

**Circular 1/2020, of 6 October, of the Spanish National Securities Market Commission (CNMV), amending CNMV Circular 5/2013 of 12 June establishing the templates for the annual corporate governance report for listed public limited companies, savings banks and other entities that issue securities admitted to trading on official securities markets and CNMV Circular 4/2013 of 12 June establishing the templates for the annual report on remuneration of directors of listed public limited companies and members of Boards of Directors and control committees of savings banks that issue securities admitted to trading on official securities markets.**

The approval of the partial revision of the good governance code for listed companies, by resolution of the CNMV Board of 25 June 2020, requires a modification of the templates for the annual corporate governance report and the annual report on director remuneration of listed companies included, respectively, in CNMV Circular 5/2013 of 12 June establishing templates for the annual corporate governance report of listed public limited companies, savings banks and other entities that issue securities admitted to trading on official securities markets and in CNMV Circular 4/2013 of 12 June establishing the templates for the annual report on remuneration of directors of listed public limited companies and members of the Boards of Directors and control committees of savings banks that issue securities admitted to trading on official securities markets, following the amendments introduced by CNMV Circular 2/2018 of 12 June.

The changes made to the template for the annual corporate governance report mostly affect section G, where companies have to indicate their degree of compliance with corporate governance recommendations. The revision of the code has affected, to a varying extent, recommendations 2, 4, 6, 7, 8, 14, 15, 22, 24, 37, 39, 41, 42, 45, 53, 54, 55, 59, 62 and 64. Therefore, this section has been changed to reflect the amendments made to the Code.

As a result of the amendment of recommendation 2 the scope of application of section D.7 has been extended. The proposed new text applies not only to cases where the listed company's parent is also listed, but also to other cases in which the listed company is under the control of another entity, whether listed or not.

Section C.1.28 has been updated, in line with the amendment to recommendation 8, to reflect the fact that in formulating the annual financial statements, the Board of Directors must ensure that to the best of its knowledge, the accounting principles and criteria are correctly applied.

The template has also been amended to request additional information on gender diversity. In section C.1.6, companies must explain whether the measures agreed on by the nomination committee to promote gender diversity on the Board of Directors include encouraging the company to have a significant number of female senior managers. Information on the number of women in senior management is included in section C.1.14.

In the partial revision of the Code, recommendation 22 has been expanded to clarify that the rules that companies should establish obliging directors to disclose any circumstance that might harm the organisation's name or reputation, tendering their resignation where appropriate, must refer to all situations that affect them, regardless of whether they are related to their role in the company. Section C.1.36 has been adapted to reflect this change.

Likewise, recommendation 22 proposes that the board should, as soon as possible once it becomes aware of any situation affecting a director that could damage the standing and reputation of the company, assess such situation without delay and decide whether or not to take any action. Information on this subject is requested in section C.1.37 of the template for the annual corporate governance report.

The second part of section C.1.2 has been adapted to reflect the change in the text of recommendation 24, which removes some questions of interpretation that could arise from the previous wording.

Also, the term “hecho relevante” which could literally be rendered as "relevant fact", "relevant event", "significant fact" or "significant event" but was hitherto translated as "price-sensitive information" has been eliminated in accordance with the changes made to the Spanish Securities Market Act on market abuse by Royal Decree-Law 19/2018, of 23 November, on payment services and other urgent financial measures. The expression “hecho relevante” has been changed to “otra información relevante” (other relevant (or significant) information).

Lastly, a transitional provision has been included establishing the criteria for clarifying how the extent of compliance with the amended recommendations is to be disclosed in section G of the annual corporate governance report for 2020.

In the template for the annual report on director remuneration, two new headings are included in sections A.1 and B.7, so that in accordance with recommendation 59, companies must explain the criteria that they apply to verify that the conditions to which variable remuneration is linked have effectively been met.

The second final provision of Order ECC/461/2013 of 20 March establishing the content and structure of the annual corporate governance report, the annual report on director remuneration and other reporting instruments of listed public limited companies, savings banks and other entities that issue securities admitted to trading on official securities markets, empowers the CNMV to detail the content and structure of the corporate governance and directors remuneration reports, for which purpose it may establish templates in accordance with which entities must publish the aforementioned reports.

By virtue of the foregoing, the CNMV Board, in its meeting of 6 October 2020, in exercise of the powers conferred on it, following a report from its Advisory Committee, resolved:

Rule one. Amendment to *Circular 4/2013, of 12 June, of the National Securities Market Commission, establishing the templates for the annual report on remuneration of directors of listed public limited companies and of members of the Boards of Directors and control committees of savings banks that issue securities admitted to trading on official securities markets.*

Circular 4/2013, of 12 June, of the National Securities Market Commission is amended to read as follows:

One. The annual report on director remuneration of listed public limited companies, included in annex I of Appendix I to Circular 4/2013<sup>1</sup> of 12 June is replaced by the report included in annex I of Appendix I to this Circular, and must be completed in accordance with the instructions contained therein.

Two. Rule four is amended to read as follows:

Rule four. Method for filing the annual report on remuneration to the CNMV.

1. For disclosure as other relevant information, the reports provided for in Rules One and Two of this Circular must be submitted through the Electronic Register of the CNMV, in accordance with the provisions of the Resolution of the Chairman of the CNMV of 16 November 2011 creating and regulating the CNMV's Electronic Register. The reports must be filed as standardised electronic documents using the corresponding procedure available through the CIFRADO/CNMV service.
2. The foregoing filing obligation shall be deemed to be fulfilled when the entity receives a message through the CNMV's data transmission system confirming the correct inclusion of the corresponding report and, if applicable, the corresponding statistical annex.
3. Listed entities may opt to file the annual report on director remuneration in free PDF format without using the standardised electronic document, provided that they comply with the content of the template defined in Rule One. In this case, the report in the free format, together with statistical annex III, shall be disseminated as other relevant information and submitted to a consultative vote at the general shareholders' meeting.
4. Listed companies choosing to submit the report in free format must necessarily publish the annual report together with a statistical appendix conforming in format, content and structure to the template defined in statistical annex III to this Circular and submitted as a standardised electronic document through the channel

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<sup>1</sup>According to the wording of CNMV Circular 2/2018 of 12 June.

enabled for this purpose in the CIFRADOCC/CNMV service. The instructions for the template for the annual report on remuneration will also be valid for completing the statistical annex. The annual report on remuneration in free format and the statistical annex must be submitted simultaneously.

5. Savings banks that issue securities admitted to trading on official securities markets that so wish may also submit the annual report on remuneration in free PDF format, provided they respect the content of the template defined in Rule Two. Savings banks that choose to submit the report in free format do not need to submit the statistical annex.
6. Notwithstanding the provisions of the foregoing paragraphs and at the request of the entity, the CNMV, exceptionally and on justified grounds, may permit the reports provided for in Rules One and Two, together with the corresponding statistical annex III where applicable, to be submitted in the corresponding template by other means. Such permission shall not exempt the reporting entity from subsequently submitting the report and the statistical appendix if applicable, through the corresponding procedure available through the CIFRADOCC/CNMV service.

*Rule two. Amendment to CNMV Circular 5/2013 of 12 June establishing the templates for the annual corporate governance report for listed public limited companies, savings banks and other entities that issue securities admitted to trading on official securities markets.*

CNMV Circular 5/2013 of 12 June is amended to read as follows:

One. The template for the annual corporate governance report for listed public limited companies included in annex I of Appendix II to Circular 5/2013,<sup>2</sup> of 12 June, is replaced by the template included in annex I of Appendix II to this Circular.

The template for the statistical appendix included in annex V of Appendix II to Circular 4/2013 of 12 June is replaced by the template included in annex V of Appendix II to this Circular.

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<sup>2</sup>According to the wording of CNMV Circular 2/2018 of 12 June.

Two. Section 2 of Rule One is amended to read as follows:

2. Without prejudice to the foregoing, companies that do not comply with the recommendations of the Good Governance Code for Listed Companies set out below shall not be required to complete the corresponding sections of annex I:

In relation to recommendation 14, section C.1.7.

In relation to recommendation 19, section C.1.8.

In relation to recommendation 22, sections C.1.36 and C.1.37.

In relation to recommendation 27, section C.1.26.

In relation to recommendation 36, section C.1.17, paragraph two, and C.1.18.

In relation to recommendation 42.2.c), section C.1.31.

In any event, chapter “G” of the annual corporate governance report must include the necessary explanations when companies do not comply with, or only partly comply with, the recommendations of the Good Governance Code for Listed Companies.

Three. Rule six is amended to read as follows:

Rule six. Method of filing the annual corporate governance report.

1. For disclosure as other relevant information and for processing of the information for statistical purposes, as well as for the publication of the information provided for in Article 540 (5) of the recast text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010 of 2 July, the reports provided for in Rules One, Two, Three and Four of this Circular must be submitted through the Electronic Register of the CNMV, in accordance with the provisions of the Resolution of the Chairman of the CNMV of 16 November 2011 creating and regulating the CNMV's Electronic Register. The reports must be filed as standardised electronic documents or as the case may be in PDF format by entities that choose to submit reports in free format, together with the corresponding statistical annex where applicable, through the channel enabled for this purpose in the CIFRADO/CNMV service.

2. The foregoing filing obligation shall be deemed to be fulfilled when the entity receives a message through the CNMV's data transmission system confirming the correct inclusion of the corresponding report and, if applicable, the corresponding statistical annex.
3. Entities subject to the scope of the templates established in Rules One and Two, if they so desire, may submit the annual corporate governance report in free PDF format, without using the standardised electronic document, provided that they comply with the content of the template defined in the aforementioned rules. This report, together with the corresponding statistical annex if applicable, will be the one disseminated through the CNMV and forming part of the management report.
4. Entities referred to in the above paragraph that use a free format must necessarily publish the annual report with a statistical appendix conforming in format, content and structure to the template defined in annex V or VI, as appropriate, of this Circular, and submitted as a standardised electronic document through the channel enabled for this purpose in the CIFRADOCC/CNMV service. The annual corporate governance report in the free format and the corresponding statistical annex must be submitted simultaneously.
5. Savings banks that issue securities admitted to trading on official securities markets that so wish may also submit the annual corporate governance report in free PDF format, provided they respect the content of the template defined in Rule Three. Savings banks that choose to submit the annual report in free format do not need to submit the statistical annex.
6. Entities that belong to the institutional public sector must forward their annual corporate governance report in PDF format conforming to the content and format established in the template referred to by Rule Four.
7. Notwithstanding the provisions of the foregoing paragraphs and at the request of the entity, the CNMV, exceptionally and on justified grounds, may permit the reports provided for in Rules One, Two, Three and Four of this Circular to be submitted in the corresponding template by other means. Such permission shall not exempt the obliged entity from subsequently submitting the report and the

statistical annex if applicable, through the channel enabled for this purpose in the CIFRADOCC/CNMV service.

Transitional Provision. Annual Corporate Governance Report for 2020.

For purposes of the obligation to “comply or explain”, the following rules shall apply in the annual corporate governance report for 2020:

- a) Recommendations 2, 4, 7, 8, 14, 41, 42, 45, 54, 62 and 64. Compliance should be indicated if during the first six months of 2020 the terms in force prior to their amendment were complied with and at the end of the financial, the regulations of the Board of Directors or the internal policies or procedures had been adapted to the amended recommendations or, if it is necessary to amend the articles of incorporation or the regulations of the general meeting, there has been sufficient evidence of the intention of the Board of Directors to propose the corresponding change to the general meeting. Otherwise, non-compliance or partial compliance should be indicated, including the corresponding explanation.
- b) Recommendations 22, 24 and 39. Compliance should be indicated if, the circumstances referred to therein having arisen, during the first half of 2020 the recommendations were complied with in the terms in force prior to their amendment, since then the amended recommendations have been complied with and also, in the case of recommendation 22, at the end of the year the corresponding internal rules had been adapted. Otherwise, non-compliance or partial compliance should be indicated, including the corresponding explanation.
- c) Recommendations 37, 53, 55 and 59. Compliance should be indicated if at the end of 2020 the regulations of the Board of Directors or the internal policies or procedures had been adapted to the amended recommendations or, in cases where it is necessary to amend the articles of incorporation or the regulations of the general meeting, if there is sufficient evidence of the intention of the Board of Directors to propose the corresponding change to the general meeting. Otherwise, non-compliance or partial compliance should be indicated, including the corresponding explanation.



Final provision. Entry into Force.

This Circular shall enter into force on the date following the publication thereof in the “Official State Gazette” and shall be applicable to the annual corporate governance reports and the annual reports on director remuneration that reporting entities are required to file for financial years ending on or after 31 December 2020.

## **APPENDIX I:**

**Template and statistics on the Annual Report on Director Remuneration under  
Circular 4/2013, of the CNMV**

**ANNEX I TEMPLATE**  
**ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED**  
**COMPANIES**

**ISSUER IDENTIFICATION DETAILS**

YEAR END-DATE

**TAX ID (CIF)**

Company name:

Registered office:

## ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

### A REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.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:

- Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.
- Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- Information on whether any external advisors took part in this process and, if so, their identity.

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

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- 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.

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- 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.

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- 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.

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- 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.

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- 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.

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- 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.

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- 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.

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

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- 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.

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

- A new policy or an amendment to the policy already approved by the General Meeting.
- 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.
- 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.

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.

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

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

B.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.

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 and 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 and 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.

B.3 Explain how the remuneration accruing and vested during the year complies with the provisions of the current remuneration policy.

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.

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 against, if any:

	Number	% of total
Votes cast		

	Number	% of votes cast
Votes against		
Votes in favour		
Abstentions		

Remarks

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

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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.

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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:

- 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.
- In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.



- 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).
- 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.

<b>Explain the short-term variable components of the remuneration systems</b>

<b>Explain the long-term variable components of the remuneration systems</b>

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.

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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.

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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.

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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.

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

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.

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

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.

B.16 Explain any item of remuneration other than the foregoing, whatever its nature or the group company paying it, especially when this is considered a related party transaction or its settlement distort the true and fair picture of the total remuneration accrued by the director.

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

Name	Type	Period of accrual in year n
Director 1		
Director 2		

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	Per diem allowances	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year n	Total year n-1
Director 1										
Director 2										

Remarks

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

Name	Name of plan	Financial instruments at start of year n		Financial instruments granted during year n		Financial instruments vested during the year				Instrument matured but not exercised	Financial instruments at end of year n	
		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 from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
Director 1	Plan 1											
	Plan 2											

Remarks

iii) Long-term savings schemes

	Remuneration from vesting of rights to savings schemes
Director 1	

	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
Name	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights					
	Year n	Year n-1	Year n	Year n-1	Year n		Year n-1	
					Schemes with vested economic rights	Schemes with non- vested economic rights	Schemes with vested economic rights	Schemes with non- vested economic rights
Director 1								

Remarks

iv) Details of other items

Name	Item	Amount of remuneration
Director 1		

Remarks

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

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year n	Total year n-1
Director 1										
Director 2										

Remarks

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

Name	Name of plan	Financial instruments at start of year n		Financial instruments granted during year n		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year n	
		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 from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
Director 1	Plan 1											
	Plan 2											

Remarks

iii) Long-term savings schemes

	Remuneration from vesting of rights to savings schemes
Director 1	

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights					
	Year n	Year n-1	Year n	Year n-1	Year n		Year n-1	
					Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
Director 1								

Remarks

iv) Details of other items

Name	Item	Amount of remuneration
Director 1		

Remarks

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.

Remuneration accruing in the Company						Remuneration accruing in group companies				
Name	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings schemes	Other items of remuneration	Total in year n, company	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings schemes	Other items of remuneration	Total in year n. group
Director 1										
Total:										

Remarks

**D OTHER INFORMATION OF INTEREST**

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.

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This annual remuneration report was approved by the Board of Directors of the company in its meeting of \_\_\_\_\_.

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

Yes ☐ No ☐

Name or company name of any member of the Board of Directors not voting in favour of the approval of this report	Reasons (against, abstention, non attendance)	Explain the reasons

## **INSTRUCTIONS FOR COMPLETING THE ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES**

**(These instructions are applicable to both the template and the statistics of the Annual Report on Director Remuneration of Listed Public Limited Companies)**

### **General matters:**

The individualised information relating to natural or legal persons must be completed by means of the corresponding NIF (Tax ID. No), CIF (V.A.T. No.) or similar code, where applicable, without prejudice to such information's being considered non-public for the purposes of the dissemination of the annual remuneration report forming the subject of this Circular, or to its being subject, in the case of natural persons, to personal data protection regulations. In the report, specifically in section C, in general terms amounts accrued shall be provided, although when they are subject to "malus" clauses, only those amounts already vested will be included, since it will already have been verified whether or not the "malus" clauses were to be applied and the unconditional right to receive the resulting amount will have been acquired.

When criteria other than those established in the International Financial Reporting Standards (IFRS) are used to measure financial objectives or performances or to value instruments, the company must why it considers such alternative criteria to be more pertinent, how they are measured and how they are calculated from the audited financial information, and provide a reconciliation with a comparable value extracted directly from the IFRS.

Where a director has not served as such throughout the entire reporting period, the remuneration accrued by such director shall nonetheless be included in the report, which must indicate the specific dates of the start and end of the performance of that director's office.

A director's remuneration shall also include any remuneration received through other persons, that is to say, any transaction between the company and a third party when the purpose of the transaction is to remunerate or compensate the director for his or her actions as such within the company.

The tables in Sections C.1.a).i) and C.1.b).i) "Remuneration in cash" must not include remuneration deriving from share-based remuneration schemes.

### **General considerations for credit institutions and investment firms**

The sections, classifications and definitions set out below, and for the purposes of this Circular, are without prejudice to the requirements established in the prudential legislation applicable to credit institutions and investment firms.

The provisions of Section A.1, under the subheading relating to "Amount and nature of variable components", must be understood without prejudice to the fact that, for prudential purposes and with the specific features provided for in applicable legislation, the variable remuneration of credit institutions and investment firms comprises all remuneration items other than fixed remuneration, per diems, remuneration for membership of board committees and salaries, as defined in this Circular. In addition, and for the same purposes, it must be borne in mind that the variable component may not exceed one hundred percent, or two hundred percent if approved by the General Shareholders' Meeting, of the fixed component of the total remuneration of each director.

The provisions of Section A.1, under the subheading relating to "Main characteristics of long-term savings schemes", must be understood without prejudice to the fact that, for prudential purposes, discretionary pension benefits are considered to be variable remuneration.

In Section A.1, under the subheading relating to “conditions that must be met by contracts of persons exercising senior management functions as executive directors”, it must be borne in mind that such contracts, to the extent that they relate to directors of credit institutions or investment firms, must also include "malus" (reduction) clauses in respect of deferred variable remuneration and clawback clauses in respect of remuneration already paid.

If these contracts include agreements recognising the right of the executive director and/or the credit institution or investment firm to exercise early retirement from a certain age, the payments made for this item shall be considered, for prudential purposes and with such specific features as may be set out in applicable legislation, as variable remuneration, even though they are reported in the template as compensation or remuneration for savings schemes.

In the definition of remuneration mix included in this Circular, the estimation criteria applied may not entail the deferred remuneration being paid more quickly than on a proportional basis.

#### **Specific aspects:**

For the purposes of completing the annual report on director remuneration, the following definitions shall apply:

**Equivalent shares:** (i) Maximum number of shares that the director will receive if the conditions of the reference plan are met, as well as the remaining requirements, including, if applicable, the payment of a price; (ii) Maximum number of shares that will be used to calculate the final amount of the director's remuneration pursuant to the reference plan; or (iii) For plans that establish a monetary amount that must be invested in the purchase of shares at the end of the period, the equivalent shares will be estimated taking as a reference the quoted price of the shares at the date on which the board or the nomination and remuneration committee determines the corresponding monetary amount of variable remuneration.

**Contributions made during the year:** The funds contributed during the financial year to any investment, insurance or financial vehicle providing coverage to the plan (irrespective of whether the beneficiary of any benefits is the company or the director) must be calculated.

#### **Gross profit from vested shares or financial instruments:**

In the case of options on shares or other financial instruments, settlement of which is referenced to or based on the share price, the gross profit corresponding on the shares or financial instruments must be included if unconditional ownership has been acquired during the year (due to all the vesting conditions established in the plan having been met). The amount of such gross profit will be recognised at fair value or market value at the time of unconditional acquisition, without prejudice to the applicability of clawback clauses or the existence of post-vesting retention clauses or grace periods.

In the specific case where the plan consists of the direct delivery of shares during the year ("free" delivery or zero strike price), the gross profit to be disclosed as accrued remuneration in the year will include the amount resulting from multiplying the number of vested shares by their market price, which is understood as the share price at the time of vesting, when they are no longer subject to further conditions, without prejudice to the applicability of clawback clauses or the existence of post-vesting retention clauses or grace periods.

It should be noted that in such cases, where the plan provides for the delivery of shares, the amount of the accrued remuneration must include the gross amount of the shares vested during the year.

**Conditions for exercise:** The conditions applicable to the exercise of the instruments must be explained.



**Conditions and other requirements for exercise:** The conditions to which the plan is subject must be stated. If at the close of the financial year all the targets and conditions to which the financial instruments were subject have been met, but the financial instruments have not yet been exercised, this column shall indicate that “there are no requirements pending fulfilment”.

**Per diem allowances:** Total amount of the per diem allowances for attending board meetings and, if applicable, meetings of the board's delegated committees.

**Current financial year.** The current financial year is the year in which the general shareholders' meeting is held, to which the ADRR is submitted for approval, on a consultative basis.

**Amount of accrued funds:** The amount of the funds accrued in any investment, insurance or financial vehicle that provides coverage to the scheme (irrespective of whether the beneficiary of any benefits is the company or the director) and, in any case, not less than the actuarial present value of the obligation accrued in favour of the director, adjusted proportionally to the years of service effectively substantiated in the financial year relative to those required for the payment.

**Indemnification:** Any remuneration accrued by the director deriving from the termination of his or her relationship with the company, whether by way of revocation or early cessation, whether at the director's or the company's initiative, or from the termination of the contractual relationship, in the terms established between the company and the director.

**Financial instruments granted during the financial year:** Financial instruments, including shares or options and other rights in relation to shares or any other remunerative instrument linked or referenced to the value of the shares, granted to the director in accordance with an established plan, even if their ownership is subject to conditions, pursuant to the requirements established in said plan, including, among others, “malus” clauses, retention clauses or grace periods.

**Financial instruments vested during the year:** This item will comprise the number of shares or financial instruments that have vested during the financial year, even if the shares are not delivered or the instruments are not exercised until a later time, and which, accordingly, are not subject to any subsequent conditions, including "malus" clauses, without prejudice to the application of clawback clauses, or the existence of post-vesting retention clauses or grace periods.

**Remuneration mix:** In calculating the remuneration mix, entities shall take into account the fixed remuneration and the estimated amount of variable remuneration in the plans corresponding to the policy for the current financial year, regardless of whether these plans are consolidated into subsequent financial years or whether previous plans are consolidated into the current financial year.

**Other items:** Total amount of the remaining items of remuneration accrued and vested during the financial year that have not been included in the foregoing items or in any of the following sections, including those deriving from the payment by the company of life, health and accident insurance premiums, or the granting of advances, loans or guarantees, or any other remuneration in kind.

Remuneration in kind shall be valued at the market value or opportunity cost for the company of the use, consumption or obtainment of the goods, rights or services by the director.

**Exercise period:** Period during which the director may exercise the instruments of which he or she has effectively acquired ownership, or during which the rights to the appreciation of the shares will be settled. The period to be included shall be the maximum period, without prejudice to any temporary sale restrictions that may exist.

**Exercise price:** Purchase price, in euros, of the shares that the instrument gives the right to acquire, in accordance with the conditions of the plan or the value of the share, in euros, on the basis of which the rights to the appreciation of the shares are settled.

**Price of shares vested during the year:** Average quoted price of the share on the vesting date of the financial instrument.

**Fixed remuneration:** Amount of the cash payments, with a pre-established payment frequency, whether or not susceptible of consolidation over time, accrued by the director by reason of being a member of the board, irrespective of his or her actual attendance of board meetings.

**Remuneration in respect of vesting of rights to savings schemes.** This will be the amount resulting from the sum of (i) remuneration deriving from the contributions made during the financial year by the company to savings schemes, when the rights vest directly in favour of the director, as is the case with many defined contribution schemes; (ii) the amount of accrued funds that may have vested in the current financial year (economic rights deriving from savings schemes that had not yet vested at the close of the financial year prior to the reporting year); and (iii) the amount of the accrued funds of savings schemes the economic rights to which had not vested but where the scheme has come to an end during the financial year, due to the materialisation of one or more of the contingencies provided therein giving rise to payment to the beneficiary.

Vesting will occur when, once the remuneration has been accrued, it has been verified that any “malus” clauses provided (which may reduce the remuneration in full or in part) are not applicable, or if they are applied, that it is appropriate to reduce part of the remuneration, an unconditional right to receive the resulting amount being acquired, irrespective of the existence of any clawback clauses.

**Remuneration for membership of board committees:** Amount of items other than per diem allowances that are payable to directors for being members of the delegated or consultative committees of the Board, irrespective of the director's actual attendance of the meetings of said committees.

**Short-term variable remuneration:** Variable amount linked, over an accrual period of one year or less, to performance or achievement of a series of individual or group (quantitative or qualitative) targets.

For the purposes of this Circular, the director will be deemed to have accrued short-term variable remuneration on the end date of the accrual period when the objectives to which the variable remuneration was linked have been met. However, if there are “malus” clauses (which may reduce the variable remuneration in full or in part), such remuneration shall not vest or be allocated as remuneration for the year until, after the period has ended, it has been verified whether or not said clauses are to be applied. The accrual period is the period during which the performance and the achievement of the qualitative and quantitative targets set for the director for the purposes of determining the short-term variable remuneration are measured. The remuneration will vest when, once accrued, it has been verified that any “malus” clauses that may have been provided are not applicable, or if they are applied, that it is appropriate to reduce part of the variable remuneration, an unconditional right to receive the resulting variable remuneration being acquired, irrespective of the method or term stipulated for its payment or of whether payment is subject to deferral, retention, or clawback clauses.

**Long-term variable remuneration:** Variable amount linked, over an accrual period of more than one financial year, to performance or achievement of a series of individual or group (quantitative or qualitative) targets.

For the purposes of this Circular, the director will be deemed to have accrued long-term variable remuneration on the end date of the accrual period when the objectives to which the variable remuneration was linked have been met. However, if there are “malus” clauses (which may reduce the variable remuneration in full or in part), such remuneration shall not vest or be allocated as remuneration for the year until, after the period has ended, it has been verified

whether or not said clauses are to be applied. The accrual period is the period during which the performance and the achievement of the qualitative and quantitative targets set for the director for the purposes of determining the long-term variable remuneration are measured. The remuneration will vest when, once accrued, it has been verified that any “malus” clauses that may have been provided are not applicable, or if they are applied, that it is appropriate to reduce part of the variable remuneration, an unconditional right to receive the resulting variable remuneration being acquired, irrespective of the method or term stipulated for its payment or of whether payment is subject to deferral, retention, or clawback clauses.

**Long-term savings schemes:** All long-term savings schemes must be reported, including retirement and any other survivor benefits financed in whole or in part by the company, whether the contributions are made internally or externally.

Schemes with vested economic rights must be distinguished from those with non-vested economic rights.

**Group companies:** For the purposes of this Circular, the definition of group companies established in Article 42 of the Commercial Code shall apply.

**Salary:** Amount of the remuneration that is not of a variable nature and that has been accrued by the director by reason of executive functions.

**APPENDIX II:**

**Template and statistics on the Annual Corporate Governance Report under CNMV  
Circular 5/2013**

## ANNEX I TEMPLATE

### ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED PUBLIC LIMITED COMPANIES

#### ISSUER IDENTIFICATION DETAILS

YEAR END-DATE

TAX ID (CIF)

Company name:

Registered office:

**ANNUAL CORPORATE GOVERNANCE REPORT  
OF LISTED PUBLIC LIMITED COMPANIES**

**A OWNERSHIP STRUCTURE**

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

Date of last change	Share capital (euros)	Number of shares	Number of voting rights

Remarks

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

Yes ☐ No ☐

Class	Number of shares	Par value	Number of voting rights	Rights and obligations conferred

Remarks

A.2 List the company's significant direct and indirect shareholders at year end, excluding directors:

Name or company name of shareholder	% of voting rights attached to the shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	

Remarks

Breakdown of the indirect holding:

Name or company name of the indirect owner	Name or company name of the direct owner	% of voting rights attached to the shares	% of voting rights through financial instruments	% of total voting rights

Remarks

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


<b>Most significant movements</b>

- A.3 Complete the following tables on members of the company's Board of Directors holding voting rights on the company's shares:

Name or company name of director	% of voting rights attached to the shares		% of voting rights through financial instruments		% of total voting rights	% voting rights <u>that can be transmitted</u> through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect

<b>Total percentage of voting rights held by the Board of Directors</b>	
---	--

<b>Remarks</b>

Breakdown of the indirect holding:

Name or company name of director	Name or company name of the direct owner	% of voting rights attached to the shares	% of voting rights through financial instruments	% of total voting rights	% voting rights <u>that can be transmitted</u> through financial instruments

<b>Remarks</b>

- A.4 If applicable, indicate 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, with the exception of those reported in section A.6:

Name or company name of related party	Nature of relationship	Brief description

- A.5 If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its 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

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

Explain, if applicable, how the 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 their group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship / post

Remarks

A.7. Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of 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 ☐

Parties to the shareholders' agreement	% of share capital concerned	Brief description of the agreement	Expiry date of the agreement, if any

Remarks

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

Yes ☐ No ☐

Parties to the concerted action	% of share capital concerned	Brief description of the concerted action	Expiry date of the concert, if any

Remarks



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 ☐

Name or company name

Remarks

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

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital

Remarks

(\*) Through:

Name or company name of direct shareholder	Number of direct shares
Total:	

Remarks

Explain any significant changes during the year:

Explain significant changes

- 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.

--

A.11 Estimated floating capital:

	%
Estimated floating capital	

Remarks

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 ☐

Description of restrictions

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:

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.

Indicate the various share classes

## **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 ☐

	% quorum different from that established in Article 193 of the Spanish Corporate Enterprises Act for general matters	% quorum different from that established in Article 194 of the Spanish Corporate Enterprises Act for special resolutions
Quorum required at 1st call		
Quorum required at 2nd call		

Description of differences

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 ☐

Describe how it is different from the regime provided in the Spanish Corporate Enterprises Act.

	Qualified majority different from that established in Article 201.2 of the Spanish Corporate Enterprises Act for matters referred to by Article 194.1 of said Act	Other matters requiring a qualified majority
% established by the company for the adoption of resolutions		

Describe the differences

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.

--

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

	Attendance data				
Date of general meeting	% physically present	% present by proxy	% distance voting		Total
			Electronic voting	Other	
Of which floating capital:					

Remarks

- 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 ☐

Items on the agenda not approved	% vote against (*)

(\*) If the non-approval of the point was for a reason other than the votes against, this will be explained in the text part and "N/A" will be placed in the "% votes against" column.

- 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 required to attend General Meetings	
Number of shares required for voting remotely	

Remarks

- 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>Explain the decisions that must be submitted to the General Shareholders' Meeting, other than those established by law</b>

- 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.

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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	
Minimum number of directors	
Number of directors set by the general meeting	

Remarks

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 of last appointment	Election procedure	Date of birth

Total number of directors	
---------------------------	--

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 of office

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

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

**EXECUTIVE DIRECTORS**

Name or company name of director	Post in organisation chart of the company	Profile
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<b>Total number of executive directors</b>	
<b>Percentage of Board</b>	

<b>Remarks</b>

#### EXTERNAL PROPRIETARY DIRECTORS

<b>Name or company name of director</b>	<b>Name or company name of the significant shareholder represented by the director or that nominated the director</b>	<b>Profile</b>

<b>Total number of proprietary directors</b>	
<b>Percentage of Board</b>	

<b>Remarks</b>

#### EXTERNAL INDEPENDENT DIRECTORS

<b>Name or company name of director</b>	<b>Profile</b>

<b>Total number of independent directors</b>	
<b>Percentage of Board</b>	

<b>Remarks</b>

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

#### OTHER EXTERNAL DIRECTORS

Identify the other external directors, indicate the reasons why they cannot be considered either 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 related	Profile

Total number of other external directors	
Percentage of Board	

Remarks

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

Remarks

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

	Number of female directors				% of total directors for each category			
	Year n	Year n-1	Year n-2	Year n-3	Year n	Year n-1	Year n-2	Year n-3
Executive								
Proprietary								
Independent								
Other External								
Total:								

Remarks

- 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 that 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

- 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

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

- 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.

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- 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 shareholder	Reason



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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 ☐

Name or company name of shareholder	Explanation

C.1.9 Indicate the powers, if any, delegated by the Board of Directors to directors or Board committees:

Name or company name of director or committee	Brief description

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?

Remarks

C.1.11 List any directors or representatives of legal-person directors of your company who are members of the Board of Directors or representatives of legal-person directors of other companies listed on regulated markets other than group companies of which the company has been informed:

Name or company name of director	Company name of the listed entity	Position

Remarks

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 ☐

<b>Explanation of the rules and identification of the document where this is regulated</b>

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

<b>Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)</b>	
<b>Amount of pension rights accumulated by directors currently in office (thousands of euros)</b>	
<b>Amount of pension rights accumulated by former directors (thousands of euros)</b>	

<b>Remarks</b>

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

<b>Name or company name</b>	<b>Position(s)</b>

<b>Number of women in senior management</b>	
<b>Percentage of total senior management</b>	

<b>Total remuneration of senior management (thousands of euros)</b>	
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<b>Remarks</b>

C.1.15 Indicate whether the Board regulations were amended during the year:

Yes ☐ No ☐

<b>Description of amendment(s)</b>

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.

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- 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)

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.

Description of the evaluation process and areas evaluated

- 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.

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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, describe the differences.

Description of 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 ☐

Description of requirements

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

Yes ☐ No ☐

	Age limit
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<b>Chairman</b>	
<b>Managing Director/CEO</b>	
<b>Director</b>	

<b>Remarks</b>

- 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 ☐

<b>Additional requirements and/or maximum number of years of office</b>	
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- 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, briefly describe these rules.

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- 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.

<b>Number of board meetings</b>	
<b>Number of board meetings held without the chairman's presence</b>	

<b>Remarks</b>

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:

<b>Number of meetings</b>	
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<b>Remarks</b>

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

Number of meetings held by the executive committee	
Number of meetings held by the audit committee	
Number of meetings held by the nomination and remuneration committee	
Number of meetings held by the nomination committee	
Number of meeting held by the remuneration committee	
Number of meetings held by the _____ committee	

Remarks

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

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

Remarks

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:

Name	Position

Remarks

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.

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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 the secretary	Representative
Remarks	

- 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.

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- C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

Yes ☐ No ☐

Outgoing auditor	Incoming auditor

Remarks

If there were any disagreements with the outgoing auditor, explain their content:

Yes ☐ No ☐

Explanation of disagreements

- 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)			
Amount invoiced for non-audit work/Amount for audit work (in %)			

Remarks

- 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 ☐

Explanation of the reasons and direct link to the document made available to the shareholders at the time that the general meeting was called in relation to this matter

- 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		

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

Remarks

- 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

- 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 ☐

<b>Explain the rules</b>

- 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 ☐

Director's name	Nature of the situation	Remarks

Indicate whether the Board of Directors has examined the case. If so, explain with reasons whether, given the specific circumstances, it has adopted any measure, such as opening an internal enquiry, requesting the director's resignation or proposing his or her dismissal.

Indicate also whether the Board decision was backed up by a report from the nomination committee.

Yes ☐ No ☐

Decision / action taken	Reasoned explanation

- 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.

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- 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	
Type of beneficiary	Description of the agreement



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' meeting
Body authorising the clauses		

	YES	NO
Are these clauses notified to the General Shareholders' Meeting?		

Remarks

## 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:

### EXECUTIVE COMMITTEE

Name	Position	Current

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

Remarks

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.

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#### AUDIT COMMITTEE

Name	Position	Current

% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

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.

--

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	
Date of appointment of the chairperson	

Remarks

#### NOMINATION AND REMUNERATION COMMITTEE

Name	Position	Current

% of proprietary directors	
% of independent directors	
% of other external directors	
Remarks	

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.

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#### NOMINATION COMMITTEE

Name	Position	Current

% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

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.

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#### REMUNERATION COMMITTEE

Name	Position	Current

% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

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.

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----- COMMITTEE

Name	Position	Current

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

Remarks

Explain the functions assigned to this committee 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.

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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			
	Year n Number %	Year n-1 Number %	Year n-2 Number %	Year n-3 Number %
Executive committee				
Audit committee				
Nomination and Remuneration committee				
Nomination committee				
Remuneration committee				
----- committee				

Remarks

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.

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## **D RELATED PARTY AND INTRAGROUP TRANSACTIONS**

D.1 Describe, if applicable, the procedure and competent bodies for the approval of related party and intragroup transactions.

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

Name or company name of significant shareholder	Name or company name of the company or entity within its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)

Remarks

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

Name or company name of director(s) or manager(s)	Name or company name of the company or entity within its group	Relationship	Nature of the transaction	Amount (thousands of euros)

Remarks

D.4 Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the

consolidation process and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

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 transaction	Amount (thousands of euros)

Remarks

- D.5 Report any material transactions carried out by the company or entities belonging to its group with other related parties that have not been reported in the previous sections.

Company name of the related party	Brief description of the transaction	Amount (thousands of euros)

Remarks

- D.6 List 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 or significant shareholders.

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- 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 ☐


Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries have been defined publicly and precisely:

Yes ☐ No ☐

Report the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries, and identify where these aspects have been publicly reported

Identify the mechanisms in place to resolve potential conflicts of interest between the parent of the listed company and the other group companies:

Mechanisms for resolving possible conflicts of interest

## **E RISK MANAGEMENT AND CONTROL SYSTEMS**

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

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

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

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

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- E.5 Indicate which risks, including tax risks, have materialised during the year.

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- 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

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

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.

F.1.2. Indicate whether the following exist, especially in relation to the drawing up of financial information:

- 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.
- 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.
- 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.
- 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.

### **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.
- 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.

- 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.
- 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 governing body within the company that supervises the process.

### **F.3 Control activities**

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

- F.3.1. 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.
- 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.
- 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.

### **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 which the company operates.
- 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.

#### **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 ICFR. 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.
- 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.

#### **F.6 Other relevant information**

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#### **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.



### **DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS**

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.

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 ☐ 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 ☐ 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 ☐ 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 ☐ 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 ☐ 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 communicated.

Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☐

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.

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 ☐

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 30% prior to that date.

Complies ☐ Complies partially ☐ Explain ☐

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 ☐ 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 ☐ 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 ☐ 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.

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 ☐

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 ☐

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 ☐

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 ☐ Complies partially ☐ Explain ☐ Not applicable ☐

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 ☐ 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 ☐ 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 ☐ Complies partially ☐ Explain ☐

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 ☐ 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 ☐ Complies partially ☐ Explain ☐ Not applicable ☐

29. That the company should establishes 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 ☐ 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 ☐ 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 ☐ Complies partially ☐ Explain ☐

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 ☐ Complies partially ☐ Explain ☐

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 ☐ 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 ☐

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 ☐ 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.

Complies ☐ Complies partially ☐ Explain ☐

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 ☐

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 ☐

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 ☐ 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 ☐ 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 ☐ 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.
- 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 ☐ 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 ☐ 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 ☐ 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 ☐ Complies partially ☐ Explain ☐

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 ☐ 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 – care 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 ☐ Complies partially ☐ Explain ☐

48. That large-cap companies have separate nomination and remuneration committees.

Complies ☐ Explain ☐ Not applicable ☐

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 ☐ 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 ☐ 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 ☐ Complies partially ☐ Explain ☐

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 ☐

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.
- c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.

- 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 ☐

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 ☐

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 ☐ 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 ☐ 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 ☐ 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 ☐

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 ☐ 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 ☐

## **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.

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

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

Yes ☐ No ☐

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non attendance)	Explain the reasons
<b>Remarks</b>		

## **INSTRUCTIONS FOR COMPLETING THE ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED PUBLIC LIMITED COMPANIES**

**(These instructions are applicable to both the template and the statistics of the Annual Corporate Governance Report of Listed Public Limited Companies)**

The individualised information relating to natural or legal persons must be completed by means of the corresponding NIF (Tax ID. No), CIF (V.A.T. No.) or similar code, where applicable, without prejudice to such information's being considered non-public for the purposes of the dissemination of the annual corporate governance reports forming the subject of this Circular, or to its being subject, in the case of natural persons, to personal data protection regulations.

The information requested in the template, unless otherwise indicated, is the information at the close of the financial year to which the report refers.

Without prejudice to the provisions of the foregoing paragraph, even if a director or member of senior management has not performed his or her activities during the entire reporting period, the remuneration that he or she has received will be included in the corresponding section. It will also be necessary to detail the significant transactions with significant shareholders, directors or senior managers, even if they do not have said status at the end of the financial year.

Any information that has to be included in the report but that is not held by the company shall be provided on the basis of the company's knowledge, the communications that have been sent to it in compliance with applicable legal provisions and the public information included in public registers.

In each section of the report, the company may include such explanations as it considers pertinent in relation to the content thereof, provided that they are relevant and are not repetitive.

### **A OWNERSHIP STRUCTURE**

**To determine whether a relationship is significant, both quantitative and qualitative factors must be taken into account.**

**A.2** The **percentage of direct and indirect voting rights attached to the shares** shall be set out, in accordance with Royal Decree 1362/2007 of 19 October<sup>3</sup>, that is to say, when the joint position in shares and financial instruments exceeds either of the reporting thresholds.

In the case of indirect shareholdings, the direct shareholder with voting rights must be identified only when the percentage thereof represents 3% of the total of the voting rights of the issuer, or 1% if the shareholder is resident in a tax haven.

**A.3** The **percentage of direct and indirect voting rights attached to the shares** shall be set out, in accordance with Royal Decree 1362/2007 of 19 October, that is to say, the position in voting rights attached to shares and through financial instruments, irrespective of the percentage that they represent.

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<sup>3</sup> Royal Decree 1362/2007 of 19 October developing the Securities Market Act (Law 24/1988 of 28 July), with regard to the transparency requirements regarding information on issuers whose securities are admitted to trading on an official secondary market or on another regulated market of the European Union.

In the case of indirect shareholdings, the direct shareholder with voting rights must be identified only when the percentage thereof represents 3% of the total of the voting rights of the issuer, or 1% if the shareholder is resident in a tax haven.

- A.4** In the section "*Type of relationship*" in relation to the significant shareholders, indicate whether the relationship is of a family, commercial, contractual or corporate nature.

Relationships subject to the reporting requirements shall include:

Family relationships:

- a) The spouse or the person that has an analogous affective relationship.
- b) Parents, children and siblings and the respective spouses or persons with an analogous affective relationship.
- c) Parents, children and siblings of the spouse or of the person with an analogous affective relationship.

Corporate relationships:

- a) The holder of the significant shareholding that, either itself or through any intermediary, is subject to any of the situations provided for in paragraph one of Article 42 of the Commercial Code in relation to any other holder of a significant shareholding.
- b) The directors, *de iure* or *de facto*, the liquidators, and holders of powers of attorney with general powers that represent the legal person holding a significant shareholding.
- c) The companies that are holders of a significant shareholding that form part of the same corporate group and their shareholders.

Types of commercial or contractual relationships:

- a) When the significant shareholders have or have had, during the financial year covered by the annual corporate governance report, an important business relationship such as suppliers of goods or services, advisory, consultancy or audit services.
- b) When a significant shareholder is or has been, during the financial year covered by the annual corporate governance report: a director, employee, representative, holder of power of attorney or similar, of another significant shareholder.

Any relationship, other than the foregoing, between holders of significant shareholdings in the company, that is considered relevant for the purposes of the information contained in the annual corporate governance report.

This section shall not include shareholders' agreements and concerted actions among shareholders, which are already the subject of reporting by way of a specific section of the annual corporate governance report.

- A.5** In the "*Type of relationship*" section, indicate whether the relationship is of a commercial, contractual or corporate nature, in accordance with the criteria described in the foregoing paragraph.

- A.7** The term **Shareholders' Agreements** shall be deemed to include agreements that govern the exercise of voting rights in General Shareholders' Meetings or that

restrict or condition the free transfer of the shares of listed public limited companies.

In accordance with the provisions of Article 531 of the recast text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010 of 2 July, the formalisation, extension or amendment of a shareholders' agreement the purpose of which is the exercise of the voting rights in General Shareholders' Meetings or that restrict or condition the free transfer of the shares or of the convertible or exchangeable bonds in listed public limited companies must be immediately notified to the company and to the CNMV.

This communication must be accompanied by a copy of the clauses of the document that governs the voting rights or that restricts or conditions the free transfer of the shares or of the convertible or exchangeable bonds. The shareholders' agreement must be disclosed as other relevant information through the CNMV.

The "***Brief description of the agreement***" section shall also include a reference to the other relevant information reported to the CNMV (date and record number) that may be accessed in order to obtain the complete terms thereof.

Those agreements that do not have a specific maturity date must be marked as "indefinite" in the corresponding box.

The term **Concerted Action** shall be deemed to mean the formalisation of agreements or pacts with other shareholders, that give rise to the obligation to give notice of a significant shareholding, in accordance with Royal Decree 1362/2007 of 19 October and by virtue of which the parties are obliged to adopt, by means of a concerted exercise of their voting rights, a common policy in relation to the management of the company or the aim of exerting significant influence on it.

- A.8** When control over the company is exercised or may be exercised by way of a concerted action among shareholders, the "***Name or company name***" of the parties to the concert must be indicated. These particularities shall be included under "***Remarks***".
- A.11** The term "***Estimated floating capital***" shall be deemed to mean the part of the share capital that is not held by significant shareholders, members of the Board of Directors or the company itself (treasury stock). For the estimated calculation, special care must be taken to eliminate the possible duplications that may exist in relation to the information included in sections A.2, A.3, A.7 and A.9.
- A.12** The restrictions regarding the voting rights must separately set out any limitations that require a minimum number of shares in order to be able to remotely exercise and cast votes, whether by way of postal correspondence, by electronic channels or by any other similar means of communication provided for in the articles of incorporation, that guarantees the due identification of the person exercising the voting rights.

## **B** GENERAL SHAREHOLDERS' MEETING

- B.1** Indicate whether the company has established quorum percentages that differ from those established in the Spanish Corporate Enterprises Act. If so, indicate the quorum percentage required by the company, by way of both first and second call, and it must be stated whether the quorum is established in relation to any of the

general situations provided for in Article 193 or whether, to the contrary, the quorum refers to a special situation pursuant to Article 194.

- B.2** Indicate whether the company has established majorities for the adoption of resolutions that differ from those established in the Spanish Corporate Enterprises Act. If so, indicate the qualified majority percentage established by the company, and it must be stated whether the qualified majority differs from that which is established in Article 194 or whether, to the contrary, the qualified majority percentage relates to other situations for the adoption of resolutions subject to a qualified majority.
- B.8 Means of access to the website** shall be deemed to mean the specific route to the web page where the information on corporate governance and General Shareholders' Meetings is to be found.

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

- C.1.2** The table of members of the Board of Directors at the close of the financial year covered by the report must be completed.

The "***date first appointed***" of the most recent uninterrupted period of permanency of the Board member on the Board of Directors shall be indicated. The date of appointment shall be understood to mean the date of appointment as a Board member. If the date of acceptance of the office of Board member is different from the date of appointment, the date of acceptance must be indicated.

In "***Election procedure***", indicate whether the Board member was appointed by the General Shareholders' Meeting or whether the co-option system was used.

If the Board member is a legal person, its **Representative** must be identified.

The "**Date of birth**" field will not be public and will be used exclusively for statistical purposes and for automatic processing by the CNMV in order to monitor the effectiveness of the diversity policies and measures relating to the age of directors.

The "**Reason for leaving and other remarks**" field will include an explanation of the reasons, to the extent that these are known by the entity, leading to the directors identified in the table leaving, whether through resignation or by resolution of the general meeting.

In any case, for removals agreed in the General Shareholders' Meeting that have not been proposed by the Board of Directors, sufficient information must be included in order to understand the reason and the source of the proposal.

Information will also be included on the content of any statement made by the director in question with regard to his or her cessation, whether made in writing or orally.

Proper completion of this section will be considered particularly important in the case of the removal of independent directors prior to the end of their term of office.

Any additional explanations deemed appropriate may be added with regard to the information included in this section of the report.

- C.1.3** Members of the Board and their different categories: This information shall be drafted taking into account the definitions established in Article 529 *duodecies* of the Spanish Corporate Enterprises Act.

In the **Profile** of the directors, in addition to their pertinent personal and professional characteristics, any relationship, except when not relevant or material in light of quantitative and qualitative factors, that a director may have with other directors or senior managers, or with significant shareholders or shareholders represented on the Board of Directors must also be indicated. To the extent that part of this information is included in another section of the ACGR, it may be included by way of cross-reference.

- C.1.13 Global remuneration of the Board of Directors:** in this section the company shall report the remuneration of the Board of Directors during the financial year covered by the report and the funds accrued by the Board in terms of pensions, with the following details:

The remuneration shall be deemed to include the amount of the salaries, per diem allowances and remuneration of any sort, including remuneration in kind, accrued during the financial year by the members of the governing body, whatever the reason for said remuneration.

Rights accrued by the Board member in relation to pensions or the payment of life insurance premiums in respect of past and current members of the governing body. The foregoing shall include the amount of the funds accrued in any investment, insurance or financial vehicle that provides coverage to the scheme (irrespective of whether the beneficiary of any benefits is the company or the director) and, in any case, not be less than the actuarial present value of the obligation accrued in favour of the director, adjusted proportionally to the years of service effectively substantiated in the financial year relative to those required for the payment.

The amount in thousands of euros in the box ***“Remuneration of the Board of Directors”*** shall correspond to the amount that the company declares as the total accrued remuneration, as per table c) “Remuneration summary” of section C.1 – “Itemised individual remuneration accrued by each director”, of the template defined in Annex I of CNMV Circular 4/2013 of 12 June regarding the annual report on director remuneration of listed public limited companies and of members of the Board of Directors and of the control committee of savings banks that issue securities admitted to trading on official securities markets.

The amount expressed in thousands of euros in the box **“Amount of pension rights accumulated by current directors”** shall correspond to the aggregate amount of all the funds that the company declares as “Amount of accrued funds” in table iii) “Long-term savings schemes” of section C.1 – “Itemised individual remuneration accrued by each director”, of the report template defined in Annex I of CNMV Circular 4/2013 of 12 June regarding the annual report on the remuneration of the directors of listed public limited companies and of members of the Board of Directors and of the control committee of savings banks that issue securities admitted to trading on official securities markets.

The amount in thousands of euros in the box **“Amount of pension rights accumulated by former directors”** shall correspond to the accumulated pension rights of past members of the governing body to the extent that the company continues to have any type of obligation vis-à-vis said directors by virtue of the pension scheme. Past members of the governing body shall be deemed to mean

persons who ceased to be directors prior to the start of the reference period of the corresponding Annual Corporate Governance Report.

- C.1.14** The term *“senior management”* shall be deemed to mean the managers that report directly to the Board or to the chief executive of the company and, in any case, the internal auditor.

The first table shall include the members of senior management at the date of close of the financial year.

For the calculation of *“total remuneration of senior management”*, the same items of remuneration as set out in section C.1.14., in the table referring to “Remuneration of the Board of Directors”, are to be taken into account, insofar as they are applicable.

The calculation of the *“total remuneration of senior management”* shall include the remuneration of the members of senior management that have performed their functions during the complete reporting period. The foregoing calculation shall also include the remuneration that corresponds to the period in which the members of senior management have exercised their functions at any time during the financial year, although they no longer form part of the senior management at the date of close of the financial year.

Remuneration through persons other than the senior manager: The total remuneration shall also include remuneration received through persons other than the senior manager, that is to say, any transaction between the company and a third party when the purpose of said transaction is to remunerate or compensate a senior manager for his or her functions as a senior manager of the company.

- C.1.25** If the company has established an executive committee, indicate the **“number of meetings of the executive committee”** held during the year.

The **“number of meetings of the nomination and remuneration committee”** must be stated but it will not be necessary to complete the **“number of meetings of the nomination committee”** or the **“number of meetings of the remuneration committee”**.

If the company has established a nomination committee, indicate the **“number of meetings of the nomination committee”** but it will not be necessary to complete the **“number of meetings of the nomination and remuneration committee”**.

If the company has established a remuneration committee, indicate the **“number of meetings of the remuneration committee”** but it will not be necessary to complete the **“number of meetings of the nomination and remuneration committee”**.

Under **“number of meetings held by the \_\_ committee”** the company may, if it deems necessary, indicate the number of meetings held by the various delegated or consultative committees of the Board.

- C.1.26** **“Members attending in person as a % of total votes during the year”** corresponds to the result of dividing: (i) the total number of physical attendances of meetings of the Board of Directors during the financial year; by (ii) the total number of possible votes at said meetings.

The term “**members attending in person**” shall include, in addition to the members physically present at the meetings, the remote attendance at the meetings by means of data transmission that provides for the direct interaction of the Board member. For the foregoing purposes, proxy representations shall not be included as members attending in person, even when subject to specific instructions.

- C.1.27 It shall be understood that the annual individual and consolidated accounts are “**certified**” when presented to the Board of Directors with a formal declaration signed by the certifying persons declaring that said accounts reflect, in all material aspects, a true and fair view of the assets and financial position at the close of the financial year, as well as of the results of its operations and of the changes in its financial position during the financial year and contain the necessary and sufficient information for their adequate understanding, in accordance with applicable regulations.
- C.1.30 The independence of the auditors, analysts, investment banks and credit rating agencies represents a key aspect of the corporate governance structure of the company. Accordingly, it is necessary to accurately describe, in light of their particular circumstances, the specific mechanisms established to preserve this independence, especially in the case of auditors, including how the regulatory provisions have been implemented in practice.
- C.1.32 Include all work performed by the auditor or the audit firm as well as by any of the entities belonging to the same network as defined in Article 3 of the Accounts Auditing Act (Law 22/2015 of 20 July). The amounts and the percentage requested in this section shall be calculated in accordance with the criteria set out in the Accounts Auditing Act (Law 22/2015 of 20 July) and in Regulation (EU) No 537/2014 of 16 April.
- C.1.38 The information in relation to this section shall be included, except when disclosure may be seriously prejudicial to the company. The foregoing exception shall not be applicable when the company is legally required to publish said information.
- C.2.1 **Position:** The position of the Board member within the corresponding committee shall be stated: chairman, vice chairman, committee member or secretary.

In the table “\_\_\_ **committee**”, if applicable, the rest of the delegated or consultative committees must be separately listed.

The information regarding the functioning of the committees must be presented in a clear, complete and understandable way, focusing on how the issuer has exercised its powers in practice during the past year, emphasising their concrete and particular circumstances.

## **D** RELATED PARTY TRANSACTIONS

As regards definitions, criteria and types of aggregation in relation to the persons referred to in this report, the applicable rules shall be those provided in Order EHA/3050/2004 of 15 September on the reporting of related party transactions to be provided by companies issuing securities admitted for trading on official secondary markets.

The sections “name or company name of the significant shareholder” and/or “name or company name of the directors or senior managers”, must be completed only if said information is required pursuant to the terms of the Ministerial Order on related party transactions.



In order to determine whether a transaction is significant, that is, whether it constitutes a material transaction, both for the listed company and for the related party, both quantitative as well as qualitative criteria shall be taken into account and the provisions of the IFRS adopted by the Regulations of the European Union shall be applicable.

If part of the information that is requested in this section is already included in the annual financial statements or in the management report, it may be referenced, provided that said information is clear, specific and precise.

## **E RISK MANAGEMENT AND CONTROL SYSTEMS**

If part of the information that is requested in this section is already included in the management report, it may be referenced, provided that said information is clear, specific and precise.

**E.1** In this section it is necessary to explain which of the following options represents the scope of the company's Risk Management System:

1. The Risk Management System is an integral system that is continuously operative, that consolidates the management activities per business area or unit or activity, subsidiaries, geographical regions and support areas (such as, for example, human resources, marketing or management control) at a corporate level.
2. The Risk Management System is implemented at a corporate or group level, however not within the scope of the business area or activity, subsidiaries, geographical regions and support areas (such as, for example, human resources, marketing or management control) at a corporate level.
3. The Risk Management System exists at a business area level or for specific projects but does not consolidate information at a corporate or group level.
4. The company does not have a formally defined Risk Management System.

**E.4** State whether the company has a risk tolerance level (acceptable level of risk) established at a corporate level. Where appropriate, the established risk assessment process must be explained (identification, definition of tolerances and rating scale), and the relevant criteria for the assessment of the main risks and the persons involved must also be stated.

**E.5** In this section, it will be necessary to indicate which risks have materialised during the year, and the circumstances that have caused said risks must be clearly and concisely described, as well as the way in which they have affected the results of the company and its capacity to create value and whether the established response / control systems have worked properly.

## **F INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE PROCESS OF FINANCIAL REPORTING (ICFR)**

### General matters:

In June 2010, a document was published, drawn up by a group of experts, regarding recommendations for internal control of financial reporting (ICFR) for listed companies, which included, among other aspects, a catalogue of principles and good practices, a support guide to inform and supervise the ICFR and a glossary of terms and abbreviations. The foregoing document, called "Internal Control over Financial Reporting in Listed Companies" (hereinafter,

the “ICFR document”), which is currently available on the CNMV's website,<sup>4</sup> is the basis for completing the questions in Section F of this report.

The questions included in this section introduce a series of references relating to internal control practices that must be reported on in narrative form. These references are grouped together in the first five sub-sections, which correspond to the components of the internal control system. Adequate responses from the company to the questions included in these sub-sections are required to describe the level of development of the ICFR.

Additionally, companies, depending on their particular circumstances, may disclose in a sixth sub-section “Other relevant information”, other relevant information in relation to ICFR that is not set out in the previous sub-sections and that the company considers necessary for the adequate interpretation of the mechanisms forming its ICFR.

In the seventh sub-section, “External auditor’s report”, companies must indicate whether the external auditor has reviewed the information presented by the company.

The information regarding the ICFR included in the Annual Corporate Governance Report must have certain common characteristics in order to obtain the highest possible degree of specificity, conciseness, understanding and comparison. Consequently, this information must:

- Minimise the use of generalities and statements of principles. The purpose of the information is not to provide a theoretical explanation of the control objectives, but to specify the tools available for ensuring the reliability of the financial reporting.
- Avoid exhaustive descriptions of the control systems of the organisation, which would be of little use to users of the information.
- Be drafted in such a way that any user of the financial information is able to form an opinion regarding the nature of the ICFR mechanisms. Not use technical jargon, whether external or in-house, that hinders comprehensibility.
- Enable the market to assess and compare the financial information provided by the company over time and with that of other companies.
- Be of an annual nature and refer to the financial year covered by the Annual Corporate Governance Report.

#### **Applicable definitions:**

In order to enhance the utility and uniformity of the financial reporting, a glossary of terms is included below with the definitions that must be adhered to when they are used to describe the ICFR:

- Control activities/control: policies and procedures that help ensure that the guidelines established by management are being correctly implemented. The control activities, whether automatic within a reporting system or by means of manual procedures, may cover several control objectives and are applicable to different functional and organisational levels.
- Senior management: managers who report directly to the Board or to the chief executive of the company and, in any case, the internal auditor.
- Internal audit: independent and objective assurance and advisory function designed to add value and improve the operations of the organisation. Helps the organisation to attain its

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<sup>4</sup> [https://www.cnmv.es/DocPortal/Publicaciones/Grupo/Control\\_interno\\_sciifenen.pdf](https://www.cnmv.es/DocPortal/Publicaciones/Grupo/Control_interno_sciifenen.pdf).

objectives by providing a systematic and disciplined approach to assessing and improving the efficacy of the risk management, control and governance processes.

- Whistleblowing channel: direct channel of communication with the audit committee, the existence of which is disseminated, along with the means of accessing it, to all members of the organisation and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, outside the scope of the standard operating hierarchy of the organisation, for reporting any potentially serious irregularities, including those of a financial or accounting nature, or of any other kind relating to the company that are observed in the company or its group.
- Code of conduct: sets out the principles and values that govern the actions of the personnel of the organisation and their responsibilities in the case of fraud, bad practices or illegal activities, in order to establish generally accepted business ethics.
- Good governance code for listed companies: Good governance code for listed companies, approved by the CNMV Board in February 2015.
- Internal control: process carried out by the Board of Directors, management and the rest of the employees of the organisation designed to provide reasonable certainty as to the achievement of objectives within the following categories:
  - Efficacy and efficiency of operations.
  - Reliability of financial reporting.
  - Compliance with rules applicable to the company.
  - Safeguarding of assets.
- Key controls: the controls that adequately mitigate, sufficiently in advance, the existence of fraud or errors that materially affect financial reporting. The key controls include general controls at a company level and control activities selected on the basis of their mitigating effect on risks of material misstatement in the financial reporting.
- Compensatory controls: the controls that are used to meet the objective of another control that did not function adequately and that help to reduce risk to an acceptable level.
- Detective controls: the purpose of detective controls is to detect errors or irregularities that may affect financial reporting.
- Process controls: controls relating to the organisation's operating processes that are more specific than the general controls.
- General controls of the company: the general controls operate throughout the entire organisation and are generally applicable in relation to processes, transactions or applications. The general controls of the company vary in terms of precision and nature and may have a direct or indirect effect on the probability of an error's being prevented or detected in time.
- Preventive controls: their purpose is to prevent errors or irregularities that may affect financial reporting.
- Material weakness: a weakness or set of weaknesses in the ICFR that gives rise to a reasonable possibility of material misstatement in the financial reporting not being prevented or detected in time (see definition of Materiality).
- Significant weakness: a weakness or set of weaknesses in the ICFR that is less severe than a material weakness but sufficiently serious to warrant the attention of those monitoring the process of drawing up and issuing the information.

- Weakness in the ICFR: weakness in the internal control system arising because:
  - A weakness exists in the design of the system either because the controls necessary to ensure the reliability of the financial reporting are missing, or because the existing controls are not properly designed, such that, although the control works effectively, the risk is not covered.
  - A weakness exists in relation to the functioning of the system because the existing controls, although properly designed, do not operate effectively.
- Accounting policies department or area: internal group within the company that is responsible for defining the accounting policies that are subsequently applied throughout the organisation, such that the rules for preparing financial information applicable to the company are complied with, as well as for resolving doubts or conflicts in relation to their interpretation.
- Management: the person(s) with executive responsibility for carrying out the activities of the company, reporting to senior management.
- Listed companies: companies that issue securities admitted to trading on regulated markets.
- Control environment: controls that are established by the management of an organisation and are applied throughout the entire organisation and include the functions, attitudes, awareness and activities of the governing bodies and management in relation to internal control, as well as the importance of internal control within the company.
- Misstatement: includes, for the purposes of this document, any accidental or intentional act leading to information being omitted or incorrect information being presented, such that the financial reporting is not presented in accordance with the rules of preparation applicable to the company.
- Risk assessment: process for identifying and assessing the risks that affect the reliability of financial reporting and establishing the policies to address them.
- Fraud: is an intentional act committed by one or more individuals of the management of a company, or by employees or third parties, which includes the use of subterfuge for the purpose of obtaining an illegal or unfair advantage or benefit.
- Corporate risk management: process designed to identify events that may affect the organisation, manage the potential risks within the thresholds accepted by management and thus provide a reasonable degree of assurance as to the attainment of its objectives.
- Financial information: financial information means the content of the annual or interim financial statements, comprising the balance sheet, income statement, statement of changes in equity, statement of cash flows and the notes to the financial statements, as well as the accounting information contained in the management report and the interim quarterly statements.
- Information and communication: the information systems identify, compile, process and distribute the information regarding transactions and events. The communication systems serve to disseminate within the organisation the criteria, guidelines, instructions and, in general, the information that is required by the members of the organisation to understand the functions and the manner and time in which these activities must be carried out.
- Accounting policy manual: internal document of each company disseminated to all its units, containing and explaining the rules for the preparation of the financial information and how these rules must be applied to the specific operations of the company. The rules for the accounting manual are based on the standards applicable to the company (generally IFRS or the General Chart of Accounts), which have been adapted for internal use. The specific

options adopted by the company must be stated, where applicable, covering all types of transactions carried out by the company.

- **Materiality:** is the magnitude of an error or omission in the financial information that may change or influence a person's reasonable judgement.
- **Closing of accounts procedure:** process of grouping and final consolidation of information from the different units through which the company operates and recording of adjustments calculated at corporate level.
- **Disciplinary regime:** set of formal rules establishing the consequences for a member of the company of a substantiated breach of the code of conduct.
- **Risk:** the possibility that an event may occur that adversely affects the reliability of the financial information.
- **Significant risk:** a risk with a potentially material impact, requiring special attention.
- **Reasonable assurance:** however well designed and effective risk management may be, it cannot guarantee that the company's targets will be met, given its inherent limitations.
- **Internal control over financial reporting (ICFR):** the set of processes implemented by the entity's Board of Directors, audit committee, management and other personnel concerned to provide reasonable assurance as to the reliability of the financial information disclosed to the markets.
- **ICFR monitoring:** a set of activities to verify that the internal control policies and procedures implemented to ensure the reliability of financial reporting have been appropriately designed and are operating effectively, so as to provide reasonable assurance that the system is effective in preventing, detecting and correcting any material error or fraud in the financial reporting.

If the company uses these terms, or other terms that may be interpreted in a similar manner, but the mechanisms implemented do not correspond to the defined terms included in these instructions, then the company must include the necessary clarifications to provide a clear understanding of its ICFR. When terms are used that are not defined in these instructions, the specific definition of these terms must be included, when necessary, to provide the markets with an adequate understanding of the ICFR put in place by the company.

#### Specific aspects:

The purpose of the questions set out in this section is for companies to explain certain key aspects of the ICFR, indicate whether they have certain control mechanisms and, if so, describe their main characteristics.

There follows a series of comments which, in general, should be used by the company in drawing up the basic financial information to be disseminated to the markets and in order to help users to interpret and compare the information.

- F.1 The entity's control environment:** The purpose is to provide information to the market on the specific mechanisms that the company has implemented in order to maintain an internal control environment conducive to comprehensive, reliable and timely financial reporting (including the inputs used in drawing up financial information), and which acknowledges the possible existence of irregularities and provides means of detecting and remedying them.

- 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.**

Companies must include in their responses information on whether the Board of Directors has formally assumed, for example in its regulations, ultimate responsibility for the existence and maintenance of an appropriate and effective ICFR, whether these regulations and those of the audit committee include responsibility for its supervision, and whether other internal codes assign responsibility for its design and implementation to senior management.

- F.1.2. Indicate whether the following exist, especially in relation to the drawing up of financial information:**

**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, especially in regard to the process for preparing financial information.**

The company should report the main characteristics of the procedures for the design, review and updating of the organisational structure, of the lines of responsibility and authority and whether they have been documented and disseminated among all the persons who are involved in the process of drawing up financial information in the company and its consolidated group.

**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.**

In relation to the code of conduct, the company must include information regarding the form in which it is distributed, whether it has to be formally signed by its employees and the content of training given on the code.

**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.**

In relation to the main characteristics of the whistleblowing channel, the company must indicate the means of communication used (telephone, email, written correspondence,...) and must also indicate how the system ensures, as the case may be, the confidentiality of the reports submitted prior to their analysis by the members of the audit committee.

**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.**

As regards training and refresher courses, companies should provide summarised information in relation to the areas of knowledge covered, as well as other relevant quantitative information (such as the number of employees that have received training, etc.) or qualitative information.

**F.2 Assessment of financial reporting risks:** The purpose is to provide information to the market regarding the degree of development and systematisation of the process by which the company identifies the sources and risks of misstatement or irregularities in financial reporting. The activities associated with these aspects should include both routine transactions as well as less frequent and potentially complex operations.

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

In relation to the process for the identification of risks of error or fraud, companies must include in their responses the information that is requested on the established process, without its being necessary to list the risks of error or fraud that have been identified.

**F.3 Control activities:** The purpose is to provide the market with founded knowledge of the scope of the specific control activities that the company has implemented in order to mitigate the risks of misstatement or irregularities in financial reporting. Practical experience has identified the following common critical areas: (i) procedures for confirming estimates and critical judgements; (ii) functions outsourced to third parties; and (iii) the systematisation and documentation of the procedures for the closing of the accounts.

**F.3.1. 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.**

The revision and authorisation procedures referred to in this question relate to the procedures carried out by senior management and by the audit committee, prior to those reserved to the Board of Directors, as well as these last mentioned. Companies must complete this information by stating whether internal certifications exist from General Management and from the Finance Department, and companies must describe the main characteristics of the procedures established by the audit committee for the review of the financial information.

As regards the activities and controls relating to the various types of transactions that might materially affect the financial statements, companies should explain the descriptive documentation, the type of transactions covered and how they make sure that this documentation is kept up-to-date. Accordingly, the activities and controls referred to in this question are basically those established to ensure the appropriate recording, valuation, presentation and breakdown of transactions in the financial information.

As regards significant judgements, estimates and projections, the company should describe the main characteristics of the process established for submitting them to the Board of Directors, the audit committee and senior management, as well as the aspects that have been specifically discussed by these bodies or functions in the process.

**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.**

The information systems referred to in this question are the systems on which the financial reporting is based, and which are directly used in its preparation, or that are relevant in the process or control of the transactions that are set out in the financial information.

On the other hand the policies and procedures referred to in the question are those that establish how the systems and applications operate in order to: (a) maintain adequate control of access to the applications and systems; (b) establish the steps to follow in order to ensure that new applications, or existing applications when modified, adequately process the transactions and provide reliable information; and (c) establish mechanisms allowing the recovery of data in the case of loss, as well as providing continuity to the process and recording of transactions in the event of interruptions of the standard 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.**

As regards activities subcontracted to third parties, the information should refer to those involved in the execution or processing of transactions that are shown in the financial statements, or in the monitoring of their proper execution or processing and other activities that are relevant within the context of the company's ICFR.

In relation to valuations, judgements or calculations carried out by third parties, the company should indicate whether procedures exist to verify the qualifications and independence of the third party and other relevant aspects (methods used, main assumptions, etc.).

**F.4 Information and communication:** The information to be disclosed must enable the market to determine whether the company has procedures and mechanisms for transmitting the applicable criteria to personnel involved in the process of drawing up financial information, as well as the information systems used for these processes.

**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 which the company operates.**

Companies must indicate which department or area assumes this responsibility, the post held within the organisation, and whether the function is exclusive. In relation to the manual of accounting policies, the company should complete the question by including information regarding aspects such as: (i) how often the manual is updated; (ii) the main characteristics of the process; and (iii) when it was last updated.

**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.**

In relation to this question, companies must explain the essential characteristics of the computer applications used by the units and departments that the company and its group comprise, in order to provide the information that supports the financial statements, including the applications used in the process of aggregating and consolidating the information reported by the various units.



**F.5 Monitoring of the functioning of the system:** The information to be disclosed should enable readers to understand how the ICFR is supervised, in order to prevent and resolve deficiencies in its design and functioning, as well as to correct the incidents or weaknesses detected. The information to be included must relate to the supervision of the ICFR, for which the audit committee is responsible, and should reflect the activities that have been carried out during the year.

**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 ICFR. 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 activities involved in monitoring the ICFR refer to those carried out by the audit committee. The company should include in its response information as to whether these activities include (i) approval of the audit plans; (ii) establishing the persons that are to execute and implement the plans; (iii) assessment of the adequacy of the work carried out; (iv) review and assessment of the results and consideration of their impact on financial reporting; and (v) prioritisation and monitoring of corrective actions.

In relation to the internal audit functions, the company must indicate the position of the internal audit department in the organisational chart, the reporting lines of the internal audit department, its main activities and other relevant aspects (available resources, exclusivity of functions, etc.).

The disclosures regarding the scope of the assessment of the ICFR should include the extent to which the various components of the published financial information have been supervised during the year (for example, whether the process for identifying and assessing the risks of misstatement in the financial information has been evaluated; whether the practices regarding the control environment and controls on information systems have been evaluated; whether both the effectiveness of the design and the proper functioning of the system have been reviewed, etc.).

**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.**

Companies must indicate whether the audit committee has established a formal procedure that provides for the communication of significant internal control weaknesses to the bodies set out in the question, as well as whether the procedure includes the assessment and correction of their effects on financial reporting.

**F.6 Other relevant information:** Companies, depending on their particular circumstances, may set out in this section all additional information that they consider necessary for the correct and adequate interpretation of the mechanisms that comprise the ICFR, provided that they have not already been explained in the responses to the previous questions.

## F.7 External auditor's 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.**

If Section F of the ACGR, relating to the description of the main characteristics of the internal risk control and management systems as they relate to the process of issuing financial information, has been reviewed by the external auditor, in accordance with the professional guidelines established by the auditing associations,<sup>5</sup> the full report must be published as an Annex to the ACGR. Otherwise, the ACGR must contain an explanation of the reasons why the information regarding the ICFR has not been reviewed by the auditor.

Alternatively, if the auditor has carried out a broader scope review based upon generally and internationally recognised auditing standards using as a reference a widely recognised internal control framework that provides a certain level of assurance as to the design and/or functioning and/or effectiveness of the ICFR (such as, for example, the report for the purposes of due compliance with the US Sarbanes–Oxley Act), the report shall also be published as an Annex to the ACGR.

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

The company must indicate the degree in which it complies with the recommendations set down in 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.

For recommendations in the good governance code for listed companies that group together several good governance practices, the company must indicate the degree to which it complies with each individual practice. If the company does not fully comply, it must tick the "complies partially" box, and add the appropriate explanations.

Some of the recommendations of the good governance code for listed companies may not apply to some companies. In this case, the "not applicable" box should be marked.

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<sup>5</sup>This guide can be consulted on the CNMV website  
[https://www.cnmv.es/DocPortal/GUIAS\\_Perfil/Clcotizadas.pdf](https://www.cnmv.es/DocPortal/GUIAS_Perfil/Clcotizadas.pdf).

**ANNEX V - STATISTICAL ANNEX TO THE ANNUAL CORPORATE  
GOVERNANCE REPORT OF LISTED PUBLIC LIMITED COMPANIES**

**ISSUER IDENTIFICATION DETAILS**

YEAR END-DATE

TAX ID (CIF)

Company name:

Registered office:



**ANNUAL CORPORATE GOVERNANCE REPORT  
OF LISTED PUBLIC LIMITED COMPANIES - STATISTICS**

**A OWNERSHIP STRUCTURE**

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

Date of last change	Share capital (euros)	Number of shares	Number of voting rights

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

Yes ☐ No ☐

Class	Number of shares	Par value	Number of voting rights	Rights and obligations conferred

A.2 List the company's significant direct and indirect shareholders at year end, excluding directors:

Name or company name of shareholder	% of voting rights attached to the shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	

Breakdown of the indirect holding:

Name or company name of the indirect owner	Name or company name of the direct owner	% of voting rights attached to the shares	% of voting rights through financial instruments	% of total voting rights

A.3 Complete the following tables on members of the company's Board of Directors holding voting rights on the company's shares:

Name or company name of director	% of voting rights attached to the shares		% of voting rights through financial instruments		% of total voting rights	% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect

Total percentage of voting rights held by the Board of Directors	
--	--

Breakdown of the indirect holding:

Name or company name of director	Name or company name of the direct owner	% of voting rights attached to the shares	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments

A.7. Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of 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 ☐

Parties to the shareholders' agreement	% of share capital concerned	Brief description of the agreement	Expiry date of the agreement, if any

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

Yes ☐ No ☐

Parties to the concerted action	% of share capital concerned	Brief description of the concerted action	Expiry date of the concert, if any

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 ☐

Name or company name

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

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital

--	--	--

(\*) Through:

Name or company name of direct shareholder	Number of direct shares
<b>Total:</b>	

A.11 Estimated floating capital:

	%
<b>Estimated floating capital</b>	

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

Yes ☐ No ☐

## **B GENERAL SHAREHOLDERS' MEETING**

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

	Attendance data				
Date of general meeting	% physically present	% present by proxy	% distance voting		Total
			Electronic voting	Other	
Of which floating capital					

B.5 Indicate whether there has been any item on the agenda at the general meetings held during the year that has not been approved by the shareholders.

Yes ☐ No ☐

Items on the agenda not approved	% vote against

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 required to attend General Meetings	
Number of shares required for voting remotely	

## **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:

Maximum number of directors	
Minimum number of directors	
Number of directors set by the general meeting	

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 of last appointment	Election procedure	Date of birth

Total number of directors	
---------------------------	--

Indicate if any directors, whether through resignation or by agreement of the general meeting, have left the Board during the period subject to this report:

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 of office

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

#### **EXECUTIVE DIRECTORS**

Name or company name of director	Post in organisation chart of the company	Profile

Total number of executive directors	
Percentage of Board	



**EXTERNAL PROPRIETARY DIRECTORS**

Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile

Total number of proprietary directors	
Percentage of Board	

**EXTERNAL INDEPENDENT DIRECTORS**

Name or company name of director	Profile

Total number of independent directors	
Percentage of Board	

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

**OTHER EXTERNAL DIRECTORS**

Identify the other external directors, indicate the reasons why they cannot be considered either 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 related	Profile

Total number of other external directors	
Percentage of Board	

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

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

	Number of female directors				% of total directors for each category			
	Year n	Year n-1	Year n-2	Year n-3	Year n	Year n-1	Year n-2	Year n-3
Executive								
Proprietary								
Independent								
Other External								
Total:								

- C.1.11 List any directors or representatives of legal-person directors of your company who are members of the Board of Directors or representatives of legal-person directors of other companies listed on regulated markets other than group companies of which the company has been informed:

Name or company name of director	Company name of the listed entity	Position

- 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 ☐

- 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)	
Amount of pension rights accumulated by directors currently in office (thousands of euros)	
Amount of pension rights accumulated by former directors (thousands of euros)	

- 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)

<b>Number of women in senior management</b>	
Percentage of total senior management	

<b>Total remuneration of senior management (thousands of euros)</b>	
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C.1.15 Indicate whether the Board regulations were amended during the year:

Yes ☐ No ☐

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.1.23 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 ☐

<b>Additional requirements and/or maximum number of years of office</b>	
---	--

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.

<b>Number of board meetings</b>	
<b>Number of board meetings held without the chairman's presence</b>	

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.

<b>Number of meetings</b>	
---------------------------	--

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

<b>Number of meetings held by the executive committee</b>	
<b>Number of meetings held by the audit committee</b>	
<b>Number of meetings held by the nomination and remuneration committee</b>	
<b>Number of meetings held by the nomination committee</b>	
<b>Number of meeting held by the remuneration committee</b>	
<b>Number of meetings held by the _____ committee</b>	

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

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

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:

<b>Name</b>	<b>Position</b>

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:

<b>Name or company name of the secretary</b>	<b>Representative</b>

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

Yes ☐ No ☐

<b>Outgoing auditor</b>	<b>Incoming auditor</b>

If there were any disagreements with the outgoing auditor, explain their content:

Yes ☐ No ☐

<b>Explanation of disagreements</b>

- 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)			
Amount invoiced for non-audit work/Amount for audit work (in %)			

- 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 ☐

<b>Explanation of the reasons</b> and direct link to the document made available to the shareholders at the time that the general meeting was called in relation to this matter

- 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		

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

- 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 ☐

<b>Details of the procedure</b>

- 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	
Type of beneficiary	Description of the agreement

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' meeting
Body authorising the clauses		

	YES	NO
Are these clauses notified to the General Shareholders' Meeting?		

## 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:

### EXECUTIVE COMMITTEE

Name	Position	Current

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

### AUDIT COMMITTEE

Name	Position	Current

--	--

% of proprietary directors	
% of independent directors	
% of other external directors	

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	
Date of appointment of the chairperson	

#### NOMINATION AND REMUNERATION COMMITTEE

Name	Position	Current

% of proprietary directors	
% of independent directors	
% of other external directors	

#### NOMINATION COMMITTEE

Name	Position	Current

% of proprietary directors	
% of independent directors	
% of other external directors	

#### REMUNERATION COMMITTEE

Name	Position	Current

% of proprietary directors	
% of independent directors	
% of other external directors	

----- COMMITTEE

Name	Position	Current

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

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			
	Year n Number %	Year n-1 Number %	Year n-2 Number %	Year n-3 Number %
Executive committee				
Audit committee				
Nomination and Remuneration committee				
Nomination committee				
Remuneration committee				
----- committee				

## **D** RELATED PARTY AND INTRAGROUP TRANSACTIONS

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



Name or company name of significant shareholder	Name or company name of the company or entity within its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)

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

Name or company name of director(s) or manager(s)	Name or company name of the company or entity within its group	Relationship	Nature of the transaction	Amount (thousands of euros)

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

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 transaction	Amount (thousands of euros)

- D.5 Report any material transactions carried out by the company or entities belonging to its group with other related parties that have not been reported in the previous sections.

Company name of the related party	Brief description of the transaction	Amount (thousands of euros)



## DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

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.

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 ☐ 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 ☐ 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 ☐ 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

Complies ☐ 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 ☐ 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 communicated.

Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☐

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.

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 ☐

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 30% prior to that date.

Complies ☐ Complies partially ☐ Explain ☐

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 ☐ 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 ☐ 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 ☐ 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.

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 ☐

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 ☐

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 ☐

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 ☐ Complies partially ☐ Explain ☐ Not applicable ☐

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 ☐ 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 ☐ 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 ☐ Complies partially ☐ Explain ☐

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 ☐ 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 ☐ Complies partially ☐ Explain ☐ Not applicable ☐

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 ☐ 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 ☐ 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 ☐ Complies partially ☐ Explain ☐

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 ☐ Complies partially ☐ Explain ☐

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 ☐ 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 ☐

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 ☐ 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.

Complies ☐ Complies partially ☐ Explain ☐

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 ☐

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 ☐

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 ☐ 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 ☐ 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 ☐ 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.
- 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 ☐ 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 ☐ 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 ☐ 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 materialise.
- 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 ☐ Complies partially ☐ Explain ☐

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 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 ☐ 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 – care 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 ☐ Complies partially ☐ Explain ☐

48. That large-cap companies have separate nomination and remuneration committees.

Complies ☐ Explain ☐ Not applicable ☐

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 ☐ 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 ☐ 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 ☐ Complies partially ☐ Explain ☐

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 the minutes be made available to all directors.

Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☐

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 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.
  - c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.
  - 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 ☐

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 ☐

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 ☐ 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 ☐ 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 ☐ 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 ☐

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 ☐ 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 ☐

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

Yes ☐ No ☐

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non attendance)	Explain the reasons

I declare that the details included in this statistical annex coincide and are consistent with the descriptions and details included in the annual corporate governance report published by the company.



