking existing investments, analysis and execution of investments and divestitures and corporate management. Furthermore, the Director may be a beneficiary of the multi-year variable remuneration plans linked to the evolution of the Company's net asset value that may be materialised, at the Company's choosing, through cash payments, stock options vesting and/or stock delivery.

Both systems are referred to in section A.1.6 above.

•Remuneration in kind: The Directors shall be entitled to the following coverage: annual coverage from the pension system; life, accident and disability insurance; and health insurance with coverage for the Director, spouse and children.

- Compensation for early termination or cancellation of the contractual relationship between the company and the executive director: explained in the above point of this Section A.1.9.

- Recovery agreement for variable remuneration satisfied (Clawback). In the event that (i) the variable remuneration is paid based on data whose inaccuracies are demonstrated after it has been paid (e.g., based on any reservations in the external auditor's report that undermine the results), (ii) a fraudulent action is committed by the Director, or (iii) the Director causes serious harm to the Company due to fault or gross negligence, the Company shall

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have the right to claim the reimbursement of the relevant components of the variable remuneration from the Director. This claim may be executed within a period of three years of the moment when the Company made payment of the variable remuneration claimed.

The pension scheme applicable to the Directors has been outlined in Section A.1.7 of this Report.

As the Board of Directors does not have any Executive Board Members during this financial year, no remuneration under this heading will be paid out.

**A1.10.** The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position.

N/A

**A.1.11** Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.

N/A

**A.1.12.** The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

For Directors discharging executive functions, the Remuneration Policy provides for a Special Supplement so that the Board, on extraordinary grounds and subject to a report by the Appointments and Remuneration Committee, may establish a supplement in favour of one or more of these Directors, payable once only, and which may not exceed a combined total of 1,000,000 euros.

As the Board of Directors does not have any Executive Board Members during this financial year, no remuneration under this heading will be paid out.

**A.2.** Explain any significant change in the remuneration policy applicable in the current year resulting from:

- a) A new policy or an amendment to the policy already approved by the General Meeting.
- b) Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.
- c) Proposals that the Board of Directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.

Given that the Board of Directors of the Company does not have any Directors assigned executive functions during this financial year, the updates to the fixed remuneration for this class of Director provided for in the current Remuneration Policy have not been applied.

The Board of Directors intends to submit the following proposals for remuneration before the General Shareholders' Meeting: (i) proposed approval of the Remuneration Report for 2021; (ii) proposed multi-year variable remuneration approval system referenced to the net asset value (NAV) for the year 2022 (similar to that agreed in previous years) and (iii) the approval of new Remuneration Policy to adapt the existing one to the amendments introduced into the Corporate Enterprises Act by Law 5/2021 of 12 April.

**A.3.** Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

[https:// www.corporacionalba.es/en/corporate-governance/remuneration-of-the-board-of-directors/](https://www.corporacionalba.es/en/corporate-governance/remuneration-of-the-board-of-directors/)

**A.4.** Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General

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Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.

The Annual Remuneration Report for 2020 was approved by 97.14% of the votes cast during the General Shareholders' Meeting in 2021, therefore, given the percentage of the approval it is deemed unlikely that any amendment will be made to the current Remuneration Policy of the Company, however, a new Remuneration Policy will be submitted before the General Shareholders' Meeting as indicated in the Report.

### B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED

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**B.1.1** Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.

The Articles of Association refer to the remuneration of the members of the Board of Directors in their article 39.

The Appointments and Remuneration Committee issued the corresponding report on the Remuneration Policy of the Board of Directors of Corporación Financiera Alba, which submitted it to the Board of Directors, who in turn submitted it to the General Shareholders' Meeting.

The Appointments and Remuneration Committee favourably reported on the revision of the remuneration of the Executive Directors, in accordance with the Remuneration Policy in force, which were approved by the Board of Directors.

The Board of Directors favourably reported the proposed multi-year Variable Remuneration Plan, which was approved by the General Shareholders' Meeting of 21 June 2021, to be implemented by the Board of Directors, before the end of the year 2021, as reported by the Appointments and Remuneration Committee. The Variable Remuneration Plans for 2019 and 2020 were also favourably reported on and, after approval by the General Shareholders' Meetings for these years, were implemented by the Board of Directors.

The Board of Directors also confirmed the application of the annual variable remuneration set forth in the Remuneration Policy of the Board of Directors and established the weightings to determine the "Bonus pool 2021" following the proposal of the Appointments and Remuneration Committee, and within the terms of the Remuneration Policy.

In 2021, the Company did not engage external advisors for matters related to the remuneration policy.

**B.1.2** Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

In 2021, there were no deviations in the application of the remuneration policy during the financial year.

**B.1.3** Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.

No temporary exceptions were applied to the Remuneration Policy during 2021, as no procedures have been established for this purpose in the current Remuneration Policy.

**B.2.** Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks, aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued.

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Ensure that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.

In 2021, the Company has followed the principles of its Remuneration Policy approved in 2019 and amended by the General Shareholders' Meeting on 18 June 2020, as indicated in section A.2 above. The principles followed are those set out in Section A.1.1 of this report.

The remuneration paid to the Directors in their capacity as such, both for membership of the Board and the various Committees, if compared to those of comparable companies, must be considered moderate.

Fixed remuneration payouts are clear, they respond to the Remuneration Policy and their upgrade system is well known.

The annual variable remuneration was determined once the fulfilment of the objectives set for 2021 had been evaluated, which take into account, in particular, the evolution of Alba's NAV and the return for shareholders measured in relative terms, compared to the total return for the shareholder from the IBEX-35. Fifty percent of the annual variable remuneration is converted into "phantom shares" in Alba and the payment is deferred for between five and eight years.

Multi-year variable remuneration payouts have been made at the net value of the Company's share, therefore they are only paid out if there has been a positive performance. The 2018 Plan that matured in 2021 had a positive result of €5.85 per unit.

In addition, in connection with multi-year variable remuneration, this is not paid until three years have elapsed from the date the Board of Directors agrees to implement the variable remuneration system approved by the General Shareholders' Meeting, thereby verifying compliance at all times with the established conditions.

All stated circumstances ensure that the remuneration accrued are based on long-term results, which includes the Company's right to reclaim from a Director any variable remuneration received (clawback) based on the assumptions and during the period referred to in section A.1.2 of this report.

As indicated in the sections A.1.2 and A.1.6, of this report, the method of application of investment and divestiture decisions does not allow individual decisions to affect the risk profile of the Company.

**B.3.** Explain how the remuneration accrued and consolidated over the financial year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.

The remuneration accrued by the Directors in 2021 fully complies with the Company's Remuneration Policy, having applied the items set out in it and none other.

The remuneration follows the principles of the Remuneration Policy referred to in section A.1.1.1 of this Report, which contributes to the sustainable and long-term results of the company.

In the detail of the individual payouts reflected in Section C below the amounts of the concepts mentioned in the corresponding points in Section A above are listed.

The evolution of the results of the entity does not influence the fixed remuneration of the Directors (in their capacity as such or as executives). The annual variable remuneration depends on the parameters detailed in section A.1.3 of this report the performance of each beneficiary of said remuneration.

The multi-year variable remuneration: depends not so much on the Company's results as on the evolution of its net asset value (NAV).

## ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

**B.4.** Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

	Number	% of total
Votes cast	56,374,816	96.80
	Number	% of votes cast
Votes against	1,594,734	2.83
Votes in favour	54,763,182	97.14
Blank ballots		0.00
Abstentions	16,900	0.03

**B.5.** Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director and how they changed with respect to the previous year.

The calculation of the fixed components accrued during year 2021 by the Directors in their capacity as such has been carried out in accordance with the Remuneration Policy approved on 17 June 2019, and amended in 2020, without any of the amounts or nature as indicated in section A.1.3 of this Report having changed compared to the previous financial year.

Each Director receives their remuneration in accordance with the position held both on the Board of Directors and the Committees on which they sit.

**B.6.** Explain how the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year.

In determining the fixed components accrued during 2021 by the Executive Board Members, the Remuneration Policy approved on 17 June 2019 and amended by the General Shareholders' Meeting in 2020 has been applied, as well as their respective contracts and amendments. The amounts provided for by these items in the Remuneration Policy for 2019 did not vary with the amendment approved in 2020.

The Fixed Remuneration received by the Executive Directors was established by the Board at the beginning of the year, subject to a favourable report by the Appointments and Remuneration Committee, and its amount was not amended as a result of the approval of the amendment to the Remuneration Policy.

As regards 2020, the Fixed Remuneration in 2021 for the Executive Board Members, in proportion to the period of 2021 during which they held their post was increased by 1.5%.

**B.7.** Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended.

In particular:

- a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.
- b) In the case of share options and other financial instruments, the general characteristics of each plan will include information on both the conditions to acquire unconditional ownership (consolidation) and to exercise these options or financial

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instruments, including the price and term to exercise them.

- c) Each director that is a beneficiary of remunerations systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).
- d) Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration systems:

### A- Annual variable remuneration

In 2021, the Board of Directors determined the Directors that discharge executive functions who should be beneficiaries of the Annual Variable Remuneration, introduced by the Remuneration Policy of the Board of Directors of the Company, approved by the General Shareholders' Meeting on 17 June 2019 and amended by the General Shareholders' Meeting on 18 June 2020. Thus, recipient has been: José Ramón del Caño Palop, who ceased to hold the status of Director at the end of his term of office after the General Shareholders' Meeting held on 21 June 2021.

The accrual period of the Annual Variable Remuneration is one calendar year and fifty percent of the remuneration is deferred for between five and eight years.

In the event that (i) the variable remuneration is paid based on data whose inaccuracies are demonstrated after it has been paid (e.g., based on any reservations in the external auditor's report that undermine the results), (ii) a fraudulent action is committed by the Director, or (iii) the Director causes serious harm to the Company due to fault or gross negligence, the Company shall have the right to claim the reimbursement of the relevant components of the variable remuneration from the Director. In such a case, the claim may be made within a period of three years starting from the moment when the Company has paid the variable remuneration that is the subject of the claim.

### B- Remuneration in respect of participation in benefits or premiums.

Remuneration consisting of profit sharing is not established, but there is a variable remuneration for the executive Directors as established in letter A above.

### C- Basic parameters and basis for any system of annual premiums. See section A.1.

### D- Classes of directors who are beneficiaries of the annual variable remuneration.

Variable remunerations apply only to Executive Directors. At the end of 2021, there were no Executive Board Members

### E – Basis of the systems of variable remuneration, criteria for evaluation of performance, methods of evaluation and estimation of the absolute amount of the variable remunerations according to the current remunerations plan.

The annual variable remuneration is based on the establishment of a series of parameters that allow the evaluation of the performance and the degree of fulfilment, as well as the deferment of half the accrued remuneration, as detailed in Section A.1.

The method takes into account the following parameters: evolution of the Company's NAV over the calendar year, the total return for the shareholder, and the value drivers, such as the execution of the international strategy, tracking existing investments, analysis and execution of investments and divestitures and corporate management.

The amount of annual variable remuneration for the Executive Board Members in 2021 increased to 27,000 euros, corresponding to an Executive Board Member who stepped down on 21 June 2021.

### F- Periods of deferral of payment or retention of shares.

Fifty percent of the annual variable remuneration is converted into "phantom shares" in Alba and is deferred for between a minimum of five and a maximum of eight years from the moment of its accrual.

### G- Share option plans.

Share option plans are not approved.



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Explain the long-term variable components of the remuneration systems

### A- Multi-year variable remuneration plans of which the Directors are beneficiaries.

#### A.1. Plan 2018

The 2018 Plan matured on 18/6/2021, which had been approved by the General Shareholders' Meeting held on 18/6/2018, and which consisted of a variable remuneration system referenced to the net asset value of the Company, in which each beneficiary would have been allocated a determined number of units, which in the case of Executive Directors totalled 140,000 units. The multi-year variable remuneration took into account the difference between the final net asset value and the initial net asset value of the company's shares, in which, the "initial net asset value" was the mean net asset value of the shares in Alba during the 10 days prior to the "initial date" of the plan (18/6/2018), on which there was a stock exchange trading session, and the "final net asset value" was the mean net asset value of the shares in Alba during the 10 days prior to the "final date" of the plan (18/6/2021).

The characteristics detailed in the 2018 Plan can be found in Relevant Fact no. 266910, published on 18 June 2018. The Directors benefiting from this Plan were allocated the following "Units": Juan March de la Lastra, 30,000 units; Santos Martínez-Conde Gutiérrez-Barquín, 70,000 units; Juan March Juan, 20,000 units; and José Ramón del Caño Palop, 20,000 units.

The "initial net asset value" of the 2018 Plan was 75.79€/share and the "final net asset value" was 81.64 €/share, therefore, for the 2021 financial year, a multi-year variable remuneration of 5.85 €/unit corresponding to the 2018 Plan was accrued.

#### A.2. Plan 2019

The system was approved by the General Assembly held on 17-06-2019 and was implemented by agreement of the Board on the same date. Its characteristics are:

- The plan consists of a variable remuneration system referenced to the net asset value of the company.
- The Beneficiaries of the Plan are the Executive Directors and Directors that represent Alba on the Board of Directors of subsidiaries, investees or associated companies and any directors or personnel as determined by the Board. Each beneficiary is assigned a certain number of units, totalling 115,000 units for all the Directors.
- Value of the units. Each unit will grant the right to receive the difference between the "final net asset value" and the "initial net asset value" of Alba shares, where the "initial net asset value" was the mean net asset value of the shares in Alba during the 10 days prior to the "initial date" of the Plan (17/6/2019), on which there was a stock exchange trading session, and was 73.66 euros and the "final net asset value" was the mean net asset value of the shares in Alba during the 10 days prior to the "final date" of the Plan on 16/6/2022).

The maximum difference between the "final net asset value" and "initial net asset value" may not exceed 50 per cent of the "initial net asset value".

- In the event of a dilution effect caused by a capital increase, the "initial net asset value" shall be adjusted downward by the theoretical value of the preferential subscription right. A similar adjustment will occur in the event that a resolution is passed to distribute any extraordinary dividend or any other circumstance having a similar economic effect.
- Plan maturity. Maturity of the Plan will occur after three years from 17-06-2019, at which time the Company will perform the corresponding calculation and will proceed to make the payouts along with the payroll of the month. However, if the Company so chooses, the Plan may also be paid in shares, valued at the share price at the close of the day before the one on which they are transferred to the Beneficiaries.
- The rights arising from the application of the Plan are not transferable, except when due to death.
- It is a basic condition of the Plan that the beneficiary is still on the workforce or on the Board of Alba or its subsidiaries at the time the Plan matures.
- The amounts resulting from the application are considered to be "gross" and the fiscal regime currently in force shall apply to them, with the beneficiaries paying the corresponding amounts due.
- In the event that (i) the variable remuneration is paid based on data whose inaccuracies are demonstrated after it has been paid (e.g., based on any reservations in the external auditor's report that undermine the results), (ii) a fraudulent action is committed by the Director, or (iii) the Director causes serious harm to the Company due to fault or gross negligence, the Company shall have the right to claim the reimbursement of the relevant components of the variable remuneration from the Director. This claim may be executed within a period of three years of the moment when the Company made payment of

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the variable remuneration claimed.

The characteristics detailed in the 2019 Plan can be found in Relevant Fact no. 279.244, published on 17 June 2019. The Directors benefiting from this Plan were allocated the following “Units”: Juan March de la Lastra, 30,000 units; Juan March Juan, 20,000 units; Santos Martínez-Conde Gutiérrez-Barquín, 50,000 units; and José Ramón del Caño Palop, 15,000 units.

### A3. Plan 2020

The system was approved by the General Assembly held on 18-06-2020 and was implemented by agreement of the Board on the same date. Its characteristics are:

- The plan consists of a variable remuneration system linked to the performance of the Net Asset value (NAV) of the Company.
- The Beneficiaries of the Plan are the Executive Directors and Directors that represent Alba on the Board of Directors of subsidiaries, investees or associated companies and any directors or personnel as determined by the Board. Each beneficiary is assigned a certain number of units, totalling 115,000 units for all the Directors.
- Value of the units. Each unit will grant the right to receive the difference between the “final NAV” and the “initial NAV” of Alba. The calculation of which is explained in section A.1.6 of this report. Therefore, the “initial” NAV is 64.97 euros, equivalent to the mean net value of the assets of Alba during the ten trading sessions prior to the “initial day” of the Plan (01/07/2020) and the “final” NAV will be the mean net asset value per share of Alba during the ten stock market sessions prior to the “final date” of the Plan, which will be the date on which the number of years established in the plan counted from the “initial date” have elapsed (30/06/2023).

The maximum difference between the “final” NAV and the “initial” NAV may not be more than 50% of the “initial” NAV.

- In the event of a dilution effect caused by a capital increase, the “initial NAV” shall be adjusted downward by the theoretical value of the preferential subscription right. A similar adjustment will occur in the event that a resolution is passed to distribute any extraordinary dividend or any other circumstance having a similar economic effect.
- Plan maturity. The Plan will mature after three years counted from 1/7/2020, which is the “initial date” agreed by the Board of Directors. On the “final date”, the Company will perform the corresponding calculation and pay the remuneration along with the corresponding salary. This notwithstanding, the Company may also choose to settle the Plan through payment in shares valued at the quoted price at the close of the day before the date when they are transferred to the beneficiaries of the 2020 Plan.
- The rights arising from the application of the Plan are not transferable, except when due to death.
- It is a basic condition of the Plan that the beneficiary is still on the workforce or on the Board of Alba or its subsidiaries at the time the Plan matures.
- The amounts resulting from the application are considered to be “gross” and the fiscal regime currently in force shall apply to them, with the beneficiaries paying the corresponding amounts due.
- In the event that (i) the variable remuneration is paid based on data whose inaccuracies are demonstrated after it has been paid (e.g., based on any reservations in the external auditor’s report that undermine the results), (ii) a fraudulent action is committed by the Director, or (iii) the Director causes serious harm to the Company due to fault or gross negligence, the Company shall have the right to claim the reimbursement of the relevant components of the variable remuneration from the Director. This claim may be executed within a period of three years of the moment when the Company made payment of the variable remuneration claimed.

The characteristics detailed in the 2020 Plan can be found in Relevant Fact no. 2,860, communicated to the CNMV and published on 18 June 2020. The Directors benefiting from this Plan were allocated the following “Units”: Juan March de la Lastra, 30,000 units; Juan March Juan, 20,000 units; Santos Martínez-Conde Gutiérrez-Barquín, 50,000 units; and José Ramón del Caño Palop, 15,000 units.

### A4. Plan 2021

The system was approved by the General Assembly held on 21-06-2021 and was implemented by agreement of the Board on the same date. Its characteristics are:

- The plan consists of a variable remuneration system linked to the performance of the Net Asset value (NAV) of the Company.
- The Beneficiaries of the Plan are the Executive Directors and Directors that represent Alba on the Board of Directors of subsidiaries, investees or associated companies and any directors or personnel as determined by the Board. Each beneficiary is assigned a certain number of units, totalling 50,000 units for all the Directors.
- Value of the units. Each unit will grant the right to receive the difference between the “final NAV” and the “initial NAV” of Alba. Their calculation is explained in Section A.1.6 of this report. Therefore, the “initial” NAV is 80.42 euros, equivalent to the mean net value of the assets of Alba during the ten trading sessions prior to the “initial day” of the Plan (01/07/2021) and the “final” NAV will be the mean net asset value per share of Alba during the ten stock market sessions prior to the “final date” of the Plan, which will be the date on which the number of years established in the plan counted from the “initial date” have elapsed

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(30/06/2024).

The maximum difference between the “final” NAV and the “initial” NAV may not be more than 50% of the “initial” NAV.

- In the event of a dilution effect caused by a capital increase, the “initial NAV” shall be adjusted downward by the theoretical value of the preferential subscription right. A similar adjustment will occur in the event that a resolution is passed to distribute any extraordinary dividend or any other circumstance having a similar economic effect.

- Plan maturity. The Plan will mature after three years counted from 1/7/2021, which is the “initial date” agreed by the Board of Directors. On the “final date”, the Company will perform the corresponding calculation and pay the remuneration along with the corresponding salary. This notwithstanding, the Company may also choose to settle the Plan through payment in shares valued at the quoted price at the close of the day before the date when they are transferred to the beneficiaries of the 2021 Plan.

- The rights arising from the application of the Plan are not transferable, except when due to death.

- It is a basic condition of the Plan that the beneficiary is still on the workforce or on the Board of Alba or its subsidiaries at the time the Plan matures.

- The amounts resulting from the application are considered to be “gross” and the fiscal regime currently in force shall apply to them, with the beneficiaries paying the corresponding amounts due.

- In the event that (i) the variable remuneration is paid based on data whose inaccuracies are demonstrated after it has been paid (e.g., based on any reservations in the external auditor’s report that undermine the results), (ii) a fraudulent action is committed by the Director, or (iii) the Director causes serious harm to the Company due to fault or gross negligence, the Company shall have the right to claim the reimbursement of the relevant components of the variable remuneration from the Director. This claim may be executed within a period of three years of the moment when the Company made payment of the variable remuneration claimed.

The characteristics detailed in the 2021 Plan can be found in Relevant Fact no. 10115, communicated to the CNMV and published on 21 June 2021. The Directors benefiting from this Plan were allocated the following “Units”: Juan March de la Lastra, 30,000 units; and Juan March Juan, 20,000 units.

B- Remuneration in respect of participation in benefits or premiums.

Remuneration consisting of profit sharing is not established, but there is a multi-year variable remuneration for the Directors as established in letter A above.

C- Basic parameters and basis for any system of annual premiums. See section A.1.

D - Classes of directors who are beneficiaries of remuneration systems that include a variable remuneration.

The multi-year variable remuneration plans only apply to the executive Directors and the Directors that represent Alba in subsidiaries, investee or associated companies.

E – Basis of the systems of variable remuneration, criteria for evaluation of performance, methods of evaluation and estimation of the absolute amount of the variable remunerations according to the current remunerations plan.

Variable remuneration is based on the management carried out by the management team and the results obtained with it and the value created for the shareholders will be taken into consideration when quantified.

At this time, it is not possible to estimate the absolute amount of the variable remuneration of the Executive Directors with the Plans mentioned in letters A.2 to A.4. of this section.

F- Periods of deferral of payment or retention of shares.

The multi-year variable remuneration system provided for in sections A.2, A.3 and A.4 have an implicit delay of three years for it to be received.

G- Share option plans.

Share option plans are not approved.

H- Accounting.

The amount accrued in accounting terms by the Directors receiving multi-year variable remuneration in 2021 represented 2,196,000 euros, which are recognised in the Financial Statements under “Staff costs”.

The amounts effectively received in 2021 in accordance with the multi-year and annual variable remunerations are detailed in the tables in Section C.1.a.i.

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**B.8.** Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

No assumptions have occurred during the year 2021 which would have resulted in the reduction or referred to claim, although there is a provision for the corresponding reduction or claw back clauses in the Remuneration Policy and in the Contracts of the Executive Directors and Directors.

**B.9.** Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.

In Section A1.7 of this Annual Remuneration Report for 2021, the main characteristics of the two planning systems approved by the Company have been explained.

At the end of 2021, there were no Executive Board Members

**B.10.** Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.

During the 2021 financial year, the termination of Directors (either through resignation or the expiry of their term of office) did not give rise to any severance payments or any other type of payments deriving from such terminations.

**B.11.** Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

During the 2021 financial year, there were no significant changes in the contracts of those discharging senior management functions, such as executive directors.

**B.12.** Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

During the 2021 financial year, no Member of the Board has provided the Company services other than those inherent in their position, therefore accruing no supplementary remuneration.

**B.13.** Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

There are no remunerations arising from the provision of advances, credits and guarantees.

## ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

**B.14.** Itemise the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.

In 2021, the remuneration in kind accrued by all Executive Board Members was 38,596 euros, received by the Board Member José Ramón del Caño Palop, who stepped down as Board Member on 21 June 2021.

The remuneration in kind items comprised the following: annual coverage of the alternative pension system, life, accident and disability insurance, health insurance for the Director, their spouse and children under the age of 25.

The amounts corresponding to remuneration in kind for the Director are detailed in the tables in section C.1.a),i) and C.1.c) below, within the amount entered in the column relating to the “salaries” received by the Directors, as part of their salary.

**B.15.** Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director’s services to the company.

There are no remunerations of this type.

**B.16.** Explain and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director or in consideration for the performance of their executive functions and whether or not has been considered appropriate to be included among the amounts accrued under the “Other concepts” heading in Section C.

There are no other remuneration items that meet the characteristics mentioned above of a related operation or which may affect the true image of the total remuneration accrued by the directors.

**C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR**

Name	Type	Period of accrual in year 2021
CARLOS MARCH DELGADO	Proprietary Chairperson	From 01/01/2021 to 31/12/2021
JUAN MARCH DE LA LASTRA	Proprietary Vice-Chairperson	From 01/01/2021 to 31/12/2021
JUAN MARCH JUAN	Proprietary Vice-Chairperson	From 01/01/2021 to 31/12/2021
SANTOS MARTÍNEZ- CONDE GUTIÉRREZ- BARQUÍN	Other External Director	From 01/01/2021 to 31/12/2021
JOSÉ DOMINGO DE AMPUERO Y OSMA	Lead Director	From 01/01/2021 to 21/06/2021
MARÍA LUISA GUIBERT UCIN	Independent Director	From 01/01/2021 to 31/12/2021
MARÍA EUGENIA GIRÓN DÁVILA	Independent Director	From 01/01/2021 to 31/12/2021
ANA MARÍA PLAZA ARREGUI	Independent Director	From 01/01/2021 to 31/12/2021
CLAUDIA MAGALI PICKHOLZ	Independent Director	From 01/01/2021 to 31/12/2021
ANTONIO MARÍA PRADERA JÁUREGUI	Lead Director	From 01/01/2021 to 31/12/2021
RAMÓN CARNÉ CASAS	Executive Director	From 01/01/2021 to 21/06/2021
JOSÉ RAMÓN DEL CAÑO PALOP	Executive Director	From 01/01/2021 to 21/06/2021
IGNACIO DE COLMENARES BRUNET	Independent Director	From 21/06/2021 to 31/12/2021

C.1. Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year 2021	Total year 2020
CARLOS MARCH DELGADO	400		15						415	415
JUAN MARCH DE LA LASTRA	300		30			175			505	330
JUAN MARCH JUAN	300		30			117			447	330
SANTOS MARTÍNEZ- CONDE GUTIÉRREZ-BARQUÍN	100		37			409			546	1,383
JOSÉ DOMINGO DE AMPUERO Y OSMA	50		33						83	165
MARÍA LUISA GUIBERT UCIN	100		30						130	130
MARÍA EUGENIA GIRÓN DÁVILA	100		50						150	150
ANA MARÍA PLAZA ARREGUI	100		35						135	135
CLAUDIA MAGALI PICKHOLZ	100		32						132	125
ANTONIO MARÍA PRADERA JÁUREGUI	100		40						140	130
RAMÓN CARNÉ CASAS	50								50	100
JOSÉ RAMÓN DEL CAÑO PALOP	50			153		117			320	391
IGNACIO DE COLMENARES BRUNET	50		15						65	

Observations

José Domingo de Ampuero y Osma, Ramón Carné Casas and José Ramón del Caño Palop were Board Members until 21 June 2021.

- The amount corresponding to remuneration in kind for the Board Member receiving such in 2021 is included in the column “Salaries” received by the Board Members.



ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of Plan	Financial instruments start of year 2021		Financial Instruments granted during year 2021		Financial instruments vested during the year				Instruments matured but not exercise	Financial instruments at end of year 2021	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares	Gross profit of vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
JUAN MARCH DE LA LASTRA	Plan 2019	30,000						0.00			30,000	
JUAN MARCH DE LA LASTRA	Plan 2020	30,000						0.00			30,000	
JUAN MARCH DE LA LASTRA	Plan 2021			30,000				0.00			30,000	
JUAN MARCH JUAN	Plan 2019	20,000						0.00			20,000	
JUAN MARCH JUAN	Plan 2020	20,000						0.00			20,000	
JUAN MARCH JUAN	Plan 2021			20,000				0.00			20,000	

Observations

iii) Long-term savings schemes.

Name	Remuneration from vesting of rights to saving schemes
No data	

Name	Contributions for the year by the company (thousands euros)				Amount of accrued funds (thousands of euros)			
	Saving schemes with vested economic rights		Saving schemes with non-vested economic rights		Saving schemes with vested economic rights		Saving schemes with non-vested economic rights	
	Year 2021	Year 2020	Year 2021	Year 2020	Year 2021	Year 2020	Year 2021	Year 2020
JUAN MARCH DE LA LASTRA								1,303
JUAN MARCH JUAN								325

Observations
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As regards the “Long-term savings schemes” detailed in Section C.1.a).iii), the non-consolidated economic rights detailed in 2020 for the Board Members Juan March Lastra and Juan March Juan were redeemed by the Company in 2021.

iv) Details of other items

Name	Concept	Amount of remuneration
No data		

Observations

b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year 2021	Total year 2020
RAMÓN CARNÉ CASAS	268								268	486

Observations

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of Plan	Financial instruments start of year 2021		Financial Instruments granted during year 2021		Financial instruments vested during the year				Instruments matured but not exercise	Financial instruments at end of year 2021	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares	Gross profit of vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
No data												

Observations

iii) Long-term saving schemes.

Name	Remuneration from vesting of rights to saving schemes
No data	

Name	Contributions for the year by the company (thousands euros)				Amount of accrued funds (thousands of euros)			
	Saving schemes with vested economic rights		Saving schemes with non-vested economic rights		Saving schemes with vested economic rights		Saving schemes with non-vested economic rights	
	Year 2021	Year 2020	Year 2021	Year 2020	Year 2021	Year 2020	Year 2021	Year 2020
No data								

Observations

[ ]

iv) Details of other items

Name	Concept	Amount of remuneration
No data		

Observations

[ ]

c) Summary of remuneration (thousands of euros):

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

Name	Remuneration accruing in the Company					Remuneration accruing in group companies					Total in year 2021 Company + group
	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration by way of saving schemes	Other items of remuneration	Total in year 2021, company	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration by way of saving schemes	Other items of remuneration	Total in year 2021, group	
CARLOS MARCH DELGADO	415				415						415
JUAN MARCH DE LA LASTRA	505				505						505
JUAN MARCH JUAN	447				447						447
SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-	546				546						546
JOSÉ DOMINGO DE AMPUERO Y OSMA	83				83						83
MARÍA LUISA GUIBERT UCIN	130				130						130
MARÍA EUGENIA GIRÓN DÁVILA	150				150						150
ANA MARÍA PLAZA ARREGUI	135				135						135

Name	Remuneration accruing in the Company					Remuneration accruing in group companies					Total in year 2021, company + group
	Total cash remuneration	Gross profit from vested shares or financial	Remuneration by way of saving	Other items of remuneration	Total in year 2021, company	Total cash remuneration	Gross profit from vested shares or financial	Remuneration by way of saving	Other items of remuneration	Total in year 2021, group	
CLAUDIA MAGALI PICKHOLZ	132				132						132
ANTONIO MARÍA PRADERA	140				140						140
RAMÓN CARNÉ CASAS	50				50	268				268	318
JOSÉ RAMÓN DEL CAÑO PALOP	320				320						320
IGNACIO DE COLMENARES	65				65						65
TOTAL	3,118				3,118	268				268	3,386

Observations



C.2. Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Year 2021	% variation 2021/2020	Year 2020	% variation 2020/2019	Year 2019	% variation 2019/2018	Year 2018	% variation 2018/2017	Year 2017
<b>Executive directors</b>									
RAMÓN CARNÉ CASAS	50	-50.00	100	20.48	83	27.69	65	-86.95	498
JOSÉ RAMÓN DEL CAÑO PALOP	320	-18.37	392	-30.00	560	22.54	457	-26.05	618
<b>External directors</b>									
CARLOS MARCH DELGADO	415	0.00	415	46.13	284	85.62	153	6.99	143
JUAN MARCH DE LA LASTRA	505	53.03	330	-44.54	595	-28.23	829	-38.00	1,337
ANA MARÍA PLAZA ARREGUI	135	0.00	135	101.49	67	-	0	-	0
MARÍA LUISA GUIBERT UCIN	130	0.00	130	100.00	65	-	0	-	0
IGNACIO DE COLMENARES BRUNET	65	-	0	-	0	-	0	-	0
SANTOS MARTÍNEZ- CONDE GUTIÉRREZ-	547	-60.45	1,383	-6.87	1,485	35.00	1,100	-35.45	1,704
CLAUDIA MAGALI PICKHOLZ	133	6.40	125	15.74	108	20.00	90	2.27	88
ANTONIO MARÍA PRADERA JÁUREGUI	140	7.69	130	23.81	105	31.25	80	5.26	76
JOSÉ DOMINGO DE AMPUERO Y OSMA	83	-49.70	165	32.00	125	66.67	75	-1.32	76

Total amounts accrued and % annual variation									
	Year 2021	% variation 2021/2020	Year 2020	% variation 2020/2019	Year 2019	% variation 2019/2018	Year 2018	% variation 2018/2017	Year 2017
JUAN MARCH JUAN	447	35.45	330	-14.51	386	88.29	205	-54.95	455
MARÍA EUGENIA GIRÓN DÁVILA	150	0.00	150	17.19	128	17.43	109	37.97	79
<b>Consolidated results of the company</b>									
	303,000	-	-102,000	-	179,000	16.23	154,000	-67.51	474,000
<b>Average employee remuneration</b>									
	149	-5.70	158	-11.24	178	13.38	157	-14.67	184

Observations

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#### D. OTHER INFORMATION OF INTEREST

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If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

This annual remuneration report has been approved by the Board of Directors of the company in its meeting of:

[ 28/03/2022 ]

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

[ ] Yes

[ ☒ ] No