



---

**ISSUER'S IDENTIFICATION DATA**

---

Financial year end date

[ 31/12/2023 ]

Company Tax ID No. (CIF):

[ A88130471 ]

Company name:

[ **ARIMA REAL ESTATE SOCIMI, S.A.** ]

Registered office:

[ TOREE SERRANO. C/SERRANO, 47 - 4ª PL. 28001 MADRID ]

**A. OWNERSHIP STRUCTURE**

A.1. Complete the following table on the company's share capital and voting rights attributed, including, if applicable, those corresponding to loyalty voting shares, as of the closing date of the fiscal year:

Indicate whether the Company's bylaws contain a provision for double voting for loyalty:

Yes  
 No

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
15/11/2019	284,293,760.00	28,429,376	28,429,376

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

Yes  
 No

A.2. List the direct and indirect holders of significant ownership interests at year-end, including board members with a significant ownership:

Personal or corporate name of shareholder	% voting rights allocated to shares		% voting rights held through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
IVANHOÉ CAMBRIDGE, INC.	0.00	20.29	0.00	0.00	20.29
FIDELITY SELECT PORTFOLIOS	3.55	0.00	0.00	0.00	3.55
FMR LLC	3.55	0.00	0.00	0.00	3.55
MR. LUIS ALFONSO LÓPEZ HERRERA-ORIA	0.00	5.02	0.00	0.00	5.02
THAMES RIVER CAPITAL LLC	0.00	5.01	0.00	0.00	5.01
MS. ANA PATRICIA TORRENTE BLASCO	0.00	5.00	0.00	0.00	5.00
TR PROPERTY INVESTMENT TRUST PLC	0.00	5.01	0.00	0.00	5.01
MR. VICTOR URRUTIA VALLEJO	0.00	7.95	0.00	0.00	7.95

Breakdown of indirect holdings:

Personal or corporate name of indirect holder	Personal or corporate name of direct holder	% voting rights allocated to shares	% voting rights held through financial instruments	% of total voting rights
No data available				

Please indicate the most significant movements in shareholding structure during the year:

Most significant movements
N/a.

**A.3.** List, regardless of the percentage, the shareholding at year-end of the members of the Board of Directors who hold voting rights attributed to shares of the Company or through financial instruments, excluding the Board Members identified in section A.2 above:

Personal or corporate name of board member	% voting rights allocated to shares		% voting rights held through financial instruments		% of total voting rights	% voting rights <u>that can be transmitted</u> through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
No data							

% of total voting rights held by members of the board of directors	
--	--

Breakdown of indirect holdings:

Personal or corporate name of board member	Personal or corporate name of direct holder	% voting rights allocated to shares	% voting rights held through financial instruments	% of total voting rights	% voting rights <u>that can be transmitted</u> through financial instruments
No data					

Please indicate the total percentage of voting rights represented by the Board of Directors:

% of total voting rights represented by the board of directors	0.00
--	------

- A.4. Indicate, where applicable, any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as these are known by the company, unless they are insignificant or arise from ordinary trading or exchange activities, and excluding those reported in section A.6:

Related-party name or corporate name	Type of relationship	Brief description
No data available		

- A.5. Indicate, where applicable, any commercial, contractual or corporate relationships between owners of significant shareholdings, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities:

Related-party name or corporate name	Type of relationship	Brief description
No data available		

- 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 proprietary directors.

Explain, where applicable, how significant shareholders are represented. Specifically, name the directors who have been 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 links. In particular, and where applicable, mention the existence, identity and position of directors of the listed company, or their representatives, who are in turn members of the board of directors or the representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Personal or corporate name of linked board member or representative	Name or corporate name of linked significant shareholder	Name of the significant shareholder's group company	Description relationship/position
MR. STANISLAS HENRY	IVANHOÉ CAMBRIDGE, INC.	IVANHOÉ CAMBRIDGE, INC.	Proprietary Director
MR. LUIS ALFONSO LÓPEZ	RODEX ASSET MANAGEMENT, S.L.	RODEX ASSET MANAGEMENT, S.L.	Chief Executive Director
MRS. PILAR FERNANDEZ PALACIOS	MR. VÍCTOR URRUTIA VALLEJO	ASUA INVERSIONES, S.L.	Proprietary Director

- A.7. Indicate whether the company has been notified of any shareholders' agreements pursuant to articles 530 and 531 of the Spanish Capital Companies Act. Provide a brief description and list of the shareholders bound by the agreement, as applicable:

Yes  
 No

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

Yes  
 No

Expressly indicate any amendments to or termination of such agreements or concerted actions during the year, where applicable:

**A.8.** Indicate whether any individuals or legal entity currently exercises control or could exercise control over the company in accordance with article 5 of the Spanish Securities' Market Act. If so, give details:

Yes  
 No

**A.9.** Complete the following tables on the company's treasury stock:

At year-end:

Number of shares held directly	Number of shares held indirectly (*)	% of total share capital
2.590.365		9.11

(\*) Held through:

Personal or corporate name of direct shareholder	Number of shares held directly
No data available	

Please indicate the most significant movements in shareholding structure during the year:

Most significant movements

**A.10.** Give details of the applicable conditions and time periods governing any resolutions by the general shareholders' meeting allowing the board of directors to issue, buy back and/or transfer treasury stock:

The Ordinary General Shareholders' Meeting held on 23 May 2023 agreed to authorise the acquisition of treasury stock by the Company over a period of 5 years, leaving the authorization dated 28 June 2022 without effect.

**A.11.** Estimated free float:

	%
Estimated free float	53.18

**A.12.** Give details of any restriction (statutory, legislative or of any other kind) on the transfer of securities and/or any restriction on voting rights. In particular, state whether there is any type of restriction that may make it difficult to take over control of the company through the acquisition of its shares on the market, or any rules governing prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes  
 No

**A.13.** Indicate whether the General Shareholders' Meeting has agreed to take neutralisation measures to prevent a public takeover bid under the terms of Act 6/2007.

Yes  
 No

If applicable, explain the measures adopted and the terms under which these restrictions may be lifted:

**A.14.** Indicate whether the company has issued securities that are not traded in a regulated European Union market.

Yes  
 No

If so, identify the various classes of shares and, for each class of shares, the rights and obligations they confer:

## **B. GENERAL SHAREHOLDERS' MEETING**

---

**B.1.** Indicate and detail the differences, if any, between the required quorum for convening the General Shareholders' Meeting and the quorum required in the Spanish Capital Companies Act (LSC):

Yes  
 No

**B.2.** Indicate and, where applicable, describe any differences between the company's system of adopting corporate resolutions and the framework established in the Spanish Capital Companies Act (LSC):

Yes  
 No

**B.3.** Indicate the rules governing amendments to the company's Bylaws. In particular, indicate the majorities required to amend the articles of association and, if applicable, the rules for protecting shareholders' rights when changing the articles of association.

[ The system for the adoption of resolutions refers to the LSC. ]

**B.4.** Indicate the attendance figures for the general shareholders' meetings held during the year to which this report relates and during the preceding two years:

Attendance Data						
Date of General Meeting	% attending in person	% attending by proxy	Electronic vote	% remote voting		Total
				Others		
28/05/2020	4.77	63.77	0.00	0.00		68.54
Of which, free float	0.93	34.95	0.00	0.00		35.88
29/06/2021	11.45	67.15	0.00	0.00		78.60
Of which, free float	4.22	32.99	0.00	0.00		37.21
28/06/2022	10.39	67.83	0.00	0.00		78.22
Of which, free float	3.17	32.80	0.00	0.00		35.97
23/05/23	25.86	57.27	0.00	0.00		83.13
Of which, free float	3.00	27.69	0.00	0.00		30.69

**B.5.** State whether any point on the agenda of the general shareholders' meetings during the year has not been approved by the shareholders for any reason:

Yes  
 No

**B.6.** State whether the articles of association impose any minimum requirement on the number of shares required to attend the general shareholders' meetings or to vote remotely:

Yes  
 No

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

Yes  
 No

**B.8.** Indicate the address of your company's website and the way in which corporate governance content may be accessed, along with any other information on general meetings which must be made available to shareholders on the Company website.

www.arimainmo.com

**C. COMPANY MANAGEMENT STRUCTURE**

**C.1. Board of Directors**

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

Maximum number of Directors	9
Minimum number of Directors	5
Number of directors set by the general meeting	9

C.1.2 Complete the following table with board members' details:

Personal or corporate name of board member	Representative	Category of board member	Position on the board	Date of first appointment	Date of last appointment	Election procedure
MR. STANISLAS HENRY		Proprietary	DIRECTOR	12/11/2019	23/05/23	RESOLUTION OF BOARD OF DIRECTORS
MR. LUIS ALFONSO LÓPEZ HERRERA-ORIA		Executive	CHIEF EXECUTIVE OFFICER	26/09/2018	29/06/2021	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING
MR. FERNANDO BAUTISTA SAGÜÉS		Independent	DIRECTOR	26/09/2018	29/06/2021	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING
MR. DAVID JIMÉNEZ-BLANCO CARRILLO DE ALBORNOZ		Independent	DIRECTOR	26/09/2018	29/06/2021	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING
MR. LUIS MARÍA ARREDONDO MALO		Independent	CHAIRMAN	26/09/2018	29/06/2021	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING
MRS. CHONY MARTÍN-VICENTE MAZARIEGOS		Executive	DIRECTOR	28/05/2020	23/05/23	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING
MR. CATO HENNING STONEX		Independent	DIRECTOR	26/09/2018	29/06/2021	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING
MRS. PILAR FERNANDEZ PALACIOS		Proprietary	DIRECTOR	23/05/23	23/05/23	RESOLUTION OF GENERAL SHAREHOLDER'S MEETING
MRS. CARMEN		Executive	DIRECTOR	23/05/23	23/05/23	RESOLUTION OF

BOYERO KLOSSNER						GENERAL SHAREHOLDER'S MEETING
-----------------	--	--	--	--	--	-------------------------------------

Total number of board members	9
-------------------------------	---

State if any directors have left the board of directors during the period forming the subject of this report, whether through resignation, dismissal or for any other reason:

Personal or corporate name of board member	Category of director at the time of leaving	Date of last appointment	Leaving date	Specialist committees of which he/she was a member	Indicate whether the director left before the end of their term
No data available					

C.1.3 Complete the following tables on the members of the board and their specific category:

EXECUTIVE DIRECTORS		
Personal or corporate name of board member	Position in company's organisational structure	Profile
MR. LUIS ALFONSO LÓPEZ HERRERA-ORIA	CHIEF EXECUTIVE OFFICER	Mr. Luis Alfonso López de Herrera-Oria has been the CEO of the Company since its inception. He has more than 30 years of experience in the real estate sector. He was CEO of Axiare from 2014 to 2018 and Executive Director of Prima from 1986 to 2002. During this period, Prima was listed on the Madrid Stock Exchange (1988) and, in 1990, became the largest real estate company in Spain. In 2002, he founded Rodex Asset Management with a small team of former Prima members. In 2007, the core business of Rodex was transferred to Alza Real Estate, SA, where he served as CEO and independent Director. Luis Alfonso López de Herrera-Oria has also been an independent advisor to funds such as Falcon II Real Estate, founded by Morgan Stanley and CBRE, and a former advisor to iAdvise Partners, EAFI, SL. He holds a degree in Economics and is a member of the Royal Institution of Chartered Surveyors (FRICS).
MS. CHONY MARTÍN-VICENTE MAZARIEGOS	EXECUTIVE DIRECTOR	Ms. Chony Martín Vicente-Mazariegos has been the CFO of the Company since its inception and is a member of the Board of Directors. She has more than 25 years of experience in Financial Management, Corporate Development and in the areas of Regulatory Compliance and ESG. She is currently an Independent Director at OPDEnergy - an independent renewable energy producer - where she is Chair of the Nomination and Remuneration Committee and a member of the Audit and Control Committee. Previously, she was CFO of Axiare from 2014 to 2018, as well as Director of Investor Relations until 2016. From 1998 to 2002, she worked at Prima as part of Luis Alfonso López de Herrera-Oria's team. Subsequently, she joined Redevco as CFO with responsibility for Spain, Portugal and Italy within a €7.5 billion portfolio. She holds a degree in Business Administration and Economics from the Complutense University in Madrid and has also participated in various leadership and management programmes at IESE, ESADE and IMD, with a special focus on Boards of Directors and ESG. She is currently a lecturer at the Instituto de Empresa (IE) and a member of the Royal Institution of Chartered Surveyors (MRICS).

MRS. CARMEN BOYERO KLOSSNER	EXECUTIVE DIRECTOR	<p>Carmen Boyero-Klossner is a co-founder partner of Árima and member of Árima's executive team since inception. She has more than 20 years of international business experience, with a particular focus on capital markets.</p> <p>She is part of Luis Alfonso López de Herrera-Oria's team since 2015 - previously at Axiare, currently at Árima – shaping the strategy, market positioning and business plan, driving the corporate communication, and establishing relationships with investors worldwide. Prior to that, she was Senior Equity Research Analyst in London, at Lehman Brothers (later Nomura), in one of the top-ranked European equity research teams. She also worked in Swisscom's Strategy division in Switzerland.</p> <p>Carmen holds an MSc in Telecommunications Engineering from the Universidad Politécnica de Madrid and an MBA from the London Business School. She has completed a number of executive education programs in highly regarded institutions, including INSEAD and UCLA, with a particular focus on Boards and Corporate Governance. She is a Chartered Financial Analyst (CFA) since 2013 and member of the Royal Institution of Chartered Surveyors (MRICS) since 2019.</p>
-----------------------------	--------------------	--

Total number of Executive Directors	3
% of the Board	33.33

EXTERNAL PROPRIETARY DIRECTORS		
Personal or corporate name of board member	Individual or corporate name of the significant shareholder that he/she represents or that proposed his/her appointment	Profile
MR. STANISLAS HENRY	IVANHOÉ CAMBRIDGE, INC.	<p>Mr. Stanislas Henry is an independent non-executive director of the Company. He is a French citizen and resident and holds an MBA from INSEAD (1996). He is currently Vice President of Ivanhoé Cambridge Europe, where he heads all Operations and Strategic Alliances in Europe. He started his career in Corporate Finance at Paribas Group from 1988 to 1995, holding positions in branches of this group in Paris (Project and media financing), London (LBO financing) and New York (European Corporate Desk). He then spent five years at GE Capital and GE Real Estate in London and Paris in business development functions, contributing to GE's increased presence in European real estate markets (in France, UK, Spain and Italy). After a year in the M&amp;A and Treasury functions of Allianz France (ex AGF), he joined Credit Agricole Group where he led M&amp;A activities in the real estate sectors from 2002 to 2008 within CA CIB. He eventually joined Amundi Real Estate, the Asset Management arm of Credit Agricole Group, where he created the institutional real estate funds department, developing this activity to reach €12Bn of AUM real estate assets across Europe. He joined Ivanhoé Cambridge in May 2019.</p>
MRS. PILAR FERNANDEZ PALACIOS	ASUA INVERSIONES, S.L.	<p>Ms. Pilar Fernández Palacios holds a degree in Business Administration and Management and in Law from the Universidad Pontificia de Comillas (ICADE E-3). She began her professional career in 1997 in Paribas' investment banking department in London. Between 2000 and 2002 she participated in numerous corporate transactions within Lazard's mergers and acquisitions department in London. Between 2002 and 2007 she was equity research analyst covering several sectors at pan-European level for Fidelity Investments in London. Between 2007 and 2013 she was Director of Barclays Wealth in Madrid. Since 2013 she has been Financial Director of Asúa Inversiones, a Family Office focused primarily on the acquisition of minority stakes with a long-term horizon. She has participated in the investment and divestment processes of both listed and unlisted companies, and has supervised the development of such companies through her participation in the boards of directors.</p>

Total number of proprietary directors	2
% of the Board	22.22

INDEPENDENT EXTERNAL DIRECTORS	
Personal or corporate name of board member	Profile
MR. FERNANDO BAUTISTA SAGÜÉS	Mr. Fernando Bautista Sagüés is an independent non-executive Director of the Company. He holds a degree in Law from the University of Deusto and a degree in Economics and Business Administration from the Catholic Institute of Business Management (ICADE), has been a member of the Madrid Bar Association since 1981, is a registered commercial mediator with the Ministry of Justice and an ESG advisor certified by the European Financial Planners Association (EPFA). Mr. Fernando Bautista Sagüés became a partner of the law firm J&A Garrigues in 1989 and, after its merger with Arthur Andersen, became a partner of Arthur Andersen Worldwide in 1996. Two years later, in 1998, he became a partner at Freshfields. Between 2014 and 2018 he was an independent non-executive director of Axiare Patrimonio and between 2014 and 2022 he was secretary of the Sustainable Development Committee of Iberdrola, S.A. He is currently an independent director of Abante Asesores, Chairman of the Compliance Unit of Iberdrola Energía Internacional, S.A.U. e Iberdrola Renovables Internacional, S.A.U. and advises as an independent lawyer on corporate and financial law and ESG matters.
MR. DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	Mr. David Jiménez-Blanco Carrillo de Albornoz is an independent non-executive director of the Company. He holds a degree in Economics and Business Administration from CUNEF. Mr. Jiménez-Blanco worked at Goldman Sachs International from 1995 to 2006, where he was responsible for the European Industrial Clients Group and the investment banking teams in Spain and Portugal. Between 2006 and 2009, Mr. Jiménez-Blanco was Chairman of Merrill Lynch Capital Markets España, S.A. Sociedad de Valores, Head of Investment Banking and Global Markets of the same firm in Spain and Portugal, and member of the EMEA Investment Banking Operating Committee. Between 2010 and 2013, he was a partner at BK Partners, a firm dedicated to direct investment in Mexico; between 2013 and 2016 he was CFO of World Duty Free SpA, a Milan listed company, and between 2016 and 2020 he was Head of Restructuring at Abengoa. Between 2011 and 2012 he was a Director of Atento (a subsidiary of the Telefonica group) and between 2014 and 2018 he was an independent Director of Axiare Patrimonio. Currently and since 2020, he is Chairman of the Sociedad Rectora de la Bolsa de Madrid, Vice-Chairman of Bolsas y Mercados Españoles and independent Director of SIX Group. He is also Chairman of Gawa Capital, an impact investment fund manager, and a member of the Advisory Board of CUNEF Universidad. Since January 2024 he is Chairman of the Board of Trustees of the Fundación Amigos de la Alhambra (Friends of the Alhambra).
MR. LUIS MARÍA ARREDONDO MALO	Mr. Luis María Arredondo Malo is a Civil Engineer and holds the Professional Merit Medal of the I.C.C.P. College. He has also completed a Senior Programme in Business Administration (P.A.D.E) at the IESE Business School (University of Navarra). Between 1969 and 1975 he worked in the Spanish Ministry of Public Works as a project engineer. Between 1975 and 1978 he was General Manager of the construction company S.A.C.R.A., part of the Belgian C.F.E. Group. In 1980 and until 1988 he was General Manager of Corporación Inmobiliaria Hispamer (CIH) and General Manager of Sociedad de Edificaciones de Madrid y Provincia, S.A. (EMPSA). In 1988 and until 1994 he was Chief Executive Officer (CEO) of Inmobiliaria Zabálburu, S.A., a company listed on the Spanish stock market. During this period, the real estate company grew rapidly and steadily. Between 1994 and 2006, he was CEO of Inmobiliaria Urbis, a position he held simultaneously with that of Chairman during 2006, a company which, in that period, reached a market value of 3,400 million euros. Between 2006 and 2013, he was Chairman and CEO of Santander Global Property, Banco Santander's asset management company, with major international projects in cities such as Madrid, Sao Paulo, Mexico City, Monterrey, Miami and Berlin. Between 2014 and 2018, he was Chairman of the Board of Directors of Axiare Patrimonio, one of the largest SOCIMI's listed on the Spanish stock market, and acquired by Inmobiliaria Colonial.

MR. CATO HENNING STONEX	Mr. Cato Henning Stonex is an independent non-executive director of the Company. He holds a BSC (Econ) from the London School of Economics and Political Science. From 2006 to 2016 he was a Governor and in 2016 he was appointed Governor Emeritus. Mr Cato Henning Stonex is a director of LSE Ideas (think tank) and is a member of the Investment Committee. Mr Cato Henning Stonex joined Morgan Grenfell & Co in 1986, where he became a trader of European government bonds. In 1989, he joined J.Rothschild Administration as a fund manager. In 1996 he was a founding partner of Taube Hodson Stonex. In 2016, Taube Hodson Stonex merged with Global Asset Management. Cato Henning Stonex is currently a director of WMC Capital Ltd and Stonex Capital Partners Ltd, focusing on international small and mid-cap investments. He was an independent non-executive director of Axiare Patrimonio from 2017 to 2018.
-------------------------	--

Total number of proprietary directors	4
% of the Board	44.44

List any Independent Directors who receive any amount or payment from the company or its corporate group other than standard director remuneration, or who maintain or have maintained during the last financial year a business relationship with the company or any group company, either in their own name or as a significant shareholder, director or senior officer of an entity, which maintains or has maintained such a relationship.

Where applicable, include a reasoned statement from the Board detailing why it believes that the said director will be able to perform his/her duties as an independent director.

Personal or corporate name of board member	Description of the relationship	Reasoned statement
No data available		

OTHER EXTERNAL DIRECTORS			
Give details of any other external directors and list the reasons why they cannot be considered proprietary or independent directors. Give details of their relationships with the company, its executives or shareholders:			
Personal or corporate name of board member	Reasons	Company, manager or shareholder to whom he/she is linked	Profile
No data available			

Total number of other external directors	N.A.
% of the Board	N.A.

List any changes in the category of each director that have occurred during the period reported:

Personal or corporate name of board member	Date of change	Previous category	Current category
No data available			

C.1.4 Complete the following table with information on the number of female board members at the close of the last 4 financial years and their category:

	Number of female board members				% of the total number of directors of each type			
	FY 2023	FY 2022	FY 2021	FY 2020	FY 2023	FY 2022	FY 2021	FY 2020
Executive	2	1	1	1	67.00	50.00	50.00	50.00
Proprietary	1				50.00	0.00	0.00	0.00
Independent					0.00	0.00	0.00	0.00
Others					0.00	0.00	0.00	0.00
Total	3	1	1	1	33.33	14.29	14.29	14.29

C.1.5 State whether the company has diversity policies that apply to its board of directors on such questions as age, gender, disability and professional training and experience. Small and medium-sized enterprises, as these are defined in the Accounts Audit Act, must at least report the policy they have implemented in relation to gender diversity.

- Yes  
 No  
 Partial Policies

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also describe the specific measures adopted by the board of directors and the appointments and remuneration committee to achieve a balanced and diverse group of directors.

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

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

The Company has a Director Selection Policy, approved by the Board of Directors and in force, through which it ensures that director selection procedures favour diversity of gender, experience and knowledge, and do not suffer from implicit biases that could imply any discrimination. It also ensures that candidates for non-executive directors have sufficient time available for the proper performance of their duties.

C.1.6 Explain the measures agreed by the appointments committee, where applicable, to ensure that selection processes are not subject to any implicit bias that would make it difficult to select female directors, and to ensure that the company makes a conscious effort to search for and include female candidates who have the required professional profile, thus allowing for a balanced presence between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior managers:

Explanation of measures

The Company has a Director Selection Policy, approved by the Board of Directors and in force, through which it ensures that the selection procedures for directors favour diversity of gender, experience, and knowledge, and do not suffer from implicit biases that could imply any discrimination. Thus, in keeping with this commitment, the General Shareholders' Meeting for the 2023 financial year approved, at the proposal of the Appointments and Remuneration Committee, the appointment of two female directors, bringing the number of directors to nine.

When, in spite of the measures taken (where applicable), there are few or no female directors, please give the reasons why this is the case:

Explanation of reasons

As indicated in the previous section, it is the Company's objective to continue to ensure gender diversity, evaluating all applications on a case-by-case basis.

**C.1.7 Explain the conclusions of the appointments committee regarding verification of compliance verification of compliance with the policy aimed at favouring an appropriate composition of the board of directors.**

The Company has established a Director Selection Policy based on an analysis of the Company's needs. Candidates for Directors shall be persons of recognised prestige, solvency, competence, qualifications, training, availability and commitment to the function. Furthermore, they must be professionals of integrity whose conduct and professional career are in line with the mission, vision and values of the Company. Likewise, it is the Company's will to achieve the diversity policies and fulfil the objectives set with regard to the participation of women on boards of directors. In this regard, the General Meeting of Shareholders of the financial year 2023 approved, at the proposal of the Appointments Committee, the appointment of two female director, setting the number of directors at nine.

**C.1.8 Explain, where applicable, the reasons why proprietary directors have been appointed at the request of shareholders who hold less than 3% of the share capital:**

Personal or corporate name of shareholder	Reasons
No data available	

Provide details of any rejections of formal requests for board representation from shareholders whose shareholding interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. Where applicable, explain the reasons why they were rejected.

[ ] Yes  
[ v ] No

**C.1.9 Where applicable, give details of the powers and duties delegated by the board of directors to directors or board committees, including those related to the possibility of issuing or repurchasing shares:**

Personal or corporate name of board member or committee	Brief description
MR. LUIS ALFONSO LÓPEZ HERRERA-ORIA	Each and every one of the powers accorded to the Board of Directors which may be subject to delegation under Law, Bylaws and the Board of Directors' Regulations

**C.1.10 List the directors, if any, who hold office as directors, directors' representatives or executives in other companies belonging to the listed company's group:**

Personal or corporate name of board member	Name of the group company	Position	Does he/she have executive powers?
MR. LUIS ALFONSO LÓPEZ HERRERA-ORIA	Árima Investigación, Desarrollo e Innovación, S.L.U.	Representative of the Sole Director	YES
MR. LUIS ALFONSO LÓPEZ HERRERA-ORIA	Árima Investments, S.L.	Representative of the Sole Director	YES

C.1.11 Where applicable, list any directors or directors' representatives that are legal entities and are members of the board of directors or the representatives of members of the board of directors of other companies listed on official securities markets other than group companies, and have communicated that status to the Company:

Personal or corporate name of board member	Name of the listed company	Position
MR. LUIS ALFONSO LÓPEZ HERRERA-ORIA	Rodex Asset Management, S.L.	SOLE DIRECTOR
MR. LUIS ALFONSO LÓPEZ HERRERA-ORIA	Agrodesarrollos Integrados, S.L.	SOLE DIRECTOR
MR. LUIS ALFONSO LÓPEZ HERRERA-ORIA	Inmodesarrollos Integrados, S.L.	SOLE DIRECTOR
MR. LUIS ALFONSO LÓPEZ HERRERA-ORIA	Puerto Feliz, S.A.	SOLE DIRECTOR
MR. LUIS ALFONSO LÓPEZ HERRERA-ORIA	Heracles Proyectos y Promociones Inmobiliarias, S.A.	SOLE DIRECTOR
MS. CHONY MARTÍN VICENTE-MAZARIEGOS	OPDENERGY S.A.	DIRECTOR
MR. FERNANDO BAUTISTA SAGÜÉS	Abante Asesores S.A.	DIRECTOR
MR. STANISLAS HENRY	IC PL Properties GmbH	DIRECTOR
MR. STANISLAS HENRY	KMS Beteiligungs GmbH	DIRECTOR
MR. STANISLAS HENRY	Wilmersdorfer Arcaden Verwaltungs GmbH	DIRECTOR
MR. STANISLAS HENRY	ICAMAP Investimento S.à.r.l	MANAGER
MR. STANISLAS HENRY	Citrus Holdco Limited	DIRECTOR
MR. STANISLAS HENRY	easyHotel PLC	DIRECTOR
MR. STANISLAS HENRY	IC UK Investments Limited	DIRECTOR
MR. STANISLAS HENRY	Peel Logistics Management Limited	DIRECTOR
MR. STANISLAS HENRY	Stonecutter JV Limited	DIRECTOR
MR. STANISLAS HENRY	62 GS Limited	DIRECTOR
MR. STANISLAS HENRY	62 DS Limited	DIRECTOR
MR. STANISLAS HENRY	AO Investments Limited	DIRECTOR
MR. STANISLAS HENRY	AOC Investments Limited	DIRECTOR
MR. STANISLAS HENRY	CA Investments Limited	DIRECTOR
MR. STANISLAS HENRY	CHA Investments Limited	DIRECTOR
MR. STANISLAS HENRY	CHB Investments Limited	DIRECTOR
MR. STANISLAS HENRY	CHC Investments Limited	DIRECTOR
MR. STANISLAS HENRY	Circus Apartments Limited	DIRECTOR
MR. STANISLAS HENRY	DS Investments Limited	DIRECTOR
MR. STANISLAS HENRY	DSA Investments Limited	DIRECTOR
MR. STANISLAS HENRY	GHS Investments Limited	DIRECTOR
MR. STANISLAS HENRY	GS Investments Limited	DIRECTOR
MR. STANISLAS HENRY	GSA Investments Limited	DIRECTOR
MR. STANISLAS HENRY	HAMG Investments Limited	DIRECTOR
MR. STANISLAS HENRY	HILLS Investments Limited	DIRECTOR

MR. STANISLAS HENRY	IH Apartments Limited	DIRECTOR
MR. STANISLAS HENRY	LG Investments Limited	DIRECTOR
MR. STANISLAS HENRY	MS Investments Limited	DIRECTOR
MR. STANISLAS HENRY	POWT Investments Limited	DIRECTOR
MR. STANISLAS HENRY	Prime Acquisitions Limited	DIRECTOR
MR. STANISLAS HENRY	Prime London Resi Acquisitions Limited	DIRECTOR
MR. STANISLAS HENRY	Prime London Resi Investments Limited	DIRECTOR
MR. STANISLAS HENRY	Prime London Ventures Assets Limited	DIRECTOR
MR. STANISLAS HENRY	Prime London Ventures Investments Limited	DIRECTOR
MR. STANISLAS HENRY	Prime London Ventures Limited	DIRECTOR
MR. STANISLAS HENRY	Prime London Ventures Partnership Limited	DIRECTOR
MR. STANISLAS HENRY	PWW Investments Limited	DIRECTOR
MR. STANISLAS HENRY	RH Investments Limited	DIRECTOR
MR. STANISLAS HENRY	SOC Investments Limited	DIRECTOR
MR. STANISLAS HENRY	STC Investments Limited	DIRECTOR
MR. STANISLAS HENRY	TCT Investments Limited	DIRECTOR
MR. STANISLAS HENRY	TP Investments Limited	DIRECTOR
MR. STANISLAS HENRY	TPEL Investments Limited	DIRECTOR
MR. STANISLAS HENRY	TRD Investments Limited	DIRECTOR
MR. CATO HENNING STONEX	AXCENT PARTNERS LLP	DIRECTOR
MR. CATO HENNING STONEX	CATO STONEX LIMITED	DIRECTOR
MR. CATO HENNING STONEX	CHS VENTURES LIMITED	DIRECTOR
MR. CATO HENNING STONEX	C STONEX LIMITED	DIRECTOR
MR. CATO HENNING STONEX	CS VENTURES LIMITED	DIRECTOR
MR. CATO HENNING STONEX	JOHN CHAPMAN LIMITED	DIRECTOR
MR. CATO HENNING STONEX	PARTNERS INVESTMENT COMPANY (2017) LIMITED	DIRECTOR
MR. CATO HENNING STONEX	PARTNERS INVESTMENT COMPANY LLP	DIRECTOR
MR. CATO HENNING STONEX	PETWORTH ART LLP	DIRECTOR
MR. CATO HENNING STONEX	ROUNDWOOD PARTNERS LLP	DIRECTOR
MR. CATO HENNING STONEX	SLOANE RESIDENTS LIMITED	DIRECTOR
MR. CATO HENNING STONEX	STONEX CAPITAL PARTNERS LTD	DIRECTOR
MR. CATO HENNING STONEX	UNION JACQUES LIMITED	DIRECTOR
MR. CATO HENNING STONEX	WESTMORLAND SPIRITS LIMITED	DIRECTOR
MR. CATO HENNING STONEX	Frontline	DIRECTOR
MR. CATO HENNING STONEX	Golden Ocean	DIRECTOR
MR. CATO HENNING STONEX	Stonex Capital Partners SRL	DIRECTOR
MR. CATO HENNING STONEX	The Latitude Hotels Group LTD	DIRECTOR
MRS. PILAR FERNANDEZ PALACIOS	Rentabilidad 2009, SICAV	DIRECTOR

MR. DAVID JIMÉNEZ-BLANCO CARRILLO DE ALBORNOZ	BME Holding (Bolsas y Mercados Españoles Sociedad Holding de Mercados y Sistemas Financieros), S.A.	DIRECTOR
MR. DAVID JIMÉNEZ-BLANCO CARRILLO DE ALBORNOZ	Sociedad Rectora De La Bolsa De Valores De Madrid S.A.	PRESIDENT
MR. DAVID JIMÉNEZ-BLANCO CARRILLO DE ALBORNOZ	Gawa Capital Partners, SGEIC, S.A.	PRESIDENT
MR. DAVID JIMÉNEZ-BLANCO CARRILLO DE ALBORNOZ	SIX-Group AG	DIRECTOR
MR. LUIS MARÍA ARREDONDO MALO	Nieve de Andalucía. S.L.	PRESIDENT
MR. LUIS MARÍA ARREDONDO MALO	Castellar Ingenieros S.L.U.	PRESIDENT
MR. LUIS MARÍA ARREDONDO MALO	Aljaral S.A.U.	PRESIDENT
MR. LUIS MARÍA ARREDONDO MALO	Rústica Consolación S.L.	PRESIDENT

Indicate, if applicable, any other remunerated activities of the directors or representatives of the directors, whatever their nature, other than those indicated in the table above.

Personal or corporate name of board member	Other remunerated activities
Mr. FERNANDO BAUTISTA SAGÜÉS	Chairman of Iberdrola Energía International Compliance Unit.
MRS. PILAR FERNANDEZ PALACIOS	Financial Director of Asúa Inversiones, S.L.

C.1.12 State and, where applicable, explain whether the company has established rules on the maximum number of company boards on which its directors may hold seats, identifying, where appropriate, where this is regulated:

- Yes  
 No

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

In accordance with Article 21, section 2.a of the Board of Directors Regulations, under no circumstances may a director be a member of more than 5 Boards of Directors.

C.1.13 Give details of the following amounts paid in relation to the overall remuneration received by the board of directors:

Amount of remuneration accrued by the board (thousands of euros)	2,918
Value of rights accumulated by current board members in respect of pensions with vested economic rights (thousands of euros)	
Value of rights accumulated by current board members in respect of pensions with non-consolidated economic rights (thousands of euros)	
Value of rights accumulated by former board members in respect of pensions (thousands of euros)	

C.1.14 List any members of senior management who are not executive directors and indicate the total remuneration paid to them during the financial year:

Name or corporate name	Position/s
No data available	

C.1.15 Indicate whether any changes have been made to the board regulations during the year:

- Yes  
 No

#### Description of changes

On 18 April 2023, the Board of Directors, following a proposal by the Audit and Control Committee, which was accompanied by the corresponding explanatory report, unanimously approved the amendment of article 8 of the Board of Directors' Regulations to increase the number of directors who may sit on the Board of Directors to nine members. This amendment was approved by the General Meeting of Shareholders held on 23 May 2023.

#### C.1.16 Give details of the procedures for selecting, appointing, re-electing and removing Directors. List the competent bodies and the processes and criteria used for each procedure.

The selection policy for candidates for the position of director establishes that candidates for the Company's Board of Directors will be selected on the basis of the following principles:

1. The aim will be to ensure that the Board of Directors comprises a balanced membership with the majority being Non-Executive Directors and with a reasonable ratio of Proprietary and Independent Directors.
2. The Board of Directors shall ensure that the procedures for the selection of Directors favour diversity of gender, experience and knowledge and are free from any implicit bias that might lead to discrimination. It will also ensure that candidates for Non-Executive Directors have sufficient time available to properly perform their duties.
3. Additionally, the process of selecting candidates for the position of Director will begin with a preliminary analysis of the needs of the Company and its Group. This analysis will be carried out by the Company's Board of Directors, with advice and a mandatory prior supporting report from the Appointments and Remuneration Committee.
4. The supporting report from the Appointments and Remuneration Committee shall be published when convening the General Shareholders' Meeting to which the ratification, appointment or re-election of each Director is to be submitted.
5. The Appointments and Remuneration Committee will annually verify compliance with the Board Member Selection Policy and will detail its findings in the Annual Corporate Governance Report.

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

#### Description of changes

No data available

Describe the appraisal process and the areas assessed by the Board of Directors with the help, where required, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been subject to appraisal.

#### Description of the appraisal process and areas assessed

The Board of Directors shall conduct an annual self-assessment of its operation and of its Commissions and Committees, in particular the diversity in the composition and competence of the Board of Directors, as well as the performance of the Chairman of the Board of Directors, the Chief Executive Officer of the Company and of the different Directors, paying special attention to the heads of the different Board Commissions and Committees, and it shall take the appropriate measures for their improvement.

The result of this assessment shall be recorded in the minutes of the meeting or attached to this report as an appendix.

The assessment of the various Board Commissions and Committees should start from the reports they send the Board of Directors, while that of the Board itself should start from the report drafted by the Appointments and Remunerations Committee.

Every three years, the Board of Directors shall be assisted in carrying out the assessment by an External Consultant, whose independence shall be verified by the Appointments and Remuneration Committee.

Any business relationships that the consultant (or any company from its group) maintains with the Company (or any company within the Group) must be listed in the Annual Corporate Governance Report. The process and the areas assessed will be described in the aforementioned Annual Corporate Governance Report.

#### C.1.18 For financial years in which the assessment has been assisted by an external advisor, give details of the business relationships that the external advisor or any company in its group maintains with the company or any company in its group.

No data available.

**C.1.19 Indicate the cases in which Directors are obliged to resign.**

Article 12 of the Board of Directors' Regulations regulates the dismissal and removal of Directors:

1. Directors must relinquish their post and formalise their resignation whenever any of the grounds set out in law for incompatibility or disqualification from holding the position of director become apparent, and also in the following cases:

- a) In the case of proprietary directors, when the shareholder at whose request they were appointed transfers the entire holding that it had in the Company or reduces it to such a level that this requires a reduction in the number of its proprietary directors.
- b) When the Board itself requests this by a majority of at least two thirds (2/3) of its members, due to the director having infringed his/her obligations, following a proposal or report from the Appointment and Remuneration Committee, or when his/her remaining on the Board could endanger the Company's credit and reputation.
- 2. In the event that a private individual representing a legal entity that holds a position of the board becomes affected by any of the grounds set out in law for incompatibility or disqualification from office, the legal entity that holds the position on the board must immediately replace that person.
- 3. The Board of Directors may not propose the removal of any independent director prior to the end of the statutory period for which he/she was appointed, unless there are fair grounds as assessed by the Board following a report from the Appointments and Remuneration Committee. In particular, it shall be understood that just cause exists when the director has failed to comply with the duties inherent in his/her post, has failed to comply with any applicable recommendation on the subject of corporate governance or has become bound by any of the circumstances preventing his/her appointment as an independent director. Notwithstanding the foregoing, the Board may also propose the removal of independent directors resulting from takeover bids, mergers or other similar corporate operations that imply a change in the Company's capital structure, when such changes in the structure of the Board are supported by the criterion for proportionality set out in article 9, section 3, above.
- 4. When a director leaves his/her post before the end of his/her term, whether through resignation or due to any other cause, he/she shall explain their reasons in a letter sent to all members of the Board, notwithstanding the resignation being notified as a significant event and the reason for the resignation being noted in the Annual Corporate Governance Report. In particular, in the event that the resignation of the Director is due to the Board having adopted significant or repeated resolutions regarding which the director has set down on record his/her reservations and as a consequence of this has decided to resign, this circumstance shall be expressly stated in his/her resignation letter. This provision also applies to the secretary of the Board, even if he/she is not a director.
- 5. Notwithstanding the above, the removal of directors may be approved by the General Shareholders' Meeting at any moment, even when not provided for in the meeting's agenda.

**C.1.20 Are enhanced majorities required for any type of decision, other than those that are stipulated in law?**

- Yes
- No

Where applicable, describe the differences.

**Description of differences**

Article 31 of the Regulations of the Board of Directors establishes in section 6 that the favourable vote of a qualified majority of directors will be necessary for (i) the approval of the report necessary for the General Meeting to approve the establishment of the compensation system for directors and management of the Company, consisting of the delivery of shares or rights over them, for (ii) the modifications with respect to the Company's business and for (iii) the modification of article 31.6 itself.

Likewise, article 4.3. of the Board Regulations establishes a 2/3 majority of the Board to be able to modify the Regulation itself, and 12.1. b) of the Board Regulations establishes a 2/3 majority of the Board in order to request termination or resignation of the Directors.

**C.1.21 Indicate whether there are any specific requirements, other than those that apply to directors, to be appointed chairman of the board of directors:**

- Yes
- No

**C.1.22 Indicate whether the articles of association or the board regulations set any age limit for directors:**

- Yes
- No

**C.1.23 State whether the articles of association or the board regulations establish any term limits or other stricter requirements for independent directors in addition to those that are required by law:**

- Yes
- No

C.1.24 Indicate whether the articles of association or the board regulations stipulate specific rules for delegating voting rights on the board of directors, how this is done and, in particular, the maximum number of times that voting rights may be delegated to a board member, as well as whether there is any limitation on the categories of director to whom proxies can be delegated, beyond the restrictions imposed by law. Where applicable, detail these briefly.

Article 31.2 of the Board of Directors' Regulations states that directors must attend board meetings in person, notwithstanding the contents of paragraph 8 of Article 30. However, directors may be represented by another director in accordance with the legislation in force from time to time. The power of representation shall be granted especially for the board meeting in question, and it may be notified using any of the means provided for in paragraph 5 of Article 30 of the Regulations.

C.1.25 Indicate the number of board meetings held during the year. Indicate how many times the board has met without the chairman in attendance. Attendance will also include proxies appointed with specific instructions.

Number of board meetings	4
Number of board meetings held without the chairman's attendance	0

State the number of meetings held by the coordinating director with the other directors when no executive director was present either in person or by proxy:

Number of meetings	0
--------------------	---

Indicate the number of meetings held of the various board committees during the year:

Number of meetings of the AUDIT COMMITTEE	4
Number of meetings of the APPOINTMENTS AND REMUNERATION COMMITTEE	4

C.1.26 State the number of meetings held by the board of directors during the year and details of the number of members in attendance:

Number of meetings held with at least 80% of board members present in person	4
% of personal attendance over total votes during the year	100.00
Number of meetings at which all board members were present in person or represented by proxy with specific instructions	
% of votes issued at meetings in person or by proxy with specific instructions over total votes during the year	0.00

C.1.27 State whether the consolidated and individual financial statements submitted for authorisation by the board are previously certified:

- Yes  
 No

Identify, where applicable, the person(s) who certified the company's individual and consolidated annual accounts prior to their authorisation for issue by the board:

C.1.28 Explain the mechanisms, if any, put in place by the board of directors to ensure that the individual and consolidated financial statements prepared by the board are not presented at the general shareholders' meeting with a qualified audit report.

The Company, continuing with the development of a rigorous internal control system, prepared an Internal Control over Financial Reporting System (ICFRS) Management Manual, approved by the Board of Directors of the Company in financial year 2021. The purpose of the ICFR Manual is to establish the basis for the maintenance, review, reporting and supervision of Arima's ICFRS, ensuring that the risks of errors, omissions or fraud in financial information are adequately controlled, whether by prevention, detection, mitigation, compensation or correction, providing reasonable assurance that the risks of errors, omissions or fraud in financial information are adequately controlled, either by prevention, detection, mitigation, compensation or correction, providing reasonable assurance that the risks of errors, omissions or fraud are adequately controlled.

providing reasonable assurance that internal controls are operating effectively and contribute to ensuring the reliability of the Company's financial information. The Company's ICFRS was verified by the external auditor with a satisfactory result.

In addition, the annual accounts are subject to an audit process. In this respect, article 40 of the Board of Directors' Regulations regulates relations with the external auditors in the following terms:

1. The relations of the Board of Directors with the external auditors of the Company shall be channelled through the Audit and Compliance Committee.
2. The Board of Directors shall refrain from engaging audit firms whose fees that the company and the companies in its group expect to pay, for all concepts, are greater than five (5%) per cent of the revenues of the audit firm in Spain during the immediately preceding year.
3. The Board of Directors shall endeavour to definitively formulate the accounts in such a way that there are no qualifications or reservations in the audit report, and in the exceptional cases in which they do exist, both the chairman of the Audit and Compliance Committee and the auditors shall clearly explain to the shareholders the content and scope of such reservations or qualifications. In accordance with the foregoing, the Audit Committee supervises both the conclusions and financial statements obtained by the financial department once the financial closing process has been executed, as well as the conclusions obtained by the external auditor following its audit process, both verifying the application of the accounting regulations in force at any given time. This supervisory work is carried out prior to the Board of Directors' meeting at which the annual accounts are drawn up, so that the level of assurance over the financial statements issued is total.

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

- Yes  
 No

If the Secretary does not have the status of director, please complete the following table:

Personal or corporate name of board secretary	Representative
MR. IVÁN AZINOVIC GAMO	

C.1.30 Give details of the specific measures established by the company to ensure the independence of its external auditors and, where applicable the mechanisms implemented to maintain the independence of financial analysts, investment banks, and rating agencies, including how the provisions set out in law have been implemented in practice.

Section five of Article 35 of the Board of Directors' Regulations establishes the following duties for the Audit and Control Committee in relation to the external auditor:

- (i) to bring before the Board of Directors proposals for the selection, appointment, re-election and replacement of the external auditor (which must be international firms of acknowledged standing), along with the terms of their engagement;
- (ii) to receive information from the external auditor on a regular basis regarding the audit plan and the results of its execution, and to check that the management takes its recommendations into account;
- (iii) to ensure the independence of the external auditor and, to that end, ensure that the Company informs the CNMV (Spanish Securities Market Commission) of the change of auditor as a significant event, enclosing a declaration on the possible existence of disagreements with the outgoing auditor and their content, where applicable; and in the event that the external auditor resigns, to examine the circumstances that caused its resignation.

The Audit and Control Committee must establish the appropriate relations with the account's auditors or auditing companies in order to receive information on those questions that could endanger their independence, so that these can be examined by the Audit and Control Committee, along with any other questions relating to the process of conducting the accounts audits and any other communications provided for in the legislation on accounts audits and auditing standards. In all cases, they must receive written confirmation each year from the account's auditors or the auditing companies regarding their independence from the company and any companies directly or indirectly related to it, along with information on additional services of any kind that have been provided to these companies by the said auditors or companies or parties related to them, in accordance with the provisions of Spanish Accounts Auditing Act 22 of 20 July 2015;

(iv) to aid the Company's auditor so that it can accept responsibility for the audits of the companies belonging to the group, where applicable;  
(v) in the event of the external auditor's resignation, to examine the circumstances that have caused it;  
(vi) to ensure that the payment of the external auditor does not compromise its quality or independence;  
(vii) to ensure that the external auditor has a yearly meeting with the Board of Directors in full session to inform it of the work undertaken and developments in the Company's risk and accounting positions;  
(viii) to ensure that the Company and its external auditor respect the regulations in force on the provision of services other than auditing, the limits on the concentration of the auditor's business and, in general, all other regulations governing the independence of auditors.

In addition, prior to the issue of the accounts audit report, the Audit and Control Committee must produce an annual report in which it gives an opinion on the independence of the account's auditors or auditing companies. This report must, in all cases, include a statement regarding the provision of the additional services referred to in section b), point (iii), above.

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

Yes  
 No

If there have been disagreements with the outgoing auditor, explain the reasons:

Yes  
 No

C.1.32 Indicate whether the auditing firm performs non-audit work for the company and/or its group. If so, state the amount of fees paid for such work and the percentage they represent of all fees invoiced to the company and/or its group:

Yes  
 No

	Company	Group companies	Total
Fees for non-audit work (thousands of euros)	10	0	10
Amount invoiced for non-auditing work / Amount for auditing work (as a %)	8.00	0.00	8.00

C.1.33 Indicate whether the audit report on the previous year's annual accounts is qualified or includes reservations. If so, please explain the reasons given by the chairman of the audit committee to shareholders at the General Shareholders' Meeting to explain the content and extent of these qualified opinions or reservations.

Yes  
 No

C.1.34 Indicate the number of consecutive years during which the current audit firm has been auditing the company's individual and/or consolidated annual financial statements. Likewise, indicate for how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the annual accounts have been audited:

	Individual	Consolidated
Number of consecutive years	6	6
	Individual	Consolidated
Number of years audited by the current audit firm / number of years the company or its group have been audited (as a %)	100.00	100.00

C.1.35 Indicate whether there are procedures for directors to receive the information they need in sufficient time to prepare for meetings of the governing bodies and, where applicable, give details:

Yes  
 No

#### Details of the procedure

Section 5 of Article 30 of the Board of Directors' Regulations establishes the following:

Meetings of the Board of Directors will be notified by letter, fax, telegram, email or any other means that provides proof of receipt, and notification will be authorised with the signature of the chairman, or with the signature of the secretary or deputy secretary, by order of the chairman. Such notifications shall be sent sufficiently in advance so that they are received by board members no later than the third day before the date set for the meeting, except in the case of urgent meetings, which may even be convened and held immediately. This shall exclude those cases in which the Regulations require a specific period of advance notice. Notifications shall always include the place, date and time at which the meeting is to be held and, unless duly justified, the meeting's agenda, and they shall be accompanied by any information deemed necessary in order to debate and adopt resolutions on the items to be discussed, unless the Board of Directors has been constituted or exceptionally convened for reasons of urgency.

In this respect, the Company's policy is to make all information available to the directors at least one week before the meetings are held.

C.1.36 Indicate and, where applicable, give details of whether the company has established regulations obliging directors to inform the board of any circumstances that might harm the organisation's name or reputation, resigning as the case may be:

Yes  
 No

#### Details of the regulations

Article 21 of the Board of Directors' Regulations governs the duty of notification on the part of directors:

1. Directors shall inform the Company of any stake that they or their Related Parties hold in the capital of any company with the same or a similar or complementary kind of business activity to the one forming the corporate purpose, giving details of any positions held or duties performed at the company in question. They shall also inform the Company of any activity that they engage in, either for themselves or for others, that is complementary to the one forming the Company's the corporate purpose. All such information shall be included in the notes to the annual accounts and in the Annual Corporate Governance Report, in accordance with legal requirements.

2. Directors must also notify the Company:

a) of all the posts held and the activities carried out in other companies or organisations, along with any other professional obligations. In particular, and prior to accepting any appointment as a director or executive in another company or organisation, directors must consult the Appointments and Remuneration Committee. No Director may, under any circumstances, sit on more than five (5) Boards of Directors;

b) of any material change in their professional situation that may affect the nature or condition by virtue of which they had been appointed as directors;

c) of any judicial, administrative or other proceedings that they may be involved in and that, due to their characteristics or importance, could have a serious impact on the Company's reputation. In particular, all directors must inform the Company, through its Chairman, of any cases in which they are arraigned, or if a court decides to hold a trial involving them in connection with any of the crimes listed in Article 213 of the Spanish Capital Companies Act. In such cases, the Board of Directors shall examine the matter as promptly as possible and adopt any resolutions it deems appropriate in the Company's best interests;

d) of any holding taken directly or indirectly in the Company's share capital by the director or any of his/her Related Parties, and of any change to that holding, and of any transaction that is engaged in directly or indirectly by the director or any of his/her Related Parties in relation to the Company's share capital. For these purposes, the term "Related Parties" shall be understood to include any other persons who are deemed to have close ties with directors, pursuant to the terms of Article 3 of Regulation (EU) 596/2014 of the European Parliament and Council of 16 April 2014 on market abuse (market abuse regulation); and

e) in general, of any fact or situation that may be of relevance to their actions as a director of the Company.

C.1.37 Indicate, unless there have been special circumstances that have been recorded in the minutes, whether the board has been informed or has otherwise become aware of any situation affecting a director, whether or not related to his or her performance in the company, which could damage the credit and reputation of the company:

- [ ] Yes  
[v] No

C.1.38 List any significant agreements entered into by the company which come into force, will be amended or will be terminated in the event of a change of control of the company due to a takeover bid, and the effects thereof.

Árma Real Estate Socimi, S.A. has an incentive scheme for the Company's team. This plan was approved at the General Shareholders' Meeting of 26 September 2018 and amended at the General Shareholders' Meeting of June 29, 2021, can be found in the information prospectuses for the Company's IPO and share capital increases, which have been registered with the Spanish Securities Market Commission (CNMV). As set out for information purposes in the prospectus, if there is a change of control as a consequence of a public share offering, in accordance with the terms of Royal Decree 1066 of 27 July 2007 on public tenders for the acquisition of securities, this event shall be classified as a liquidation event, as this is defined in the incentive scheme. This plan may be settled both in shares or in cash, at the Board of Directors discretion. Likewise, in the event of a change of control, it may cause the dismissal of the CEO and the Management Team with the settlement of the indemnities provided for in their contracts.

C.1.39 Identify and provide detailed information, individually in respect of directors and in aggregate form in all other cases, regarding any agreements between the company and its administrative officers, executives and employees that offer compensation, guarantees or protection clauses in the event of their resignation or unfair dismissal, or that provide for their contractual termination as a result of a takeover bid or other kinds of operations.

Number of beneficiaries	8
Type of beneficiary	Description of the agreement
CHIEF EXECUTIVE OFFICER AND MANAGERS	The services contract entered by the company and the CEO establishes that if the company terminates the contract without just cause (i.e., unfair dismissal as defined by the Spanish Workers' Statute), the Managing Director will be entitled to receive compensation in cash equivalent to two (2) years' total annual remuneration at the most recent rate. In addition, six of the Company's managers, excluding the managing director, have clauses that offer them compensation in the event of the termination of their employment contracts on any grounds other than a disciplinary action deemed lawful or the voluntary resignation of the manager him/herself. Managers would receive the same compensation in other cases, such as a change of control. In the event that managers are entitled to receive compensation, this will be two years' total annual remuneration at the most recent rate.

Indicate whether, beyond the cases provided for in law, these contracts have been notified to and/or approved by the company's or the group's management bodies. If they have, specify the procedures and events provided for and the nature of the bodies responsible for their approval or for making this notification:

	Board of directors	General Shareholders' Meeting
Body that authorises clauses	√	
	Yes	No
Is the General Shareholders' Meeting informed of such clauses?		√

## C.2. Board committees

C.2.1 Give details of all of the fees paid to the board of directors, its members, and the proportion of executive, proprietary, independent and other external directors that they represent:

AUDIT COMMITTEE		
Name	Position	Category
MR. STANISLAS HENRY	MEMBER	Proprietary
MR. CATO HENNING STONEX	MEMBER	Independent
MR. FERNANDO BAUTISTA SAGÜÉS	CHAIRMAN	Independent

% of executive directors	0.00
% of proprietary directors	33.33
% of independent directors	66.67
% of other external directors	0.00

Explain the duties exercised by this committee, including, where applicable, any duties that are additional to those set out in law, and describe the rules and procedures it follows for its organisation and function. For each of these duties, briefly describe the most important actions taken during the year and how, in practice, the committee has performed each of the duties attributed to it, either by law or pursuant to the articles of association or other corporate resolutions.

The primary function of the Audit and Control Committee is to support the Board of Directors in its oversight role by regularly reviewing the process for the preparation of economic and financial information, its internal controls and the independence of the external auditor.

Identify the board members who are members of the audit committee and have been appointed considering their knowledge and experience of accounting or auditing or both and state the date that the Chairman of this committee was appointed.

Names of directors with experience	MR. STANISLAS HENRY / MR. CATO HENNING STONEX / MR. FERNANDO BAUTISTA SAGÜÉS
Date of appointment of the Chairman	10/11/2021

APPOINTMENTS AND REMUNERATION COMMITTEE		
Name	Position	Category
MR. STANISLAS HENRY	MEMBER	Proprietary
MR. CATO HENNING STONEX	MEMBER	Independent
MR. DAVID JIMÉNEZ-BLANCO CARRILLO DE ALBORNOZ	CHAIRMAN	Independent
% of executive directors	0.00	
% of proprietary directors	33.33	
% of independent directors	66.67	
% of other external directors	0.00	

Explain the duties exercised by this committee, including, where applicable, any duties that are additional to those set out in law, and describe the rules and procedures it follows for its organisation and function. For each of these duties, briefly describe the most important actions taken during the year and how, in practice, the committee has performed each of the duties attributed to it, either by law or pursuant to the articles of association or other corporate resolutions.

The main duty of this committee is essentially to provide the Board of Directors with support and assistance in relation to the proposed appointment, re-election, approval and dismissal of board members, the setting-up and overseeing of payment policy for the Company's board members and directors, the monitoring of directors' compliance with their duties, particularly as regards conflicts of interest and related-party transactions, and the supervision of compliance with the Internal Codes of Conduct and Corporate Governance regulations.

C.2.2 Complete the following table with information on the number of female board members sitting on the board's committees at the close of the last four financial years:

	Number of female board members							
	FY 2023		FY 2022		FY 2021		FY 2020	
	Number	%	Number	%	Number	%	Number	%
AUDIT COMMITTEE	0	0.00	0	0.00	0	0.00	0	0.00
APPOINTMENTS AND REMUNERATION COMMITTEE	0	0.00	0	0.00	0	0.00	0	0.00

C.2.3 Indicate, where appropriate, whether the board committees are subject to regulations, the place where they are available for consultation and any amendments made during the financial year. Also, indicate whether an annual report on the activities of each committee has been prepared voluntarily.

The rules of organization and operation of the Board Committees are set forth in Articles 34, 35 and 36 of the Regulations of the Board of Directors. The Regulations of the Board of Directors are available for consultation on the Company's website. Voluntary annual reports on the activities of each committee have been prepared.

**D. RELATED PARTY AND INTRA-GROUP TRANSACTIONS**

- D.1.** Explain, where applicable, the procedures for approving related party or inter-group transactions and the bodies with the competence to grant this approval. Explain, if applicable, the procedure and competent bodies for the approval of transactions with related-parties and intra-group transactions, indicating the criteria and general internal rules of the company that regulate the abstention obligations of the affected directors or shareholders and detailing the internal reporting and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

Article 22 of the Board of Directors Regulations establish the following procedure for the approval of related party transactions:

1. Related-party transactions carried out by the Company or its subsidiaries with directors, with significant shareholders holding 10% or more of the voting rights or represented on the Board of Directors of the Company, or with any other persons who should be considered related parties in accordance with International Accounting Standards, are subject to the authorisation of the Board of Directors, subject to a favourable report from the Audit and Compliance Committee, provided such transactions are not reserved for approval by the General Shareholders' Meeting, or with any other persons who must be considered related parties in accordance with International Accounting Standards, provided that the approval thereof is not reserved for the approval of the General Meeting of Shareholders, in accordance with the provisions of Article 529u of the Capital Companies Act. .
2. The Audit and Compliance Committee and the Board of Directors, before authorising transactions of this nature to be carried out by the Company, shall assess the transaction from the point of view of equal treatment of shareholders and market conditions. In its report, the Audit and Compliance Committee shall assess whether the transaction is fair and reasonable from the point of view of the company and, where appropriate, of the shareholders other than the related party, and shall give an account of the assumptions on which the assessment is based and the methods used. The directors concerned may not participate in the preparation of the report.
3. If the related-party transaction involves a director, he shall not be provided with additional information on the transaction or operation in question, and if he is present at the meeting of the Board of Directors or the Audit and Compliance Committee, in addition to not being able to exercise or delegate his voting rights, he must leave the meeting room while the transaction is being discussed and, if appropriate, voted on, both in the Board of Directors and in the Audit and Compliance Committee.

- D.2.** List individually those transactions that are significant due to their amount or relevant due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the board of directors of the company, indicating which body was competent for their approval and whether any shareholder or director affected abstained. In the event that the competence has been that of the board, indicate whether the proposed resolution has been approved by the board without the vote against of the majority of the independent directors:

Significant shareholder's name or corporate name	% of participation	Name or corporate name of the group company or dependent entity	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting.	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it.
No data available						

Name or corporate name of administrators or directors	Nature of the relationship	Nature of the operation and other information necessary for its evaluation
No data available		

- D.3. List individually the significant operations due to their amount or subject matter carried out by the company or its dependent entities with the administrators or directors of the company, including those carried out with entities that the administrator or director directs individually or jointly, indicating which body was competent to approve them and whether any director or executive concerned abstained from voting. In the event that the competence has been that of the board, indicate whether the proposed resolution has been approved by the board without the vote against of the majority of the independent directors:

Name or corporate name of administrators or directors or of their controlled entities or jointly controlled entities	Name or corporate name of the related party	Relationship	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting.	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it.
No data available						

Name or corporate name of administrators or directors or of their controlled entities or jointly controlled entities	Nature of the operation and other information necessary for its evaluation
No data available	

- D.4. List any intra-group operations significant due to their amount or relevant due to their subject matter carried out by the company with its parent company or with other entities belonging to the parent's group, including the entities dependent on the listed company, except that no other related party of the listed company has interests in said dependent entities or they are wholly owned, directly or indirectly, by the listed company.

In any case, information shall be given regarding any intra-group transactions carried out with entities established in countries or territories that have the status of tax haven:

Name of the group company	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
Árma Investments, S.L.	On the occasion of the participating loan granted to the company of the Árma Investments, S.L., the Company has made funds available to the latter for the development of its activities during the current financial year.	2,365

- D.5. Detail individually the significant operations due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties that are related in accordance with the International Accounting Standards adopted by the EU, which have not been reported in the previous headings.

Name or corporate name of the related party	Brief description of the operation	Amount (thousands of euros)
No data available		

- D.6. List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its directors, management or significant shareholders.

Article 17 of the Board of Directors' Regulations governs conflicts of interest in the following terms:

1. A conflict of interest shall be deemed to exist in those situations in which the interests of the Company or of the companies forming part of its group and the personal interest of the director directly or indirectly conflict. A director's personal interest shall exist when the matter affects him or her or a Related Person (as defined below).
2. For the purposes of the Regulations, "Related Persons" shall be deemed to be:
  - (a) in respect of a natural person, the following:
    - (i) the spouse or persons with a similar relationship of affectivity;
    - (ii) the ascendants, descendants and siblings of the person subject to the Regulations or of the spouse (or person in a similar relationship) of the person subject to the Regulations;
    - (iii) the spouses of the ascendants, descendants and siblings of the person subject to the Regulations;
    - (iv) companies in which the person subject to the Regulation, either directly or through an intermediary, has or may have, directly or indirectly, control, in accordance with the situations referred to in Article 42 of the Commercial Code;
3. Situations of conflict of interest shall be governed by the following rules:
  - a) communication: a director shall notify the Board of Directors, through the chairman or the secretary, of any situation of conflict of interest in which he finds himself;
  - b) abstention: directors must abstain from attending and intervening in the deliberation and voting phases of those matters in which they are involved in a conflict of interest and, consequently, they shall not be taken into account in such cases for the purposes of calculating the quorum. In the case of proprietary directors, they must abstain from voting on matters that may involve a conflict of interest between the shareholders proposing their appointment and the company;
  - c) transparency: in the Annual Corporate Governance Report, the Company shall report any conflict of interest in which the directors are involved, whether notified by the affected party or by any other means.
4. The provisions of this article may be further developed through the corresponding rules that may be issued by the Board of Directors, including the Internal Regulations of Conduct.

- D.7. Indicate whether the company is controlled by another entity within the meaning of Article 42 of the Commercial Code, listed or unlisted, and has, directly or through its subsidiaries, business dealings with that entity or any of its subsidiaries (other than those of the listed company) or engages in activities related to those of any of them.

Yes  
 No

**E. RISK CONTROL AND MANAGEMENT SYSTEMS**

**E.1. Explain the scope of the Company's Risk Control and Management System, including measures relating to tax risk:**

The Board of Directors is the body responsible for determining the risk control and management policy, identifying the Company's main risks, implementing the appropriate internal control and information systems, and carrying out regular monitoring of the main risks to which the Company is exposed. By virtue of the above, the Board of Directors of the Company has approved the Risk Control and Management Policy and the Risk Management Manual. This establishes a systematic and preventive procedure, in line with international standards of reference in risk management to address risks by anticipating, preventing and detecting them. The risk management system considers both the company's own characteristics and those of the economic, geographical and regulatory environments in which it operates. The risk management policy and strategy is the responsibility of the Board of Directors. However, all members of the organisation are involved and responsible for ensuring the success of the risk management system.

**E.2. Identify the company bodies responsible for preparing and implementing the Risk Management System, including measures relating to tax risk.**

The Company's Board of Directors is responsible for determining the risk control and management Policy, including tax risks, and the implementation and supervision of the internal information and control systems. To carry out these functions, the Company's Board of Directors has the collaboration of the Audit and Control Committee as an advisory body (article 43 of the Company's Statutes establishes that the Board of Directors must create and maintain in its within and on a permanent and internal basis, an Audit and Control Committee / Article 44 of the Company's Statutes attributes to the Audit and Control Committee the primary function of supporting the Board of Directors in its oversight duties, through the periodic review of the process of preparing economic-financial information, its internal controls and the independence of the external Auditor), which in turn, is supported by the Risk Control and Management Function, which must ensure the proper functioning of the internal control and risk management system.

**E.3. State the primary risks, including tax compliance risk and, where significant, risk arising from corruption (this being understood in the terms set out in Royal Legislative Decree 18/2017), where such risks may affect the achievement of business objectives:**

The following is a list of some of the main kinds of risk that may be encountered as a result of the Company's real estate and assets management activity, all of which are covered by the risk monitoring system.

1. Financial risk

a) Market risk

Interest rate risk. The Company's interest rate risk arises from its financial debt. The Company occasionally engages in interest rate swaps to cover this risk.

b) Credit risk

The Company is not exposed to significant levels of credit risk, this being understood to mean the impact that the non-payment of receivables could have on its income statement. The company has policies that ensure that both sales and lettings are made to clients with an appropriate credit history.

c) Liquidity risk

The Company's Finance Department is responsible for managing liquidity risk in order to cover any existing payment obligations and/or any undertakings arising from new investments. To this end it analyses the expected cash flows.

2. Market risk

The Company minimises this type of risk through its own strategy and business model. Árima invests in prime properties, with strong upside potential in the office, logistics and retail sectors, in the most consolidated areas. The Company has implemented a long-term business plan that focuses on value creation through active management and repositioning of the portfolio, with special attention to environmental sustainability.

3. Economic risk

Risks in acquisitions is managed by completing a meticulous analysis of transactions, examining and foreseeing any problems that might arise in the future, and considering the possible solutions to such problems. In disposals, the main risk resides in the failure to collect the amounts agreed in the contracts as a result of the buyers' non-compliance. These risks are minimised through the establishment of all kinds of guarantees that will, if necessary, allow the total price to be received or the property forming the object of disposal to be recovered.

4. Risks of a legal and fiscal nature

The Company's activities are subject to legal and fiscal provisions and to the requirements of urban development. Local, regional, national and European authorities can impose sanctions for breaches of these regulations and requirements. Any changes to this legal and fiscal environment could affect general planning of the Company activities which, through the corresponding internal departments, with assistance from legal and tax advisors, will monitor, analyse and, where appropriate take the necessary measures in this regard.

The risks associated with complying with the specific legislation, would be the following:

a) Judicial and extrajudicial claims. The Company's business activities may lead to legal action being taken in relation to properties being let, even if these may result from the actions of third parties contracted by the Company (architects, engineers, construction contractors and subcontractors). The Company has taken out various civil liability and damage insurance policies in order to mitigate this type of risk.

b) Company responsibilities resulting from its classification as a SOCIMI. All of the Company's activities must comply with Act 11/2009, which sets out the regulations for SOCIMIs. As a result, the Company constantly monitors its own activities and checks that they are in line with the legislation currently in force in this regard.

5. Risks regarding the prevention of money laundering and monetary infringements

This category of risk is controlled through the prevention and monitoring of transactions carried out by the Company, in accordance with the legislation in force.

**6. Risks relating to personal data protection.**

These risks are controlled by means of special and standardised clauses to be included in contracts in different situations, which in accordance with the rules regulating this area, allow any kind of liability that may affect the Company to be limited and even eliminated.

**7. Risks relating to the Protection of Consumers and End Users**

The Company complies with the requirements of the different state and regional rules regarding consumers and end users. The Company also has an Internal Code of Conduct focused on matters relating to stock markets.

Sections IV and V of the Internal Code of Conduct establish the behaviour and action criteria that recipients of the Code must comply with in relation to the relevant securities and instruments, any privileged and relevant information, and confidential documents, in order to aid transparency in the performance of the Company's activities and provide adequate information and protection for investors.

**E.4. Indicate whether the company has a risk tolerance level, including against tax risk:**

Árma's risk tolerance is defined as the level of Risk that the Company is prepared to accept in order to achieve its established strategic objectives. Risk tolerance is shaped by the Company's strategy and is agreed by the Board of Directors. Risk tolerance is defined as the level of variation that the Company accepts in achieving an objective. It is, therefore, the acceptable threshold for each risk and objective. Risk tolerance must be updated regularly by the people from each department who are responsible for reporting to and properly informing the compliance supervisor.

**E.5. Identify any risks, including tax risk, which have emerged during the year:**

No risk of the type described above has emerged during the year.

**E.6. Explain the plans for responding to and monitoring the main risks facing the company, including tax risk, and the procedures put in place by the company to ensure that the board of directors is able to respond to any new challenges that may arise:**

The Risk Management System operates in a comprehensive, continuous and cross-cutting manner and addresses the management of all priority risks, both internal and external. To this end, the approach adopted for risk management considers the following basic elements in an aligned manner: control environment, objectives, risk identification and management, and control activities. Once a risk has been assessed and the control activities carried out have been carried out for its mitigation, if the risk level is not in the comfort zone, an additional action (Action Plan) is required to reduce the level of risk to the desired level. Risk Managers are responsible for designing, implementing and updating the corresponding Action Plans, considering at all times the views and comments of the Head of Risk Management and Control Function and the Audit and Control Committee. The objective of these Action Plans is to provide the response that best places the risk within the previously established objectives, complementing the control activities already in place. Once the Action Plans have been defined, the Risk Managers communicate them to the Head of the Risk Control and Management Function who, if considered necessary, after a prior analysis, submits them to the Audit and Control Committee for its knowledge and approval and, ultimately, to the Board of Directors.

**F. INTERNAL RISK MONITORING AND MANAGEMENT SYSTEMS RELATING TO THE FINANCIAL REPORTING PROCESS (ICFRS)**

Describe the mechanisms that comprise the risk monitoring and management systems associated with the company's financial reporting process (ICFRS).

**F.1. The company's monitoring environment.**

Specify at least the following components with a description of their main characteristics:

F.1.1 The bodies and/or officers that are responsible for: (i) the existence and regular updating of a suitable, effective ICFR, (ii) its implementation; and (iii) its monitoring.

Continuing with the development of a rigorous internal control system, Árima has drawn up a Management Manual for the Internal Control over Financial Reporting System (ICFR), which has been approved by the Board of Directors.

The SCIIF is a set of processes that affect all levels of the organisation and all the Company's personnel. Mainly:

**1. Board of Directors**

With reference to the ICFR, the Regulations of the Board of Directors establish the following functions of the Board:

- To prepare the annual accounts and their presentation to the General Meeting.
- To determine the risk control and management policy.
- To monitor the internal control and information systems.
- To approve the financial information which, as a listed company, the Company must periodically publish.

As the body ultimately responsible for supervising the ICFR, the Board of Directors has established the necessary organisational structure to enable it to monitor the ICFR system, with the support of the Audit and Compliance Committee.

**2. Audit and Control Committee**

In order to ensure the reliability of financial information, the Audit and Control Committee has been assigned the following functions:

- To ensure the proper functioning of the information and internal control systems, in particular with regard to the preparation and integrity of the financial information.
- To be aware of and periodically review the process of preparation and presentation of financial information and the internal risk control and management systems associated with the risks associated with the Company's significant risks.
- Submit recommendations or proposals to the Board of Directors aimed at safeguarding the integrity of the information and control systems.

In the performance of these duties, the Audit and Compliance Committee must ensure the following aspects relating to the company's ICFR:

- Compliance with regulatory requirements.
- Adequate delimitation of the scope of consolidation.
- The correct application of accounting criteria.

In terms of the organisation of the ICFR work, the Audit and Compliance Committee is responsible for approving what and when to supervise and how to assess ICFR supervision (approval of the ICFR work and supervision plan).

**3. Financial management**

Árima's CFO has the following responsibilities in the framework of the ICFR:

- Design, implement, evaluate, and provide overall monitoring of the ICFR, for which he/she shall validate the design of the SCIIF Work and Monitoring Plan.
- Report on the effective functioning of the ICFR to the Audit and Control Committee.
- Ensure that appropriate ICFR training programmes are implemented.

**4. ICFR Responsible**

The ICFR Responsible is part of the Company's Finance Department and is assigned the following duties within the ICFR framework. of the ICFR system:

- Identify the risks of error, omission, or fraud in financial reporting through the ICFR scoping matrix and documenting the design of controls.
- Ensure the proper functioning of the ICFR, for which purpose the persons responsible for each process/sub-process and associated controls must monitor them and report such information to the person responsible for ICFR at Árima.
- Prepare reports for the Financial Management, considering the results of the reports received.
- Alert on changes in regulatory and financial information risk scenarios.
- Identify new risks in the processes.
- Collaborate in the proposal of improvement actions and resolution of incidents.

F.1.2 Where applicable, and particularly as regards the process for the preparation of the financial information, the following items:

- The departments and/or mechanisms responsible for: (i) designing and revising the organisational structure; (ii) clearly defining the lines of responsibility and authority, with an appropriate distribution of duties and tasks; and (iii) ensuring the existence of sufficient procedures for their correct reporting throughout the company:

Ultimate responsibility for the design and review of the Company's organisational structure lies with the CEO, under the delegation of the Board of Directors. As regards the process for the preparation of the financial information, in addition to the organisational charts, all of the people involved in the process also have a clear knowledge of the specific guidelines, responsibilities and periods that apply to each closure.

- Code of conduct, approval body, level of dissemination and instruction, principles and values included (indicating whether there is specific mention of the recording of transactions and the preparation of financial information), the body in charge of analysing breaches and of proposing corrective actions and sanctions:

The Company has a Code of Conduct, compliance with which is mandatory, and which is approved by the Board of Directors. The aim of this code of conduct is to establish the basic principles and rules that will govern the behaviour of everyone who acts on behalf of Árima and its subsidiary companies. The Code is applicable to all companies that make up the Árima Group and it is binding on the members of the Board of Directors and all company personnel, irrespective of the position they occupy and the duties they perform. This Code of Conduct is supplementary to the Securities Market Internal Code of Conduct, company regulations, the Articles of Association and any other legislation that applies to Árima's activities, and compliance is mandatory for both Árima and all of the companies with which a significant contractual relationship is in place. Non-compliance with the terms of this Code shall be deemed infringement and may result in the adoption of disciplinary measures.

- Whistle-blowing channel, which allows reporting to the audit committee of irregularities of a financial and accounting nature, in addition to possible breaches of the code of conduct and irregular activities in the organization, informing, where appropriate, whether it is confidential in nature and whether it allows anonymous communications, respecting the rights of the whistle-blower and the reported party.

The Company has implemented a whistle-blowing channel for matters related to the internal regulations of the Company and a procedure for reporting potentially significant financial and accounting incidents. In addition, the Whistleblowing Channel also includes the creation of an Ethics Committee whose functions are: reception and classification of complaints received, co-ordination of the investigation work for each of the complaints received, and the of investigation for each of the complaints, imposition of the corresponding disciplinary sanctions, and preparation of periodic reports on the functioning of the Channel.

- Training and regular refresher courses for personnel involved in preparing and reviewing financial information and evaluating ICFR, which address, at least, accounting regulations, auditing, internal monitoring and risk management:

The Finance Department, and specifically the staff involved in the preparation and review of financial information, receives the necessary training on financial and internal control aspects, as well as on regulatory changes affecting the periodic financial information issued by the Company. This training is organised internally and is advised by independent experts in each area.

## F.2. Financial reporting risk assessment.

Provide details of at least the following:

F.2.1 The main characteristics of the risk identification process, including risks of error or fraud, in respect of:

- Whether there is an existing documented process:

The Board of Directors has approved an Internal Financial Reporting Control System Management Manual. This system identifies risks of error, omission or fraud in financial reporting through the ICFRS scoping matrix. This matrix identifies which accounts and disclosures have a significant risk associated with them and whose potential impact on financial reporting may be material. The ultimate aim is to establish a control system that contributes to the mitigation of risks to the achievement of financial objectives. In addition, the financial information issued is reviewed by the Company's auditors.

- Whether the process covers all financial reporting objectives (existence and occurrence; integrity; evaluation; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how frequently:

As With the ultimate aim of providing assurance as to the reliability of the financial information provided to the market, Árima's System of Internal Control over Financial Reporting pursues the following control objectives.

- Existence and occurrence: transactions, facts and other events included in the financial information exist and have been recorded at the right time.

- Completeness: the information reflects all transactions, facts and other events to which the entity is a party.
- Adequate valuation: transactions, facts and other events are recorded and valued in accordance with applicable standards.
- Fair presentation, disclosure and comparability: transactions, facts and other events are classified, presented and reflected in the financial information in accordance with applicable standards.
- Timing of transactions: transactions and events have been recorded in the correct period.
- Adequate reflection of rights and obligations: the financial information reflects, at the relevant date, the rights and obligations through corresponding assets and liabilities, in accordance with the applicable regulations.

The scope of the Internal Control over Financial Reporting System shall be reviewed at least annually before setting the reporting schedule for the following year. Reporting schedule for the following financial year.

- The existence of a process for identifying the consolidation perimeter, taking account, among other things, of the potential existence of complex corporate structures, vehicle companies or special purpose entities:

Árma's organisational structure is simple and consists of Árma Real Estate SOCIMI, S.A. and two subsidiary companies (100%): Árma Investigación, Desarrollo e Innovación, S.L.U. and Árma Investments, S.L. The financial department, on a quarterly basis, verifies the aforementioned consolidation perimeter.

- Whether the process takes account of the effects of other types of risk (operational, technological, financial, legal, fiscal, reputational, environmental, etc.) in the manner in which they affect the financial statements:

Any analysis will include all regulatory, technological and reputational risk, risk of fraud, human resource-related risk, operational risk, etc. that are relevant for the financial statements.

- The corporate governance body that supervises the process:

The ICFR is a set of processes that affect all levels of the organisation and all Company personnel. Mainly:

#### 1. Board of Directors

With reference to the ICFR, the Regulations of the Board of Directors establish the following functions of the Board:

- To prepare the annual accounts and their presentation to the General Meeting.
- Determine the risk management and control policy.
- To monitor the internal control and information systems.
- Approve the financial information which, as a listed company, the Company must periodically publish.

As the body ultimately responsible for supervising the ICFR, the Board of Directors has established the necessary organisational structure to monitor the ICFR system, with the support of the Audit and Compliance Committee.

#### 2. Audit and Compliance Committee

In order to ensure the reliability of financial information, the Audit and Compliance Committee has been assigned the following functions:

- To ensure the proper functioning of the information and internal control systems, in particular with regard to the preparation and integrity of the financial information.
- To be aware of and periodically review the process of preparation and presentation of financial information and the internal risk control and management systems associated with the risks associated with the Company's significant risks.
- Submit recommendations or proposals to the Board of Directors aimed at safeguarding the integrity of the information and control systems.

In the performance of these duties, the Audit and Compliance Committee must ensure the following aspects relating to the company's ICFR:

- Compliance with regulatory requirements.
- Adequate delimitation of the scope of consolidation.
- The correct application of accounting criteria.

In terms of the organisation of the ICFR work, the Audit and Compliance Committee is responsible for approving what and when to supervise and how to assess ICFR supervision (approval of the ICFR work and supervision Plan).

#### 3. Financial Management

Árma's CFO has the following responsibilities in the framework of the ICFR:

- Design, implement, evaluate and provide overall monitoring of the ICFR, for which he/she shall validate the design of the ICFR Work and Monitoring Plan.
- Report on the effective functioning of the ICFR to the Audit and Control Committee.
- Ensure that appropriate ICFR training programmes are implemented.

#### 4. ICFR Responsible

The ICFR Responsible is part of the Company's Finance Department and is assigned the following duties within the ICFR framework:

- Identify the risks of error, omission or fraud in financial reporting through the ICFR scoping matrix and document the design of controls.
- Ensure the correct functioning of the ICFR, for which purpose those responsible for each process/sub-process and associated controls must monitor them and report such information to the ICFR Responsible at Árima.
- Prepare reports for the Financial Management, considering the results of the reports received.
- Alert on changes in regulatory and financial information risk scenarios.
- Identify new risks in the processes.
- Collaborate in the proposal of improvement actions and resolution of incidents.

### F.3. Monitoring activities.

State whether at least the following items are in place and specify their main characteristics:

- F.3.1 Procedures for reviewing and authorising the financial information and the description of ICFR to be disclosed to the securities markets, stating who is responsible in each case, along with the documentation showing flow charts of activities and controls (including those that address the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the specific review of critical judgements, estimates, evaluations and projections.

The Company has an internal procedure for reviewing financial information (including annual accounts, financial statements for interim periods, the Management Report and the Annual Corporate Governance Report), which oversees the process from the moment that information is generated in the Administration and Finances Department up to its approval by the Audit and Control Committee and, finally, by the Board of Directors prior to publication. This process is reflected in the Monitoring Manual for the Internal Control over Financial Reporting System approved by the Board of Directors, which establishes both the responsibilities and the flows of the control activities on the material sub-processes that give rise to the issuance of financial information.

- F.3.2 Internal control policies and procedures for IT systems (including secure access, tracking changes, system operation, continuity and segregation of duties) giving support to key company processes relating to the preparation and publication of financial information.

The internal control policies and procedures associated with the information systems are defined by the Company's management. The main risks contemplated by the Company, and to which it responds, affect physical security (backup copies, maintenance and access to servers, etc.), logical security (access controls, registration and deregistration procedures, protection against viruses and other malware, etc.), sufficient segregation of duties, registration and traceability of information, privacy (LOPD), development and maintenance of systems. The Company is advised by a third-party systems expert who carries out regular security audits covering, inter alia, all these aspects. In addition, the Company proactively and regularly undergoes external IT audits, where necessary establishing action plans, the results of which are reported to the Board of Directors. In addition, the Board of Directors has approved a Business Continuity Plan to minimise the risk of business interruption for any reason.

- F.3.3 Internal control policies and procedures for overseeing the management of activities outsourced to third parties, and the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

The activity subcontracted to third parties that has a greater impact on the financial statements corresponds to the valuation of assets by an independent expert. The procedure in this regard implemented by the Company basically includes the recommendations of the CNMV to listed valuation and real estate companies in relation to the valuation of real estate assets. Moreover, the results obtained are always contrasted with the estimates of Árima's internal experts, who supervise the valuation process. Likewise, the conclusions obtained are always reviewed by the Company's Auditors. On the other hand, the Company, for the services it subcontracts, works with companies of recognized prestige in the sector.

#### **F.4. Information and communications.**

State whether at least the following items are in place and specify their main characteristics:

- F.4.1 A specific office which is in charge of defining and maintaining accounting policies (accounting policies area or department) and settling queries or disputes over their interpretation, and which is in regular communication with the team in charge of company operations, and an up-to-date manual of accounting policies that has been sent to all the company's operational units.

The Company's Administration and Finance Department is responsible for defining and updating accounting policies and for responding to queries and consultations in this regard.

- F.4.2 Mechanisms for collecting and preparing financial information with standardised formats, which are to be applied and used by all the company or group units and which support the main financial statements and notes to the accounts, along with the detailed information on the ICFR.

The accounting policies defined by the Management form the basis for the preparation of the financial information of both the Company and its subsidiaries. These accounting policies guarantee the application of the same criteria during the preparation of information and consistency in its presentation.

#### **F.5. Supervising the operation of the system.**

Indicate, pointing out its main characteristics:

- F.5.1 The activities of the audit committee in overseeing ICFR, and whether there is an internal auditing office whose duties include supporting the committee in the task of supervising the internal control system, including ICFR. Describe the scope of the ICFR assessment carried out over the course of the year and the procedure by which the person responsible for making this assessment can communicate his/her findings. State also whether the company has an action plan detailing the potential corrective measures, and whether it has taken account of their impact on its financial information.

As indicated in article 44 of the Company's Articles of Association, the Audit and Compliance Committee's duties include, among others, the following periodic review of the process of preparing the economic and financial information, its internal controls and the independence of the external auditor. Specifically, the ICFR Manual approved by the Board of Directors assigns it the following responsibilities:

- Ensuring the proper functioning of the information and internal control systems, in particular with regard to the preparation and integrity of the financial information.
- To be familiar with and periodically review the process of preparation and presentation of financial information and the internal risk control and management systems associated with the Company's significant risks.
- Submit recommendations or proposals to the Board of Directors aimed at safeguarding the integrity of the information and control systems.

In the performance of these duties, the Audit and Compliance Committee must ensure the following aspects relating to the company's ICFR:

- Compliance with regulatory requirements.
- Adequate delimitation of the scope of consolidation.
- The correct application of accounting criteria.

In terms of the organisation of the ICFR work, the Audit and Compliance Committee is responsible for approving what and when to supervise and how to assess ICFR supervision (approval of the ICFR Work and Monitoring Plan).

The Audit and Control Committee is also supported by the Financial Management and the ICFR Responsible, who prepares a report on the status of compliance and effectiveness of the ICFR, which is reported to the Finance Department. The latter, in turn, reports the results obtained to the Audit and Control Committee (which will submit them to the Board of Directors when it considers it necessary). The scope of the Internal Control over Financial Reporting System must be reviewed at least once a year before setting the reporting calendar for the following year.

Furthermore, the conclusion of the Company's auditors on the financial information provided has been satisfactory.

**F.5.2** Whether the Company has a procedure by which the accounts auditor (in accordance with the contents of the Auditing Standards (“NTA”)), the internal auditing department and other experts may communicate with senior management and the audit committee or senior managers of the company regarding any significant internal control weaknesses identified during their review of the annual accounts or any others they have been assigned. State also whether the Company has an action plan to correct or mitigate the weaknesses found.

The Audit and Control Committee meets in order to perform its prime function, which is to act as support for the Board of Directors in its supervisory work, by carrying out a regular review of the process for the preparation of the economic and financial information, the internal auditing department and the independence of the external auditor. In addition to other potential actions, it also carries out the following duties:

Discussions with External Auditors (with particular significance when they have acted on any specific matter: Audit reports, limited reviews, etc.) in order to:

- Obtain information on the planning, scope and conclusions of the work carried out.
- Obtain information on internal control weaknesses detected during the course of their work.
- Inform the external auditor about any matters that could affect their work.
- Talk to the external auditor regarding the expected contents of its reports.
- Obtain the necessary information for ensuring the independence of the External Auditor in compliance with the duties of the Audit and Control Committee. In addition, the Audit and Control Committee may demand additional information or the participation of experts when it comes to analysing topics relating to compliance with their duties.

**F.6. Other relevant information**

**F.7. External auditor’s report.**

State whether:

**F.7.1** The ICFR information supplied to the markets has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

Last year, the Company reviewed the internal control system over financial reporting. The external auditor holds regular meetings with the Financial Management, both to review the financial information and to evaluate the internal control in the development of the Company's activity. It is considered that the controls in place are adequate for the size and complexity of the Company, having undergone numerous review and audit processes of the financial information since its incorporation. The external auditor's conclusion has been satisfactory in all cases.

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

Indicate the degree to which the company complies with the Code of Corporate Governance recommendations for listed companies.

In the event that the Company does not comply with any of the recommendations or complies only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behaviour. General explanations will not be acceptable.

1. The articles of association of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles on the takeover of the company through the purchase of shares on the market.

Compliant [ X ]      Explain [ ]

2. When the listed company is controlled, within the meaning of article 42 of the Commercial Code, by another entity, whether listed or not, and has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it should publicly disclose precisely the following:

- a) The type of activity they respectively engage in, and any potential business dealings between them, as well as between the subsidiary and other group companies.
- b) The mechanisms in place to resolve any potential conflicts of interest that may arise.

Compliant [ ]      Partially compliant [ ]      Explain [ ]      N.A. [ X ]

3. During the general shareholders' meeting, as a supplement to the written information circulated in the annual corporate governance report, the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, in particular:

- a) Any changes that have taken place since the previous general shareholders' meeting.
- b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead, where applicable.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

4. The company should define and promote a policy regarding communication and contacts with shareholders and institutional investors in the context of their involvement in the company, as well as with proxy advisors, that fully respects the rules against market abuse and treats shareholders in the same position in the same way. The company should make this policy public on its website, including information on how it has been put into practice and identifying the interlocutors or persons responsible for carrying it out.

And, without prejudice to legal obligations regarding the 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 the channels it deems appropriate (media, social networks or other channels) which contributes to maximising the dissemination and quality of the information available to the market, investors and other stakeholders. The company should draw up and implement a policy for communicating with and contacting shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

5. The board of directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When the Board approves an issue of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

Compliant [  ]      Partially compliant [  ]      Explain [  ]

The General Meeting of Shareholders, at its meeting held on 23 May 2023, authorised the Board of Directors to increase the share capital in accordance with article 297.1.b) of the Capital Companies Act, for a maximum period of five years, by means of cash contributions and up to a maximum amount equal to half (50%) of the share capital, with the power to exclude pre-emptive subscription rights only in those increases up to a maximum amount equal to 20% of the share capital.

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the general shareholders' meeting, even if their distribution is not compulsory:
- a) Report on auditor independence.
  - b) Reports on the operation of the audit committee and the appointments and remuneration committee.
  - c) Report by the audit committee report on related party transactions.

Compliant [  ]      Partially compliant [  ]      Explain [  ]

The referenced documentation has been partially disclosed on the company's website.

7. The company broadcasts live, via its website, the holding of general shareholders' meetings.

And that the company has mechanisms that enable proxy voting and voting by telematic means and even, in the case of large cap companies and to the extent proportionate, attendance and active participation in the General Meeting.

Compliant [  ]      Partially compliant [  ]      Explain [  ]

This recommendation will be analysed on an annual basis, though it is not envisaged at present.

8. The Audit Committee should ensure that the annual accounts submitted by the Board of Directors to the General Meeting of shareholders are drawn up in accordance with accounting regulations. In the event that the auditor has included a qualification in its audit report, the chairman of the audit committee should clearly explain to the general meeting the audit committee's opinion on its content and scope, making available to shareholders at the time of publication of the notice of call to the meeting, together with the rest of the proposals and reports of the board, a summary of said opinion.

Compliant [  ]      Partially compliant [  ]      Explain [  ]

9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend General Shareholders' Meetings and the exercise or delegation of voting rights and display them permanently on its website.

Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Compliant [  ]      Partially compliant [  ]      Explain [  ]

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals for agreement prior to the general shareholders' meeting, the company should:

- a) Immediately circulate the supplementary items and new proposals for agreement.
- b) Publish the standard form of attendance card or proxy appointment or remote voting form with the necessary modifications so that new items on the agenda and alternative proposals for agreement can be voted on in the same terms as those submitted by the board of directors.
- c) Put all these items or alternative proposals to the vote, applying the same voting rules as for those submitted by the board of directors, with particular regard for presumptions or deductions about the direction of votes.
- d) After the general shareholders' meeting, disclose the breakdown of votes on these supplementary items or alternative proposals.

Compliant [  ]      Partially compliant [  ]      Explain [  ]      N.A.. [  ]

11. In the event that a company plans to pay for attendance at the general shareholders' meeting, it should first establish a general, long-term policy in this respect.

Compliant [  ]      Partially compliant [  ]      Explain [  ]      N.A.. [  ]

12. The Board of Directors should perform its duties with a unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interests, understood as the creation of a profitable and sustainable business over the long term which ensures its continuity and maximises the company's economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to the principles of good faith, ethics and respect for commonly accepted customs and good practices, but should also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and any other stakeholders who could be affected, as well as reconciling the impact of its activities on the broader community and the natural environment.

Compliant [  ]      Partially compliant [  ]      Explain [  ]

13. The board of directors should have the appropriate size to achieve maximum effectiveness and participation, which means it should ideally have between five and fifteen members.

Compliant [  ]      Explain [  ]

14. The Board of Directors should approve a Director selection policy that:

- a) Is specific and verifiable.
- b) Ensures that appointment or re-election proposals are based on a prior analysis of the board of directors' own needs.
- c) Favours a diversity of know-how, experience and gender. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to be conducive to gender diversity.

The results of the prior analysis of the Board's needs should be written up in the appointments committee's explanatory report, to be published when the general meeting is convened to ratify the appointment and re-election of each director.

The appointments Committee should run an annual check on compliance with the director selection policy and set out its findings in the annual corporate governance report.

Compliant [  ]      Partially compliant [  ]      Explain [  ]

15. Proprietary and independent directors should occupy a broad majority of seats on the board, while the number of executive directors should be the minimum necessary, bearing in mind the complexity of the corporate group and the percentage of the company's share capital held by the executive directors.

And that the number of female directors should account for at least 40% of the members of the board of directors by the end of 2022 and thereafter, but no earlier than 30%.

Compliant [  ]

Partially compliant [  ]

Explain [ ]

Proprietary and independent directors constitute an ample majority of the board, with significantly fewer executive directors. It is important to note that the composition of the Board is enriched by the different profiles of its members in terms of age, nationality and professional background. Currently, the percentage of female directors is equivalent to 33% of the Board.

16. The number of proprietary directors as a percentage of the total number of non-executive directors should not exceed the proportion between the company share capital represented by these directors and the remainder of this share capital.

This criterion can be attenuated:

- a) In companies with a high level of market capitalisation in which few equity stakes attain the legal threshold to be considered a significant shareholding.
- b) In companies in which a plurality of shareholders is represented on the board of directors and they are not related to one another.

Compliant [  ]

Explain [ ]

17. The number of Independent Directors should represent at least one half of all board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30% of share capital, independent directors should occupy, at least, a third of all Board places.

Compliant [  ]

Explain [ ]

18. Companies should post the following information on directors on their websites, and keep this information permanently updated:

- a) Background and professional experience.
- b) Directorships held at other companies, listed or otherwise, and any other paid activities that they may engage in, of whatever nature.
- c) Information on the director category to which they belong and, in the case of proprietary directors, information on the shareholder they represent or have links with.
- d) The date of their first appointment as board member and the dates of any subsequent re-elections.
- e) Shares that they hold in the company, and any options thereover.

Compliant [  ]

Partially compliant [  ]

Explain [ ]

19. The annual corporate governance report, following verification by the appointments committee, should explain the reasons for the appointment of proprietary directors at the behest of shareholders controlling less than 3% of capital; it should also explain, where applicable, any rejection of a formal request for a seat on the board from shareholders whose equity stake is equal to or greater than that of others that have successfully applied for a proprietary directorship.

Compliant [  ]      Partially compliant [  ]      Explain [  ]      N.A. [  ]

20. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

Compliant [  ]      Partially compliant [  ]      Explain [  ]      N.A. [  ]

21. The Board of Directors should not propose the removal of any independent directors before the expiry of their tenure as mandated by the articles of association, except where just cause is found by the board of directors, based on a report by the appointments committee. In particular, just cause shall be presumed when directors take up new posts or responsibilities that prevent them from allocating sufficient time to the performance of their duties as board member, or are in breach of the duties inherent in their position, or are affected by one of the grounds that disqualifies them from classification as independent, as set out in the applicable legislation.

The removal of independent directors may also be proposed as a consequence of a takeover bid, merger or similar corporate operation which involves changes to the company's capital structure, when the changes to the structure of the board of directors are triggered by the proportionality criterion set out in recommendation 16.

Compliant [  ]      Explain [  ]

22. Companies should establish rules obliging directors to inform and, where applicable, resign in any circumstances that might harm the organisation's name or reputation, and directors should particularly be obliged to inform the Board of Directors of any criminal charges brought against them and of any subsequent court proceedings.

The Board, having been informed of or otherwise having knowledge of any of the situations mentioned in the preceding paragraph, should examine the matter as promptly as possible and, in view of the particular circumstances, decide, after a report from the Nomination and Remuneration Committee, whether or not to adopt any measure, such as the opening of an internal investigation, request the resignation of the director or propose his or her removal. And that a report be included in the annual corporate governance report, unless there are special circumstances justifying this, which should be recorded in the minutes. This is without prejudice to the information that the company must disclose, if appropriate, when the corresponding measures are adopted.

Compliant [  ]      Partially compliant [  ]      Explain [  ]

23. All directors should express clear opposition when they feel a proposal submitted for the board of directors' approval might damage the corporate interest. In particular, independents and other directors unaffected by a potential conflict of interest should challenge any decision that could go against the interests of shareholders lacking representation on the board of directors.

When the board takes significant or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation should also apply to the secretary of the board, even if he/she is not a director.

Compliant [  ]      Partially compliant [  ]      Explain [  ]      N.A. [  ]

24. When, either by resignation or by resolution of the general meeting, a director retires from office before the end of his term of office, he should sufficiently explain the reasons for his resignation or, in the case of non-executive directors, his opinion on the reasons for the removal by the board, in a letter to be sent to all members of the board of directors.

And, without prejudice to the disclosure thereof in the annual corporate governance report, the company should, to the extent relevant for investors, publish the resignation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

Compliant  Partially compliant  Explain  N.A.

25. The appointments committee should ensure that non-executive directors have sufficient time available to perform their responsibilities effectively.

The board's regulations should establish rules for the maximum number of company directorships that board members may hold.

Compliant  Partially compliant  Explain

26. The Board should meet with the necessary frequency to properly perform its functions properly, at least eight times a year, in accordance with a calendar and agendas set at the beginning of the year, and each director may individually propose the addition of other items to the agenda.

Compliant  Partially compliant  Explain

The Board of Directors met four times during the year, providing broad and precise coverage of the Company's activities, without prejudice to the fluid contact and communication between the directors during the periods between meetings.

27. Director absences should be kept to the bare minimum and quantified in the annual corporate governance report. In the event that their absence is unavoidable, directors should grant a proxy with the appropriate instructions.

Compliant  Partially compliant  Explain

28. When directors or the secretary express concerns about a proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the board meeting, the person expressing them can request that they be recorded in the minutes.

Compliant  Partially compliant  Explain  N.A.

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, and this should extend, if the circumstances make this necessary, to external assistance at the company's expense.

Compliant  Partially compliant  Explain

30. Regardless of the knowledge directors must possess in order to perform their duties, companies should also offer them refresher programmes when the circumstances make this advisable.

Compliant  Explain  N.A.

31. The agendas of meetings should clearly indicate the points on which the board of directors must arrive at a decision or adopt a resolution, so that directors may study or gather the necessary information beforehand.

When, exceptionally and for reasons of urgency, the chairman wishes to present decisions or resolutions for board approval that were not on the meeting agenda, their inclusion shall require the express prior consent, duly recorded in the minutes, of the majority of directors present.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

33. In addition to the duties assigned to him by law and the company's articles of association, the chairman, as the person responsible for the efficient functioning of the board of directors, should: prepare and submit a schedule of meeting dates and agendas to the board; organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive officer; take responsibility for managing the board and its proper functioning; ensure that sufficient time is devoted to the discussion of strategic issues, and approve and review refresher courses for each director, when the circumstances make this advisable.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

34. When a coordinating director has been appointed, the articles of association or board of directors' regulations should grant him or her the following powers over and above those conferred by law: chairing the board of directors in the absence of the chairman a vice chairmen, where applicable; giving voice to the concerns of non-executive directors; maintaining contacts with investors and shareholders to hear their views and developing a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinating the plan for the chairman's succession.

Compliant [ ]      Partially compliant [ ]      Explain [ ]      N.A. [ X ]

35. The Board secretary should particularly strive to ensure that the board's actions and decisions are informed by the governance recommendations set out in this good governance code, to the extent that they apply to the company.

Compliant [ X ]      Explain [ ]

36. The Board of Directors sitting in full session should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

- a) The quality and efficiency of the board's own actions.
- b) The performance and membership of its committees.
- c) The diversity of board membership and skills.
- d) The performance of the chairman of the board of directors and the company's chief executive.
- e) The performance and contribution of individual directors, with particular attention to the chairs of board committees.

The evaluation of the various board committees should start from the reports they submit to the board of directors, while the evaluation of the board itself should start from the report submitted by the appointments committee.

Every three years, the board of directors should engage an external consultant to aid in the evaluation process. This consultant's independence should be verified by the appointments committee.

Any business dealings that the consultant or any member of its corporate group maintains with the company or members of its corporate group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Compliant  Partially compliant  Explain

37. When the company has an Executive committee, the breakdown of its members by director category should be similar to that of the board itself. The secretary of the board should also act as secretary to the executive committee.

Compliant  Partially compliant  Explain  N.A.

38. The Board of Directors should be kept fully informed of the matters debated and the decisions adopted by the executive committee, and all board members should receive a copy of the executive committee's minutes.

Compliant  Partially compliant  Explain  N.A.

39. The members of the audit committee as a whole, and especially its chairman, should be appointed taking into account their knowledge and experience in accounting, auditing and risk management, both financial and non-financial.

Compliant  Partially compliant  Explain

40. Companies should have a unit in charge of internal auditing duties, under the supervision of the audit committee, to monitor the effectiveness of internal reporting and control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.

Compliant  Partially compliant  Explain

41. The head of the unit in charge of the internal audit function should present its annual work plan to the audit committee for approval by the latter or by the board, report directly to it on its execution, including any incidents and limitations on scope that may arise in its development, the results and follow-up of its recommendations, and submit an activity report at the end of each fiscal year.

Compliant  Partially compliant  Explain  N.A.

42. The audit committee should have the following duties, over and above those set out in law:

1. With regard to internal reporting and monitoring systems:

- a) Monitoring and assessing the preparation and integrity of financial and non-financial information, as well as the systems for controlling and managing financial and non-financial risks relating to the company and, where appropriate, the group - including operational, technological, legal, social, environmental, political, reputational and corruption-related risks - reviewing compliance with regulatory requirements, the appropriate scope of consolidation and the correct application of accounting criteria.
- b) Monitoring the independence of the unit responsible for internal auditing duties; proposing the selection, appointment, re-election and removal of the head of the internal auditing service; proposing the service's budget; approving its priorities and work programmes, ensuring that it focuses primarily on the main risks the company is exposed to; receiving regular information on its activities; and verifying that senior management take account of the findings and recommendations contained in its reports.

- c) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report potentially significant irregularities, including financial and accounting irregularities, or of any other nature related to the company that they become aware of within the company or its group. This mechanism should guarantee confidentiality and, in any event, provide for cases in which communications may be made anonymously, respecting the rights of both the complainant and the reported.
- d) Overall, to ensure that the established internal control policies and systems are effectively implemented in practice.

2. With regard to the external auditor:

- a) In the event of the external auditor's resignation, examining the circumstances that have caused it.
- b) Ensuring that the payment of the external auditor does not compromise its quality or independence.
- c) Ensuring that the company notifies any change of auditor to the CNMV as a significant event, accompanied by a statement detailing any potential disagreements arising with the outgoing auditor, where applicable, and the reasons for these disagreements.
- d) Ensuring that the external auditor has a yearly meeting with the board of directors in full session to inform it of the work undertaken and developments in the company's risk and accounting positions.
- e) Ensuring that the company and the external auditor adhere to current regulations on the provision of non-auditing services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Compliant  Partially compliant  Explain

43. The Audit Committee should be empowered to meet with any company employee or manager, even in the absence of other senior officers.

Compliant  Partially compliant  Explain

44. The Audit Committee should be informed of any structural changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the board beforehand on its economic conditions and accounting impact and, where applicable, the exchange ratio proposed.

Compliant  Partially compliant  Explain  N.A.

45. Control and risk management policy should at least identify:

- a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risk), with the inclusion under financial or economic risk of contingent liabilities and other off-balance sheet risk.
- b) A risk management and control model based in different levels, including a specialised risk committee when sectoral rules so provide or where the company deems it appropriate.
- c) The determination of the risk level the company sees as acceptable.
- d) The measures in place to mitigate the impact of identified risk events should they occur.
- e) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risk.

Compliant  Partially compliant  Explain

46. The Company should establish an internal risk monitoring and management office within one of the company's own internal departments or units, with direct supervision from the audit committee or some other specialist board committee. This office should be expressly charged with the following duties:

- a) Ensuring that risk control and management systems are functioning correctly and, specifically, that any major risks the company is exposed to are correctly identified, managed and quantified.
- b) Participating actively in the preparation of risk strategies and in key decisions about their management.
- c) Ensuring that risk control and management systems are mitigating risk effectively within the framework of the policy drawn up by the board of directors.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

47. Appointees to the appointments and remuneration committee (or the appointments committee and the remuneration committee, if separately constituted) should have the right balance of knowledge, skills and experience for the duties they are called on to perform, and the majority of their members should be independent directors.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

48. Companies with high levels of capitalisation should have a separate appointments committee and remuneration committee.

Compliant [ X ]      Explain [ ]      N.A. [ ]

49. The appointments committee should consult with chairman of the board of directors and the company's chief executive, especially on matters relating to executive directors.

Any board member should be able to suggest directorship candidates for consideration by the appointments committee, in order to cover vacant director positions.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

- a) Proposing standard conditions for senior officer contracts to the Board of Directors.
- b) Monitoring compliance with the remuneration policy set by the Company.
- c) Periodically reviewing the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensuring that their individual remuneration is proportionate to the amounts paid to other directors and senior officers in the company.
- d) Ensuring that potential conflicts of interest do not undermine the independence of any external advice provided to the committee.
- e) Verifying the information on directors' and senior officers' pay contained in the various corporate documents, including the annual report on directors' pay.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

51. The remuneration committee should consult with the company's chairman and chief executive, especially where matters relating to executive directors and senior officers are concerned.

Compliant  Partially compliant  Explain

52. The rules governing the composition and operation of the supervision and control committees should be set out in the board of directors' regulations and they should be consistent with the rules that govern legally mandatory board committees, as specified in the foregoing recommendations, including:

- a) Committees should be formed exclusively by non-executive directors, with a majority of independent directors.
- b) They should be chaired by independent directors.
- c) The board of directors should appoint the members of such committees in consideration of the knowledge, skills and experience of its directors and the duties to be performed by each committee, and it should discuss their proposals and reports. Committees should submit an account to the first full meeting of the board after the committee in question has met, and the board should respond to the work carried out.
- d) Committees may engage external advice, when they feel it necessary for the performance of their duties.
- e) Meetings should be minuted and a copy made available to all board members.

Compliant  Partially compliant  Explain  N.A.

53. Supervision of compliance with the company's environmental, social and corporate governance policies and rules, as well as internal codes of conduct, should be entrusted to one or more committees of the Board of Directors, which may be the Audit Committee, the nomination committee, a committee specialising in sustainability or corporate social responsibility or another committee that the board of directors, in the exercise of its powers of self-organisation, has decided to create. Such a committee should be composed solely of non-executive directors, the majority of whom should be independent, and should be attributed with the following powers and be specifically attributed the minimum functions indicated in the following recommendation.

Compliant  Partially compliant  Explain

54. The minimum functions referred to in the above recommendation are as follows:

- a) Supervision of compliance with the company's corporate governance rules and internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.
- b) Supervision of the application of the general policy regarding the communication of economic-financial, non-financial and corporate information as well as communication with shareholders and investors, proxy advisors and other stakeholders. The way in which the entity communicates and relates to small and medium-sized shareholders shall also be monitored.
- c) Evaluating and periodically reviewing the corporate governance system and the company's environmental and social policy to ensure that they fulfil their mission of promoting the corporate welfare and take into account, as appropriate, the legitimate interests of other stakeholders.
- d) overseeing that the company's environmental and social practices are in line with the company's strategy and policy.
- e) Supervision and evaluation of the processes of relations with the different stakeholders.

Compliant  Partially compliant  Explain

55. Sustainability policies on environmental and social issues should identify and include at least:
- a) The principles, commitments, objectives and strategy with regard to shareholders, employees, customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conduct
  - b) methods or systems for monitoring compliance with policies, associated risks and their management.
  - c) mechanisms for monitoring non-financial risk, including those related to ethical and business conduct issues.
  - d) Channels of communication, participation and dialogue with stakeholders.
  - e) Responsible communication practices that avoid manipulation of information and protect integrity and honour. integrity and honour.
- Compliant  Partially compliant  Explain

56. Director remuneration should be sufficient to attract and retain directors with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Compliant  Explain

57. Variable remuneration linked to the company's and the director's individual performance, remuneration via the awarding of shares, options or any other right over shares, or the right to be remunerated on the basis of share price movements should be confined to executive directors, along with membership of long-term savings schemes, such as pension plans, retirements schemes or other social welfare programmes.

The company may consider the payment of non-executive directors through the handover of shares, provided that they retain such shares until the end of their mandate. The above condition shall not apply to any shares that the director must dispose of to settle costs related to their acquisition, where applicable.

Compliant  Partially compliant  Explain

58. In the case of variable payments, remuneration policies should include the necessary limits and technical safeguards to ensure that such payments reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's business sector or other similar circumstances.

In particular, variable payment items should meet the following conditions:

- a) They should be linked to predetermined and measurable performance criteria that factor in the risk assumed in order to obtain a given outcome.
- b) They should promote the sustainability of the company and include non-financial criteria that are relevant to the creation of long-term value, such as compliance with the company's internal rules and procedures and its risk control and management policies.
- c) They should be designed to achieve a balance between the delivery of short, medium and long-term objectives, in such a way that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to sustainable value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Compliant  Partially compliant  Explain  N.A.

59. The payment of variable components of remuneration should be subject to sufficient verification that performance or other pre-established conditions have been effectively met. Institutions should include in the annual directors' remuneration report the criteria for the time required and methods for such verification, depending on the nature and characteristics of each variable component.

In addition, entities should consider the establishment of a reduction clause based on the deferral for a sufficient period of time of the payment of a part of the variable components that entails their total or partial loss in the event that some event occurs prior to the time of payment that makes it advisable to do so.

Compliant  Partially compliant  Explain  N.A.

60. In the case of remuneration linked to company earnings, any qualifications stated in the external auditor's report should be considered and the said earnings reduced accordingly.

Compliant  Partially compliant  Explain  N.A.

61. A significant percentage of executive directors' variable remuneration should be linked to the handover of shares or financial instruments linked to their value.

Compliant  Partially compliant  Explain  N.A.

62. When the shares or options or rights in shares corresponding to remuneration systems have been allocated, directors should not be able to transfer ownership of a number of shares equivalent to twice their fixed annual remuneration, nor should they be able to exercise the options or rights granted to them until a term of at least three years has elapsed since their allocation.

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

The foregoing shall not apply to shares that the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favourable opinion of the nomination and remuneration committee, in order to deal with extraordinary situations that so require.

Compliant  Partially compliant  Explain  N.A.

In relation to the variable remuneration in shares, a lock-up period of twelve months has been established and approved for one third of the shares granted, eighteen months for another third and twenty-four months for the remaining third.

63. Contractual arrangements should include provisions that permit the company to reclaim variable payment amounts when payment is found to be out of step with the director's actual performance or based on data subsequently found to be incorrect.

Compliant  Partially compliant  Explain  N.A.

No similar clause has been included in the provision of services contract signed between the Company and the executive directors.

64. Contract termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that the director in question has met the predetermined performance criteria.

For the purposes of this recommendation, termination or contractual termination payments include any payments whose accrual or payment obligation arises as a result of or in connection with the termination of the director's contractual relationship with the company, including amounts not previously vested in long-term savings schemes and amounts paid under post-contractual non-competition agreements.

Compliant [ X ]

Partially compliant [ ]

Explain [ ]

N.A. [ ]

**H. OTHER INFORMATION OF INTEREST**

---

1. If there is any material aspect or principle relating to the corporate governance practices followed by the company or the companies in its group that has not been addressed in this report and which should be included in order to provide a more comprehensive and reasoned view of the corporate governance structure and practices at the company or group, explain briefly.
2. In this section, you may include any other information, clarification or observation related to the above sections of this report, insofar as they are relevant and do not repeat information already provided.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when it differs from the information required by this report.

3. The company may also indicate whether it voluntarily subscribes to other international, industry specific or other ethical principles or standard practices. Where appropriate, the code in question shall be identified along with the date of affiliation. In particular, state whether the company has signed up to the Good Tax Practices Code of 20 July 2010:

To complete the information provided in section C.2 of this report, the Company has an Investment Committee that analyses and approves investments. The reason why its composition has not been detailed together with the Audit and Control Committee and the Appointments and Remuneration Committee is that some of its members are not members of the Board of Directors.

Its composition is as follows:

Mr. Luis Alfonso López de Herrera-Oria (CEO).  
Mr. Stanislas Henry (Proprietary Director).  
Ms. Chony Martín Vicente-Mazariegos (Executive Director / CFO).  
Ms. Carmen Boyero-Klossner (Strategy Director).  
Mr. Guillermo Fernández-Cuesta Laborde (Real Estate Director).  
Mr. Fernando Arenas Liñán (Real Estate Director).  
Mr. Stuart William McDonald (Real Estate Director).  
Mr. Fabio Alen Viani (Real Estate Director).  
Mr. Pablo de Castro Cardo (Real Estate Director).

This annual corporate governance report was adopted by the company's Board of Directors at its meeting held on:

[ 20/02/2024 ]

Indicate whether any director abstained or voted against the approval of this Report.

[ ] Yes  
[ v ] No