

ANNEX I

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED PUBLIC LIMITED COMPANIES

ISSUER'S IDENTIFICATION

FISCAL YEAR CLOSING DATE

31/12/2017

SPANISH TAX ID (C.I.F.)

A87498564

COMPANY NAME

PROSEGUR CASH, S.A.

REGISTERED OFFICE

SANTA SABINA, 8, MADRID

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

A CAPITAL STRUCTURE

A.1 Please complete the table below with details on the Company's share capital:

Date of Last Change	Share Capital (€)	Number of Shares	Number of Voting Rights
26/07/2016	30,000,000.00	1,500,000,000	1,500,000,000

Please specify whether there are different classes of shares with different associated rights:

Yes

No

A.2 Please list the Company's significant direct and indirect shareholders at Year End, excluding any Board Members:

Name or Company Name of the Shareholder	Number of Direct Voting Rights	Number of Indirect Voting Rights	% of Total Voting Rights
FIDELITY INVESTMENT TRUST	57,086,790	0	3.81%
FMR LLC	0	101,395,884	6.76%
OPPENHEIMERFUNDS, INC	0	104,716,932	6.98%
MS. HELENA IRENE REVOREDO DELVECCHIO	0	1,087,503,830	72.50%

Name or Company Name of Indirect Shareholder	Via: Name or Company Name of Direct Shareholder	Number of Voting Rights
FMR LLC	VARIOUS FUNDS	101,395,884
OPPENHEIMERFUNDS, INC	VARIOUS FUNDS	104,716,932
MS. HELENA IRENE REVOREDO DELVECCHIO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	765,000,000
MS. HELENA IRENE REVOREDO DELVECCHIO	PROSEGUR ASSETS MANAGEMENT, S.L.	322,503,830

Please specify the most significant changes in the shareholding structure during the fiscal year:

Name or Company Name of Shareholder	Operation Date	Description of the Operation
MS. HELENA IRENE REVOREDO DELVECCHIO	17/03/2017	Holding fell below 90% of the Share Capital
MS. HELENA IRENE REVOREDO DELVECCHIO	07/04/2017	Holding fell below 75% of the Share Capital
FIDELITY INVESTMENT TRUST	17/03/2017	Holding exceeded 3% of Share Capital
FMR LLC	17/03/2017	Holding exceeded 5% of Share Capital
OPPENHEIMERFUNDS, INC	17/03/2017	Holding exceeded 5% of Share Capital

A.3 Please complete the following tables with details on those Board Members with voting rights in the Company:

% total of voting rights controlled by Board of Directors	0.00%
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Name of Director	Number of Direct Voting Rights	Number of Indirect Voting Rights	Equivalent Number in Shares	% of Total Voting Rights
MR. CHRISTIAN GUT REVOREDO	638,000	0	638,000	0.04%
MR. JOSE ANTONIO LASANTA LURI	351,000	0	351,000	0.02%

A.4 If applicable, please specify any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the Company, unless they are insignificant or arise in the ordinary course of business:

A.5 If applicable, please specify any commercial, contractual or corporate relationships that exist between significant shareholders and the Company and/or its Group, unless they are insignificant or arise in the ordinary course of business:

Name of related parties
PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.
PROSEGUR CASH, S.A.

Relationship: Commercial

Description:

Provision of services; sale and purchase of goods; licensing of intangible assets; real estate lease; financing.

A.6 Please specify whether the Company has been notified of any shareholder agreements that may affect it, in accordance with Articles 530 and 531 of the Spanish Capital Corporations Law, If so, please provide a brief description of such agreements and list the shareholders they bind:

Yes

No

Please specify whether the Company is aware of any existing initiatives agreed by and among its shareholders. If so, please provide a brief description:

Yes

No

If any of the foregoing agreements or agreed initiatives have been modified or terminated during the year, please expressly indicate such circumstances below:

N/A

A.7 Please indicate whether any natural or legal person exercises or may exercise control over the Company in accordance with Article 4 of the Spanish Securities Market Law (*Ley del Mercado de Valores*). If so, please provide details:

Yes

No

Name or Company Name
DOÑA HELENA IRENE REVOREDO DELVECCHIO

Observations

MRS. HELENA IRENE REVOREDO DELVECCHIO holds 56% of GUBEL, S.L. that, in turn, controls 50.110% (50.075% directly and, indirectly, through its subsidiary PROREVOSA, S.L., the remaining 0.035%) of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A., that, for their part, holds 72.50% directly and indirectly of PROSEGUR CASH, S.A. (51% being the direct holding through its subsidiary PROSEGUR ASSETS MANAGEMENT, S.L., of the 21.50%).

A.8 Please complete the following tables on the Company's own shares:

At Year End:

Number of Direct Shares	Number of Indirect Shares (*)	% total share capital
787,474	0	0.05%

(*) Via:

Please detail any significant variations during the year in accordance with Royal Decree 1362/2007:

Explain the significant variations

On 8 May 2017, the Company signed a liquidity agreement with JB Capital Markets, Sociedad de Valores, S.A.U. according to the Circular 3/2007 on 19 December of the Spanish Securities Market Commission (*Comisión Nacional de Mercado de Valores*), on Liquidity Agreements for the purposes of their acceptance as a market practice. Prior to the signing of this contract, the Company did not have any shares. On 9 May 2017 the operational process prior to signing the liquidity agreement began with the objective of building up share capital via daily purchases of shares. This process ended on 8 June of the same year, once the share capital amounting to 1,000,000 shares were acquired. From 9 June 2017 to 10 July (inclusive) of the same year, in which the foregoing liquidity agreement came to an end, the share capital of the Company varied daily due to the operational nature of the liquidity agreement.

On 7 July, with effect on 11 July 2017, the Company signed a new liquidity agreement with JB Capital Markets, Sociedad de Valores, S.A.U., according to the Circular 1/2017, of 26 April of the Spanish Securities Market Commission (*Comisión Nacional de Mercado de Valores*), on Liquidity Agreements for the purposes of their acceptance as a market practice. On 10 July 2017, in compliance with the Bank of Spain's directives, the number of Company shares associated to the liquidity contract was reduced by 491.685 shares. Said shares still form part of the share capital of the Company but are not part of the foregoing Agreement. The balance of the shares on the date the new Liquidity Agreement came into force amounted to 433,315 shares. The Spanish Securities Market Commission (*Comisión Nacional de Mercado de Valores*) have been informed of these daily variations as a Relevant Fact.

On close of financial year 2017, the share capital of Prosegur Cash, S.A. amounted to 787,474 shares out of which 295,789 are part of the Liquidity Agreement.

A.9 Please describe the conditions and terms of current mandates in force made by the General Shareholders Meeting to the Board of Directors to issue, repurchase, or transfer own shares.

The General Shareholders Meeting of Prosegur Cash, S.A. agreed on 6 February 2017 to expressly delegate to the Board of Directors the power to purchase own shares for a term of 5 (five) years in accordance with the provisions of the Spanish Capital Corporations Law and in compliance with, at all times, those provisions set forth in the law in force, subject to the following terms:

- Acquisitions may be made directly by the Company or indirectly through their subsidiary companies and the same must be formalized by sale, exchange, or any other legally business form recognized by the Law.
- The nominal value of the shares being acquired when added to that of those shares already in the possession of the Company, directly or indirectly, does not exceed the maximum legal percentage permitted thereof.
- The minimum price of acquisition of the shares shall be their nominal value and the maximum price shall be up to 110% of their market value at the date of purchase.
- This authorization is granted for a period of 5 (five) years from the date of approval of the agreement.

Furthermore, for the purposes of that set forth in the last paragraph of a) Article 146.1 of the Spanish Capital Corporations Law that shares acquired by the Company or by their subsidiary companies under the foregoing authorization can be wholly or partly assigned to workers or directors of the Company or its subsidiaries, either directly or as a result of exercising any option rights they may hold.

Furthermore, it was also resolved to delegate to the Board of Directors to expressly delegate, in the broadest terms, the exercising of the foregoing authorization.

A.9.bis Estimated floating capital:

	%
Estimated floating capital	9.90

A.10 Please identify any restrictions on the transfer of securities and/or any other restrictions on voting rights. In particular, please identify whether there are any types of restrictions which could prevent the acquisition of control in the Company through acquiring shares in the market.

Yes

No

A.11 Please indicate whether the General Shareholders meeting has resolved to adopt measures to neutralize a takeover bid pursuant to the provisions of Law 6/2007.

Yes

No

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

A.12 Please specify whether the company has issued securities that were not traded on a regulated market within Europe.

Yes

No

If so, identify the different share classes and list the rights and obligations inherent in each class.

B GENERAL MEETING

B.1 Please identify any differences from the minimums provided for in the Spanish Capital Corporations Law (LSC) as regards the quorum for holding the General Shareholders Meeting and, if any, please provide details.

Yes

No

B.2 Please specify and, where appropriate, provide details on any differences from the system set out in the Spanish Capital Corporations Law (LSC) for adopting corporate resolutions:

Yes

No

Please describe the differences as compared to the system set out in the LSC.

B.3 Please list the rules applicable to the amendment of the Company's Bylaws: in particular, describe the majorities required to amend the Bylaws and, as the case may be, the rules established to protect shareholders' rights in the amendment of the Bylaws.

The Board of Directors are responsible for submitting for the consideration and, if applicable, approval at the General Shareholders Meeting, any proposal to modify the Bylaws of the Company.

The full text of the proposed amendment(s) that the Board of Directors wish to submit to the General Shareholders will include a report by the Directors on said proposed amendment(s) to the Bylaws.

All documents about the proposed amendment(s) to the Bylaws shall be available to the Shareholders from notice of the General Shareholders Meeting in which their consideration is subject to approval. The proposed amendment(s) shall be clearly stated in the meeting notice, which shall also specify the shareholder's right to inspect, at the registered offices, the full text of the proposed amendment and the report on said amendment(s), as well as to request that said documents be delivered or sent to them free of charge. The same thereof is also to be accessible at all times on the corporate website of the Company.

With respect to the majorities required for the adoption of the amendment(s) to the Bylaws, the provisions set forth in Articles 194 and 201.2 of the Spanish Capital Corporations Law apply so that:

a) in order for the amendment(s) to the Bylaws be approved at the General Shareholders Meeting a qualified majority vote of 50% of the capital present, in person or by proxy is required in the first call and twenty-five per cent (25%) in the second call; and

- b) if the capital present, in person or by proxy, in the General Shareholders Meeting exceeds fifty per cent (50%) of the number of shares with voting rights held, the resolution shall be adopted by absolute majority, a vote in favor of two thirds (2/3) of the voting shares present or duly represented at the meeting will be required to pass the same.
- c) no shareholder, in person or by proxy, may cast a number of votes exceeding 25% or more of the total voting capital in the second call to adopt the amendment(s) to the Bylaws if the number of shares held thereby is not equal or greater than fifty per cent (50%) of the aforesaid capital percentage.

B.4 Please provide details on attendance at the General Shareholders Meeting (GSM) held during the year reported in this report and during the preceding fiscal year:

GSM Date	Attendance Information				
	% of in-person attendance	% proxy	% distance voting		Total
			Electronic Vote	Other	
06/05/2016	100.00%	0.00%	0.00%	0.00%	100.00%
26/07/2016	100.00%	0.00%	0.00%	0.00%	100.00%
21/09/2016	100.00%	0.00%	0.00%	0.00%	100.00%
20/10/2016	100.00%	0.00%	0.00%	0.00%	100.00%
19/12/2016	100.00%	0.00%	0.00%	0.00%	100.00%
06/02/2017	100.00%	0.00%	0.00%	0.00%	100.00%
23/02/2017	100.00%	0.00%	0.00%	0.00%	100.00%
01/03/2017	100.00%	0.00%	0.00%	0.00%	100.00%

B.5 Please specify whether the Bylaws establish any restrictions on the minimum number of shares required to attend the General Shareholders meeting:

Yes No

Number of shares required to attend the General Shareholders Meeting	1.000
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B.6 Section repealed.

B.7 Please provide the URL and access route for the information on corporate governance and the General Shareholders Meeting on the Company's website, as required to be made available to Shareholders through the Company's website.

Information on the Company's corporate governance can be accessed through Prosegur Cash's website (www.prosegurcash.com) by clicking on the "Corporate Governance" heading on the main page.

Information on the Company's General Shareholders Meetings held by virtue of its status as a listed company can be accessed through Prosegur Cash's website (www.prosegurcash.com) by clicking on the "Corporate Governance" heading on the main page and under that heading, within the section titled "General Shareholders Meeting".

C COMPANY ADMINISTRATION STRUCTURE

C.1 Board of Directors

C.1.1 Maximum and minimum number of Directors provided for in the corporate Bylaws:

Maximum number of Directors	15
Minimum number of Directors	5

C.1.2 Please complete the following table with details on Board Members:

Name or Company Name of Director	Representative	Director Category	Position on the Board	Date of First Appt.	Date of Most Recent Appt.	Appointment Procedure
MR. CHRISTIAN GUT REVOREDO		Executive	CHAIRMAN	19/12/2016	19/12/2016	GENERAL SHAREHOLDERS MEETING RESOLUTION
MR. PEDRO GUERRERO GUERRERO		Shareholder-Appointed Director	DEPUTY CHAIRMAN	02/03/2017	02/03/2017	GENERAL SHAREHOLDERS MEETING RESOLUTION
Name or Company Name of the Director	Representative	Director Category	Position on the Board	Date of First Appt.	Date of Most Recent Appt.	Appointment Procedure
MR. JOSE ANTONIO LASANTA LURI		Director	CEO	19/12/2016	19/12/2016	GENERAL SHAREHOLDERS MEETING RESOLUTION
MR. CLAUDIO AGUIRRE PEMAN		External Independent Director	DIRECTOR COORDINATOR EXTERNAL INDEPENDENT DIRECTOR	02/03/2017	02/03/2017	GENERAL SHAREHOLDERS MEETING RESOLUTION
MR. MARIA BENJUMEA CABEZA DE VACA		External Independent Director	DIRECTOR	02/03/2017	02/03/2017	GENERAL SHAREHOLDERS MEETING RESOLUTION
MR. DANIEL GUILLERMO ENTRECANALES DOMECCQ		External Independent Director	DIRECTOR	02/03/2017	02/03/2017	GENERAL SHAREHOLDERS MEETING RESOLUTION
MS. CHANTAL GUT REVOREDO		Shareholder-Appointed Director	DIRECTOR	02/03/2017	02/03/2017	GENERAL SHAREHOLDERS MEETING RESOLUTION
MR. ANTONIO RUBIO MERINO		Shareholder-Appointed Director	DIRECTOR	19/12/2016	19/12/2016	GENERAL SHAREHOLDERS MEETING RESOLUTION
MS. ANA INES SAINZ DE VICUÑA BEMBERG		External Independent Director	DIRECTOR	02/03/2017	02/03/2017	GENERAL SHAREHOLDERS MEETING RESOLUTION

Total Number of Directors	9
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Please list any Directors that were removed from the Board of Directors during the reporting period:

Name or Company Name of the Director	Director Category on removal	Removal Date
MR. MIGUEL ÁNGEL BANDRÉS GUTIÉRREZ	Shareholder-Appointed Director	02/03/2017
MR. FRANCISCO JAVIER LÓPEZ-HUERTA MARTÍN	Shareholder-Appointed Director	02/03/2017

C.1.3 Please complete the following tables about the Members of the Board and their different categories:

EXECUTIVE DIRECTORS

Name or Company Name of the Director	Position in the Company
MR. CHRISTIAN GUT REVOREDO	CHAIRMAN
MR. JOSE ANTONIO LASANTA LURI	CEO

Total Number of Executive Directors	2
% of Board Total	22.22%

SHAREHOLDER-APPOINTED EXTERNAL DIRECTORS

Name or Company Name of the Director	Name or Company Name represented by the Director or who proposed the Director's appointment
MS. CHANTAL GUT REVOREDO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.
MR. PEDRO GUERRERO GUERRERO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.
MR. ANTONIO RUBIO MERINO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.

Total Number of Shareholder-Appointed Directors	3
% of Board Total	33.33%

INDEPENDENT EXTERNAL DIRECTORS

Name or Company Name of the Director:

MR. CLAUDIO AGUIRRE PEMAN

Profile:

Degree in Economics and Business from the Universidad Complutense de Madrid.
MBA from the Instituto de Empresa de Madrid and Advanced Management Program (AMP) Graduate from Harvard Business School.
Former Head of Chase Manhattan Bank and Goldman Sachs Investment Banking in Spain. He also joined Merrill Lynch where he held several senior positions.
Chairman, CEO, and Co-Founding Partner of Altamar Capital Partners.
Member of the Board of Redexis Gas, S.A.
Chairperson of the Advisory Board of Marsh McLennan, Member of the Advisory Board of Caixabank Banca Privada and the International Advisory Board of Goldman Sachs & Co.

Name or Company Name of the Director:

MS. MARIA BENJUMEA CABEZA DE VACA

Profile:

Degree in Geography and History from the Universidad Complutense de Madrid.
Founder of Círculo de Progreso, which later became Infoempleo.
Founder and Chairperson of Spain Startup since 2012.
Founding member of the International Women Forum (IWF) Spain and Vice President of Secot.

Name or Company Name of the Director:

MR. DANIEL GUILLERMO ENTRECANALES DOMECCQ

Profile:

Degree in Economics from Carroll School of Management at Boston College.
Former Project Manager at Unilever International Innovation Center in Milan, Marketing and Communication Director at Loewe (LVMH Group), and Managing Director at Grupo Cinnabar S.A.
Founding partner and Chairperson of Revolution, a communications and

advertising agency.
 Member of the Board of Acciona S.A.
 Member of the Board of Newco Entreriver, S.L.
 Chairman of the Organization Committee of Madrid Horse Week.

Name or Company Name of the Director:

MS. ANA INES SAINZ DE VICUÑA BEMBERG

Profile:

Degree in Agricultural Economics from Reading University and Program for Management Development from Harvard University.
 Former Managing Director of Merrill Lynch International Bank's branch in Spain.
 Former Member of the Board of Mobile Dreams Factory and of Asturbega, the Coca-Cola bottling company in Northern Spain.
 Member of the Boards of Altamar Capital Partners, Acciona, S.A., Corporación Financiera Guadalmar (CFG) and Inmobiliaria Colonial.
 Member of the Board of Fundación ARPE.

Total Number of Independent Directors	4
% of Board Total	44.44%

Please indicate whether any Independent Director received any amount or benefit beyond their compensation as Director from the Company or any Group Company or whether any Independent Director holds or held a business relationship during the last fiscal year with the Company or any Group Company, whether on their own behalf or as a significant Shareholder, Director, or Senior Executive of the entity that holds or held said relationship.

Name of the Director: MR. DANIEL GUILLERMO ENTRECANALES DOMECCQ

Description of the relationship: Founder and Chairman of the publicity and communication agency REVOLUTION PUBLICIDAD, S.L. that provides publicity, media, marketing, and communication services on an occasional and regular basis to the Company.

Reasoned statement: REVOLUTION PUBLICIDAD, S.L. provides to the Company and its Groups, occasionally and since before the appointment of MR. DANIEL GUILLERMO ENTRECANALES DOMECCQ as Member of the Board of Directors, publicity, media, marketing, and communication services, in the ordinary course of the Company's business and subject to market conditions. The Company and its Group do not work exclusively with the REVOLUTION PUBLICIDAD, S.L. agency and receive similar publicity, media, marketing, and communication services from other entities. It is further concluded that the proportion of income received by REVOLUTION PUBLICIDAD, S.L. from the Company and its Group could not be considered material or significant. Furthermore, the Board of Directors of the company consider that the business relationship between the REVOLUTION PUBLICIDAD, S.L. agency and the Company and its Group, occasional, and in the ordinary course of the business, non-exclusive, and of little relevance under the foregoing terms, does not affect under any circumstances the independence of MR. DANIEL GUILLERMO ENTRECANALES DOMECCQ to serve as Member the Board of the Company with the classification of Independent External Director.

If applicable, please include a reasoned statement from the Board on the reasons they believe such Director is able to perform his/her functions as Independent Director.

OTHER EXTERNAL DIRECTORS

Please list other external Directors and discuss the reasons they could not be considered as Shareholder-appointed or Independent Directors as well as any connections they may have with the Company, its Officers, or its Shareholders:

Please specify any variations, if any that have occurred in each director category during the year:

C.1.4 Complete the following table with information on the number of female directors over the last 4 fiscal years (including their category):

	Number of Female Directors				% of total directors of each category			
	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Executive	0	N/A	N/A	N/A	0.00%	N/A	N/A	N/A
Shareholder-Appointed Director	1	N/A	N/A	N/A	33.33%	N/A	N/A	N/A
External Independent Director	2	N/A	N/A	N/A	50.00%	N/A	N/A	N/A
Other External	0	N/A	N/A	N/A	0.00%	N/A	N/A	N/A
Total:	3	N/A	N/A	N/A	33.33%	N/A	N/A	N/A

C.1.5 Please explain any measures that were adopted with a view to attaining the required number of female directors to ensure a balance between male and female directors on the Board of Directors.

Explanation of Measures

The Corporate Governance System of the Company and, in particular, the Appointments Policy for the Board approved by the Board of Directors of the Company on 25 July 2017, states that the Board of Directors shall aim to develop Director selection policies and procedures that favor diversity as regards gender, ensuring that there are no implicit flaws that could result in at any time discrimination and, in particular, that promote the selection of female Directors. In this regard, the Board of Directors established the duty of the Appointments Committee Policy to set representation goals for the least-represented gender on the Board of Directors to at least thirty-three per cent (33%) of the total of Members of the Board.

As of the date of this Report, three (3) out of the nine (9) members of the Board of Directors are female: two (2) out of the four (4) Directors classified as Independent are female. In addition, MS. MARÍA BENJUMEA CABEZA DE VACA forms part of the Audit Committee of the Company and MS. ANA INES SAINZ DE VICUÑA BEMBERG, is member of the Appointments and Compensation Committee, so that both Committees of the Board of Directors have female members.

C.1.6 Please explain any measures followed by the Appointments Committee to ensure that the selection procedures did not have any implicit flaws that would prevent the selection of female directors and to ensure that the Company specifically seeks out and includes women with the desired professional profile among the potential candidates:

Explication of the Measures

The Appointments Policy for the Board approved by the Board of Directors of the Company on 25 July 2017, in addition to that mentioned in the foregoing section C.1.5, states that selecting directors for the Board shall be based on the analysis of the requirements of the Company and its Group and that shall be performed by the Board of Directors with the assessment and report of the Appointments and Compensation Committee.

Persons of good repute, suitable, solvent and who possess the competence, experience, qualifications, training, availability and commitment are required to fulfil the duties of a Director, and whose appointment favors diversity of origins, experience, nationalities, and gender in the Board of Directors, facilitating an appropriate mix in the Board of Directors plenary session that enriches the decision-making process and contributing to pluralistic points of view when debating issues within their competence.

If despite the measures taken, as the case may be, there are few or no female Directors, please explain the reasons that justify such circumstances:

Explication of the Reasons

N/A

C.1.6 bis Please explain the conclusions made by the Appointments Committee as regards verification of compliance with the Director Selection Policy. And, in particular, explain how said policy promotes the objective of having female directors account for at least 30% of the total of number of board members by 2020.

Explication of Conclusions

The size and composition of the Board of Directors matches the requirements of the Company and its Group. They integrate into it persons of good repute, suitable, and solvent, and with the competence, experience, qualifications, training, availability and commitment to carry out their duties as Director on the Board, with diversity of knowledge, experience, origins, and gender.

The number of female directors on the Board is three (3), representing 33.33% of the total number of Board members.

C.1.7 Please explain the form of representation of significant shareholders on the Board of Directors.

The Board of Directors of the Company has, amongst its Members, three (3) Shareholder-appointed Directors nominated to represent PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. (MR. PEDRO GUERRERO GUERRERO, MS. CHANTAL GUT REVOREDO and MR. ANTONIO RUBIO MERINO).

Furthermore, MR. CHRISTIAN GUT REVOREDO is President and Executive Director of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. and MR. JOSE ANTONIO LASANTA LURI is CEO and Director of the Company of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.

C.1.8 If applicable, please explain the reasons for the appointment of any shareholder-appointed directors at the request of shareholders with less than 3% of share capital:

Please specify whether formal requests from shareholders for membership on the Board were not honored when their ownership interest is equal to or exceeds that of other shareholders whose proposal for shareholder-appointed Directors was honored. If so, please explain why the foregoing requests were not met:

Yes

No

C.1.9 Please specify whether any Director has ceased to hold his or her position before completion of his or her mandate, whether the Director provided any explanation to the Board, including through what means, and, if provided in writing and addressed to the entire Board, please specify the reasons given thereby:

C.1.10 Please specify any powers delegated to the Managing Director(s):

Name or Company Name of the Director:

MR. JOSE ANTONIO LASANTA LURI

Brief Description:

The CEO of the Company has been expressly delegated all the powers of the Board of Directors, except those which may not be delegated by law or under the bylaws.

C.1.11 Please identify any Board Members who assume positions as Directors or Officers in other companies in the Group of which the listed Company is the Parent:

C.1.12 Please specify the Directors of the Company, if any, that have notified the Company of their membership on the Board of Directors of other companies (excluding of other Group companies) listed on official securities markets in Spain:

Name or Company Name of the Director	Company Name of the Group Company	Position
MR. PEDRO GUERRERO GUERRERO	BANKINTER, S.A.	CHAIRMAN
MR. DANIEL GUILLERMO ENTRECANALES DOMECCQ	ACCIONA, S.A.	DIRECTOR
MS. ANA INES SAINZ DE VICUÑA BEMBERG	ACCIONA, S.A.	DIRECTOR
MS. ANA INES SAINZ DE VICUÑA BEMBERG	INMOBILIARIA COLONIAL, S.A.	DIRECTOR
MR. CHRISTIAN GUT REVOREDO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	MANAGING DIRECTOR
MS. CHANTAL GUT REVOREDO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	DIRECTOR

C.1.13 Please specify whether the Company has established any rules on the number of Boards on which its Directors can hold seats, providing details if applicable:

Yes

No

C.1.14 Section repealed.

C.1.15 Please indicate the overall compensation of the Board of Directors:

Board of Directors Compensation (in thousands of euros)	1,505
Amount of accumulated pension rights of current Directors (in thousands of euros)	0
Amount of accumulated pension rights of former Directors (in thousands of euros)	0

C.1.16 Please identify senior managers that do not also serve as Executive Directors and indicate the total compensation earned thereby during the year:

Name or Company Name	Position
MR. JUAN COCCI	MANAGING DIRECTOR LATAM BUSINESS
MR. MARTIN MATOS	SOUTH LATAM BUSINESS MANAGER
MR. YAGO PALAO TIRADO	NORTH LATAM BUSINESS MANAGER
MR. LUIS GONZAGA HIGUERO ROBLES	MANAGING DIRECTOR FOR ROW BUSINESS
MR. LUIS JAVIER ORO PRADERA	INNOVATION AND PRODUCTIVITY MANAGER
MR. ANTONIO ESPAÑA CONTRERAS	FINANCIAL MANAGER
MR. JUAN LUIS MARTIN CARRERA	HUMAN RESOURCES MANAGER
MS. MARIA DEL MAR OÑA LÓPEZ	LEGAL COUNSEL AND SECRETARY TO THE BOARD
MS. MARINA COUSO RUANO	GLOBAL STRATEGIC MANAGER
MR. PABLO DE LA MORENA ARRANZ	INVESTMENT RELATIONS MANAGER
MR. JOSE VICENTE SABATER PÉREZ	INTERNAL AUDIT MANAGER

Total senior management remuneration (in thousands of euros)	3,014
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C.1.17 Please identify any Board members who are also Board members, management personnel, or employees of companies with significant ownership interests in the listed Company and/or the Group companies:

Name or Company Name of the Director	Company Name of significant shareholder	Position
MR. CHRISTIAN GUT REVOREDO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	CHAIRMAN
MS. CHANTAL GUT REVOREDO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	DIRECTOR
MR. CHRISTIAN GUT REVOREDO	GUBEL, S.L.	DIRECTOR
MS. CHANTAL GUT REVOREDO	GUBEL, S.L.	DIRECTOR
MR. ANTONIO RUBIO MERINO	PROSEGUR GESTIÓN DE ACTIVOS, S.L.	DIRECTOR
MR. ANTONIO RUBIO MERINO	PROSEGUR SOLUCIONES DE SEGURIDAD INTEGRAL ESPAÑA, S.L.	DIRECTOR
MR. ANTONIO RUBIO MERINO	COMPAÑÍA RIDUR 2016, S.A.	JOINT DIRECTOR

Please detail any relevant relationships, other than those presented in C.1.17, between members of the Board of Directors and significant shareholders in the Company and/or group companies:

Name or Company Name of the associated Director:

MR. CHRISTIAN GUT REVOREDO

Name or Company Name of the associated significant shareholder:

MS. HELENA IRENE REVOREDO DELVECCHIO

Description of the relationships:

MS. HELENA REVOREDO DELVECCHIO is the Mother of MR. CHRISTIAN GUT REVOREDO. MS. HELENA REVOREDO DELVECCHIO is the majority controlling shareholder of GUBEL, S.L. and MR. CHRISTIAN GUT REVOREDO, non-controlling minority shareholder. GUBEL, S.L. controls 50.110% of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. that, at the same time, is holder of 72.5% of the Company.

Name or Company Name of the associated Director:

MS. CHANTAL GUT REVOREDO

Name or Company Name of the associated significant shareholder:

MS. HELENA IRENE REVOREDO DELVECCHIO

Description of relationship:

MS. HELENA REVOREDO DELVECCHIO is the Mother of MS. CHANTAL GUT REVOREDO. MS. HELENA REVOREDO DELVECCHIO is the majority controlling shareholder of GUBEL, S.L. and MS. CHANTAL GUT REVOREDO, non-controlling minority shareholder. GUBEL, S.L. controls 50.110% of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. that, at the same time, is holder of 72.5% of the Company.

C.1.18 Please specify whether the Board of Directors Regulations were amended during the year:

Yes

No

C.1.19 Please specify the procedures for the appointment, reappointment, assessment, and removal of Directors. Provide details on the competent bodies, steps to follow and criteria applied in each procedure.

1. SELECTION OF DIRECTORS

The selection of Directors corresponds to the Board of Directors that, with the assessment and report of the Appointment and Compensation Committee, assesses the needs of the Company and the Group in this respect. Persons of good repute, suitable, solvent and who possess the competence, experience, qualifications, training, availability and commitment are required to fulfil the duties of a Director, and whose appointment favors diversity of origins, experiences, nationalities, and gender in the Board of Directors, facilitating an appropriate mix in the Board of Directors plenary session that enriches the decision-making process and contributing to pluralistic points of view when debating issues within their competence. Candidates are not considered for the Board of the Company when they are in any situation of incompatibility or prohibition provided by law for carrying out their duties as Director, who in any form whatsoever have conflicting interests to those of the Company and Group and who do not fulfil the requirements set forth in the Corporate Governance System of the Company for becoming a Director.

2. APPOINTMENT AND RE-ELECTION OF DIRECTORS

The General Shareholders Meeting is the body with the power to appoint, re-elect, and remove Directors of the Company. However, the Board of Directors has the power according to the terms established in the Spanish Capital Corporations Law to temporarily fill vacancies by co-option and to submit proposed appointments at the following General Shareholders' Meeting for approval. It is the Appointment and Compensation Committee who propose Independent Directors and inform on the same to the remaining Directors.

The Board of Directors in exercising its powers to make proposals to the General Shareholders' Meeting and to temporarily fill vacancies by co-option, shall ensure that the number of external or non-executive Board members represents the minimum necessary and the number of Independent Directors represents at least a third of the total.

The term of the appointment as Director is for three (3) years, and Directors may be re-elected on one or more occasions for terms of the same duration. Independent Directors may not remain as such for a continuous period of more than twelve (12) years, except if they go on to hold the position as Shareholder-Appointed Director, Executive, or other External Director.

3. ASSESSMENT OF DIRECTORS

The Board of Directors assesses every year (i) the functioning of the Board of Directors; (ii) the performance of their duties by the Chairman and the Chief Executive of the Company, based on the report submitted for this purpose by the Appointment and Compensation Committee; and (iii) the calculation of Remuneration to the Board of Directors, based on the reports on the same.

The Appointment and Compensation Committee of the Company shall organize and coordinate the periodic assessment of the Chairman of the Board together with the periodic assessment of the Board of Directors, its members and the Chief Executive of the Company. The Board of Directors should designate from among its members, insofar as the Chairman of the same has the category of Executive Director, External Independent Director, Coordinator-Director who, amongst other duties, is responsible for managing the periodic assessment of the Chairman of Board of Directors.

4. REMOVAL OF DIRECTORS

Directors will leave their office once the term for which they were appointed has lapsed or when so agreed by the General Meeting or the Board of Directors exercising the powers that are legally or statutorily conferred to them.

The Board of Directors may only propose the removal of an Independent Director before the end of the statutory period for which the same were appointed if there are grounds for doing so which must be assessed by the Board subsequent to submitting a report to the Appointments and Compensation Committee.

Directors must tender their resignation to the Board and, if the Board considers it advisable, must formally submit their resignation in the following cases:

- a) When they are no longer exercising their executive duties to which their appointment was related and if there are no longer any reasons for which they were appointed thereof.
- b) When there is a conflict in interests or prohibition provided for by law.
- c) When they have been accused of an alleged crime or when supervisory bodies have charged them with serious or very serious offences.
- d) When the Audit Committee seriously caution them for non-fulfilment of any of their obligations as Board Member.
- e) When their remaining on the Board adversely affects the Company's credit or reputation, or otherwise jeopardizes its interests.

Board Members must also inform the Board of Directors of any criminal charges brought against them, as well as any disciplinary proceeding for a serious or very serious infringement investigated by the supervisory authorities against them, as well as, on both counts, of the subsequent legal proceedings. If a Director is indicted or tried for any of the crimes stated under the Spanish Corporate Capital Law, the Board of Directors must examine the matter as soon as possible and, in view of the particular circumstances, decide whether or not the Director in question should be called on to resign.

Directors who renounce their appointment before the term expires through resignation or otherwise, should explain their reasons in a letter to be sent to all Members of the Board.

C.1.20 Please explain to what extent the annual evaluation of the Board of Directors led to significant changes in the internal organization and procedures applicable to its activities:

Description of Amendments

The annual evaluation of the performance of the Board of Directors of the Company has been satisfactory and has not led to any changes in its organization or procedures as not deemed necessary.

C.1.20.bis Please describe the assessment process and the areas assessed by the Board of Directors with the assistance, as the case may be, of an External Advisor, as regards the diversity of its composition and skills, functioning and composition of its Committees, performance of the Chairman of the Board of Directors and the Company's top executive and the performance and contribution of each of the Directors.

Pursuant to article 5 of the Board of Directors Regulations, the Board of Directors is responsible for general supervisory function, including, among others, the functioning of the Board of Directors itself.

In collaboration with the Chairman of the Appointments and Remuneration Committee, the Chairman of the Board of Directors must organise and coordinate the periodic evaluation of the Board of Directors, its Committees, its members and the chief executive of the Company, in accordance with the provisions of the Board of Directors Regulations. Additionally, the Senior Independent Director is responsible of managing the periodic evaluation of the Chairman of the Board of Directors. In the Company, the Chairman of the Appointments and Remuneration Committee and the Senior Independent Director are the same individual.

The Board of Directors meets once a year to evaluate its functioning and the performance of its members, based upon the report issued for said purposes by the Appointments and Remuneration Committee. It evaluates annually, also, the functioning of the Committees of the Board of Directors, based upon the reports thereof presented to the Board of Directors.

The Appointments and Remuneration Committee has undertaken its duties directly, not having so far involved any external advisor.

C.1.20.ter Provide detailed information, as applicable, on business relations between the consultant or any Group Company with the Company or any other Group Company.

N/A

C.1.21 Please specify the situations in which the Board Members are required to resign.

Directors must tender their resignation to the Board and, if the Board considers it advisable, must formally submit their resignation in the following cases:

- When they are no longer exercising their executive duties to which their appointment was related and if there are no longer any reasons for which they were appointed thereof.
- When there is a conflict of interests or prohibition provided for by law.
- When they have been accused of an alleged crime or when supervisory bodies have charged them with serious or very serious offences.
- When the Audit Committee seriously caution them for non-fulfilment of any of their obligations as Board Member.
- When their remaining on the Board adversely affects the Company's credit or reputation, or otherwise jeopardizes its interests.

C.1.22 Section repealed.

C.1.23 Are qualified majorities other than those established by Law required for any specific decision?

Yes

No

If so, please describe the differences.

C.1.24 Please state whether there are any specific requirements, other than those relating to Directors, to be appointed as the Chairman of the Board of Directors.

Yes

No

C.125 Please specify whether the Chair has a casting vote:

Yes

No

Matters for which there is a Casting Vote

The resolutions of the Board of Directors are adopted by a majority of votes of the Directors attending the meeting, either in person or by proxy, except in those case in which the Law, the Bylaws or the Regulations of the Board of Directors call for the favorable vote of a greater number of Directors for the validity of certain resolutions thereof. The same provides that in the event of a tie, the Chairman of the Board shall have the Casting Vote.

C.126 Please specify whether the Bylaws or the Board regulations establish any limit as to the age of the Directors:

Yes

No

C.127 Please specify whether the Bylaws of the Board Regulations establish any limit beyond that provided by Law the mandate of the Independent Directors:

Yes

No

C.128 Please specify whether the Bylaws of the Board of the Directors Regulations establish specific rules for granting proxies on the Board of Directors, including as regards the manner for granting proxies and, in particular, the maximum number of proxies that any single Director may hold, as well as whether they establish any restrictions on the category of Director to which they can be granted, beyond those legally mandated restrictions. If so, please briefly describe the rules.

The Bylaws establish that any Director who is unable to attend a Board Meeting can be represented at the same by another Director. The proxy shall be granted to another Director in writing and including, insofar as possible, their voting instructions. The aforesaid Bylaw provision states that Non-Executive Directors may only delegate proxies to other Non-Executive Directors.

The Board of Directors Regulations further states that Directors must make every effort to attend the Board Meetings and, when they cannot do so in person, shall endeavor to appoint another Board Member to represent them, with the appropriate instructions.

C.129 Please specify the number of meetings held by the Board of Directors during the year. In addition, please identify the number of times the Board met, if any, without the attendance of the Chairman. Proxies granted with specific instructions shall be considered in attendance for calculation purposes.

Number of Board Meetings	11
Number of Board Meetings without attendance of the Chairman	0

If the Chairman is an Executive Director, please indicate the number of meetings held without the personal attendance or attendance by proxy of an Executive Directors and that were presided over by the Coordinating Director.

Number of Meetings	0
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Please specify the number of meetings held by the different Board Committees during the year:

Committee	Nº of Meetings
AUDIT COMMITTEE	5

Committee	Nº of Meetings
APPOINTMENT AND COMPENSATION COMMISSION	2

- C.1.30 Please specify the number of meetings held by the Board of Directors during the year in which some of its members were not present. Proxies granted with specific instructions shall be considered in attendance for calculation purposes:

Number of meetings with full attendance	11
% attendance of total votes during the year	100,00%

- C.1.31 Please specify whether the annual individual and consolidated financial statements presented to the Board for approval were previously certified:

Yes No

Please specify, if applicable, the person(s) who certified the individual and consolidated financial statements of the Company for their preparation by the Board:

Name	Position
MR. ANTONIO ESPAÑA CONTRERAS	FINANCIAL DIRECTOR

- C.1.32 Please explain any mechanisms established by the Board of Directors to prevent the individual and consolidated financial statements prepared by the Board from being submitted to the General Meeting with a qualified audit opinion.

Financial Management imposes strict controls on individual and consolidated annual accounts so that they comply with the Accounting Principles generally accepted in Spain and the International Financial Reporting Standards (IFRS).

The Audit Committee is responsible, among other duties, to manage the relationship with the External Auditor (KPMG Auditores, S.L. to date) and ensure that the Board of Directors can present the financial statements to the General Meeting without reservations or qualifications in the Auditor's report. To this end, the Audit Committee maintains ongoing discussions with the External Auditor when preparing the Annual Accounts.

Furthermore, the Regulations of the Board of Directors states that the same prepares the Annual Accounts in such a way as not to give rise to qualifications by the External Auditor. Notwithstanding, in cases in which there is a discrepancy between the Board of Directors and the External Auditor, the same shall clearly and publically explain the content and scope of the discrepancy thereof.

- C.1.33 Is the Secretary of the Board a Director?

Yes No

If the Secretary is not a Director, please complete the following table:

Name or Company Name of the Secretary	Representative
MS. MARIA DEL MAR OÑA LÓPEZ	

- C.1.34 Section repealed.

C.1.35 Please specify any mechanisms established by the Company to ensure the independence of the External Auditors, Financial Analysts, Investment Banks, and Rating Agencies.

The Audit Committee are responsible for safeguarding the independence of the External Auditors when exercising their duties. To this end, the Audit Committee shall ensure that the amount received by the External Auditors is sufficient without compromising their independence and that the External Auditor calls a Board Meeting once a year with the Board of Directors and requests their presence at the Audit Committee meetings to inform them about the work carried out and the progress of the accounting situation and any risks to the Company. In addition, the Chairman of the Audit Committee will hold additional work meetings about specific topics depending on the needs of the Company.

Furthermore, the Board of Regulations states that the Board of Directors shall abstain from contracting those audit firms whose anticipated fees for all items will be greater than five per cent (5%) of its total income of the previous financial year and must report publicly the total fees paid by the Company to the Auditors for services other than auditing.

There are no specific measures to safeguard the independence of Financial Analysts, Investment Banks, or Rating Agencies, the same is covered by a Communication Policy with Investors that advocates transparency in financial reporting, the issuing of financial and strategic communications in a coherent and open way, and the realistic, balanced and understandable account of the situation and prospects of the Company. Notwithstanding, the relations of the Company shall be channeled through the Investor Relations Department, that are based on the principle of equal treatment, professionalism, solvency, and independence in their assessments.

C.1.36 Please specify whether the Company changed its External Auditor during the year. If so, please identify the incoming and outgoing Auditor:

Yes No

If there were any disagreements with the outgoing auditor, please provide an explanation:

C.1.37 Please specify whether the audit firm provides any non-audit services to the Company and/or its Group and, if so, the fees paid and the corresponding percentage of total fees invoiced to the Company and/or Group:

Yes No

	Company	Group	Total
Amount for non-audit services (in thousands of euros)	125	164	289
Amount of non-audit services/total amount billed by the audit firm (%)	11.77%	15.42%	27.18%

C.1.38 Please specify whether the audit report on the annual financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the Chair of the Audit Committee to explain the content and scope of the aforementioned qualified opinion or reservations.

Yes No

C.1.39 Please provide details on the number of consecutive years for which the current audit firm has been auditing the annual financial statements of the Company and/or its Group. Furthermore, please specify the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Company	Group
Number of consecutive years	2	2
Number of years audited by the current audit firm/Number of years that the Company has been audited (%)	100.00%	100.00%

C.140 Please specify whether there is a procedure whereby Directors can contract external advisory services and, if applicable, provide details:

Yes

No

Explanation of Procedure

External Directors can request, with a view to receiving assistance in the exercise of their duties, the engagement of legal counsel, accounting, financial or other experts, the cost of the same being borne by the Company, with the request being made to address specific problems of certain importance and complexity.

The decision to hire external advisory services has to be communicated to the Chairman of the Board of Directors and may be vetted by the Board of Directors when:

- a) it is not necessary for the proper performance of the duties entrusted to the External Directors.
- b) the cost is not reasonable in view of the importance of the problem and of the assets and income of the Company; or
- c) the technical assistance obtained may be adequately provided by in-house experts and technicians.

C.141 Please specify whether there is a procedure for providing information to Directors to allow them to prepare for meetings of management bodies with sufficient notice. If so, explain the procedure:

Yes

No

Explanation of Procedure

The Director's right to information is expressly regulated by the Board Regulations, which establishes that the Directors shall have ample powers to make inquiries on any matter related to the Company and to examine its books, records, documents, and other history of corporate operations and to inspect all installations. This right to information extends to the companies of the Group, whether National or foreign.

The exercise of the powers of information shall be made to the Chairman and will be processed by the Secretary of the Board of Directors or the Financial Director of the Company, who shall directly provide the Directors with such information or otherwise notify the relevant intermediaries in the Company and, in general, shall establish all necessary measures to ensure full compliance with the right to information or arbitrating measures to practice examination and inspecting desired in situ.

Furthermore, the Board Regulations states that ordinary meetings shall be called of the Board of Directors with the meeting notice made at least three days in advance, and shall include, except in the case of a justified reason, the Agenda for the meeting, which shall clearly list the Agenda items on which the Board must make a decision or pass a resolution with any necessary supportive information attached to the same.

C.142 Please specify whether the Company has established any rules that require Director to report on and, if applicable, resign in any circumstances that may harm the Company's credit and reputation. If so, provide details:

Yes

No

Explanation of Rules

Board Members should tender their resignation to the Board of Directors and should formalize, if the Board deems it appropriate, their corresponding resignation, when their remaining on the Board might affect the credit or reputation of the Company or otherwise jeopardize its interests.

Furthermore, the Directors must inform the Board of Directors of any criminal charges brought against them or are subject to a disciplinary proceeding for serious or very serious fault instructed by the supervisory authorities, and of the subsequent legal proceedings thereof. If a Director is indicted or tried or have a hearing order issued against them for any of the offences set forth in the Spanish Corporation Law, The Board of Directors should examine the matter as soon as possible and, in view of the particular circumstances, decide whether or not the Director should be called to resign. The reasoned decision must also be disclosed in the Annual Corporate Governance Report.

C.143 Please specify whether any Member of the Board of Directors have notified the Company that he or she has been tried, or notified that judiciary proceedings have been filed, for any offences established in Article 213 of the Spanish Capital Corporations Law:

Yes

No

Please explain whether the Board of Directors has analyzed the case. If so, please provide a reasoned explanation of the decision made on whether the Director should continue in his or her position, explaining all actions taken or expected to be taken by the Board of Directors as of the date of this report.

C.144 Please give details on any significant agreements entered into by the Company that would enter into force, be amended or concluded in the event of a change in control of the Company as a consequence of a public tender offer, and the effects thereof.

- a) A syndicated loan contract (hereinafter the "Term Loan Agreement" for an amount of 300 million euros was signed between Prosegur Cash, S.A. and a lending syndicate, on 10 February 2017. As of 31 December 2017 the available capital amounts to 0.0 euros. In the event of a change in control of the Company, the lending syndicate shall no longer be bound to make the amounts required from them to the Company and could request early redemption.
- b) Syndicated loan for the amount of 70 million Australian Dollars was signed between the Australian subsidiaries of the Company as the Borrowers, the Company acting as the Guarantor and a lending syndicate on 28th April 2017. As of 31 December 2017 the available capital amounts to 70 million Australian dollars. In the event of a change in control of the Company, the lending entities will no longer be bound to make the amounts required from them to the Company and could request early redemption.
- c) Financing Contract for the amount of 272 million Rand on 29 January 2016. This contract was initially signed by Prosegur Compañía de Seguridad, S.A. and thereafter on 14 July 2017 was transferred to Prosegur Cash, S.A. that hereinafter became the accredited party. As of 31 December 2017 the available capital amounts to 272 million Rand. In the event of a change in control of the Company, the lending entity will no longer be bound to make the amounts required from them to the Company and could request early redemption.
- d) The issue made on 4 December 2017 as part of the fixed-income issue program (Euro Medium Term Note Program) of the Company of ordinary bonds by Prosegur Cash, S.A. for the amount of 600 million euros matures on 4 February 2026. In the event of a change in control of the Company and subsequent lowering of the rating of the investment (BBB-), the holders could request the repurchase of the bonds.

C.145 Please identify and detail, on an aggregate basis, the agreements between the Company and its administration and management positions or employees who benefit from indemnities, or guarantees or gold parachute clauses, upon their resignation or wrongful dismissal, or if the contractual relationship comes to an end due to a public tender offer or any other type of transaction.

Number of Beneficiaries: 1

Type of Beneficiary:

Executive Chairman

Description of Agreement:

The Contract for the provision of executive services between the Company and the Executive Chairman recognizes the right of the same to receive a severance payment for the gross amount of 500.000 euros, that shall include and integrate any severance payment in lieu of notice provided for by Law and is payable within ten (10) days, if the resolution thereof is voluntary by the Company, the initiative of the Executive Chairman for causes attributable to the Company or by mutual agreement.

Please specify whether the governing bodies of the Company or its Group must be notified of and/or approve these agreements:

	Board of Directors	General Meeting
Body authorizing the clauses	Yes	No

	Yes	No
Are the clauses reported to the General Shareholders Meeting?	X	

C.2 Board Committees

C.2.1 Please provide details on all Board Committees, their members and the proportion of Executive, Shareholder-appointed, Independent, and other External Directors on the Committee:

AUDIT COMMITTEE

Name	Position	Category
MR. DANIEL GUILLERMO ENTRECANALES DOMECCQ	CHAIRMAN	External Independent Director
MR. CLAUDIO AGUIRRE PEMAN	MEMBER	External Independent Director
MR. MARIA BENJUMEA CABEZA DE VACA	MEMBER	External Independent Director

% Shareholder-appointed Directors	0.00%
% External Independent Directors	100.00%
% Other External Directors	0.00%

Please explain the duties attributed to this Committee, describe the procedures and rules followed regarding its organization and functioning and summarize the most significant actions taken during the fiscal year.

The Audit Committee is an internal, standing, non-executive advisory body entrusted with informing, supervising, assessing, and proposing within the scope of its business operations. Most significant activities carried out through the year are detailed in the Audit Committee Annual Report available at the Company's website (www.prosegurcash.com).

The Audit Committee is made up of a minimum of three and a maximum of five non-executive Directors who have the dedication, capacity and experience necessary for performing their duty. The foregoing shall ensure that the composition of the Audit Committee is diverse. The majority of the Members of the Audit Committee should be Independent Directors. At least one of its Members and, in particular their Chairperson, should be appointed taking into consideration their knowledge and experience with respect to accounting, auditing, and risk management. The Board of Directors shall appoint the Chairperson of the Audit Committee from amongst their Independent Directors. The position as Chairperson of the Audit Committee shall be exercised for a maximum period of four years that, on completion, the same cannot be reelected until at least one year has passed since the termination of the foregoing position, without prejudice to the continuity as Member of the Committee.

Without prejudice to other undertakings which may be assigned thereto by the Board of Directors, the Audit Committee has the following duties, inter alia:

- a) To notify the General Shareholders Meeting about matters arising which fall within the competencies of the Committee.
- b) To supervise the preparation and presentation of the Accounts that the Board of Directors submits to the General Meeting with an unqualified opinion in the audit report.
- c) To refer proposals to the Board of Directors for the selection, appointment, reappointment and substitution of the external auditor, as well as on contracting conditions, and (i) examine, if the case may be, the circumstances that may have led to their resignation; (ii) ensure that their remuneration does not compromise their dedication nor independence; (iii) notify the change of auditor as a Relevant Event; (iv) make sure that a Board Meeting is held with the Board of Directors every year; (v) supervise the compliance to the Audit Contract; and (vi) ensure that the Company and the External Auditor respect the regulations in force with respect to the Independence of the Auditors.
- d) To establish and maintain the relevant relationships with the External Auditor in accordance with the provisions of the law in force.
- e) To issue an Annual Report expressing an opinion on whether the independence of the Auditor of the accounts has been compromised.
- f) To supervise the function of the internal audit.
- g) To supervise the preparation and presentation of all required financial information.
- h) To supervise the effectiveness of the Company's internal controls, internal auditing and risk management systems, including tax risks.
- i) To supervise the functioning of the Control and Risk Management Unit.

- j) To analyze and report any operations involving structural and corporate amendments.
- k) To report to the Board in advance regarding those matters provided for in the Law and in the Bylaws.
- l) To review the prospectuses and any other relevant information that the Board of Directors should provide the markets and its supervisory bodies.
- m) To establish and supervise a system that enables the employees to notify, in a confidential and anonymous way, any irregularities that may be of potential importance.
- n) To assess on a continuous basis the efficiency of the Corporate Governance System of the Company.
- o) To supervise the notification and relationship strategy for shareholders and investors.
- p) To review the Company's corporate responsibility policy.
- q) To assess all matters relating to non-financial risks of the Company (operational, technological, legal, social, environmental, political, and reputational).
- r) To coordinate the reporting process of the non-financial information.
- s) To report on any related operations.
- t) To report on matters subject to that in the framework contract of relations between the Company and PROSEGUR COMPAÑIA DE SEGURIDAD, S.A., their fulfilment and possible recommendations for amendment thereof.

The Audit Committee shall meet as often as deemed necessary and at least four times a year.

A member of the management team or members are obliged to attend any meetings called, collaborating with the same and providing any information that is available. The attendance of the Accounts Auditor is also required. The Audit Committee may also seek advice from external professionals.

The Chairperson of the Audit Committee must report to the Board of Directors the matters dealt with and the decisions taken by them at the first meeting of the Board of Directors after a Committee meeting. The Minutes of the Audit Committee meetings are to be made available to the Members of the Board of Directors.

Please identify the Director on the Audit Committee whose appointment was made based on his or her knowledge and experience in the areas of accounting, auditing, or both and state the number of years the Chairman of this committee has been in his or her position.

Number of experienced Directors	MR. DANIEL GUILLERMO ENTRECANALES DOMECCQ
Nº of years Chairman has held office	1

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
MR. CLAUDIO AGUIRRE PEMAN	CHAIRMAN	External Independent Director
MR. PEDRO GUERRERO GUERRERO	MEMBER	Shareholder-Appointed Director
MS. ANA INES SAINZ DE VICUÑA BEMBERG	MEMBER	External Independent Director

% of Shareholder-Appointed Directors	33.33%
% of Independent Directors	66.67%
% of other External	0.00%

Please explain the duties attributed to this committee, describe the procedures and rules followed regarding its organization and functioning and summarize the most significant actions taken during the fiscal year.

The Appointments and Compensation Committee shall be comprised of a minimum of three and maximum of five Non-Executive Directors. Notwithstanding it shall be ensured that the foregoing have the knowledge, aptitudes, and experience required to perform their duty. The majority of the Members of the Appointments and Compensation Committee should be External Independent Directors.

Without prejudice to other undertakings which may be assigned thereto by the Board of Directors, the Appointments and Compensation Committee has the following duties, inter alia:

- a) To assess the skills, knowledge, and experience needed on the Board of Directors.
- b) To inform the Board of Directors about matters relating to gender and establish a representation goal for the least-represented gender.
- c) To raise all proposals for the appointment of Independent Directors to the Board of Directors for their appointment by co-optation or by submission to the decision of the General Shareholders Meeting, as well as all proposals for the reappointment or removal of said Directors by the General Shareholders Meeting.
- d) To report on proposals for appointment, reappointment, or removal of the other Board Members of the Company.
- e) To verify on a yearly basis compliance to the policy for selecting Members of the Board.

- f) To report on the proposals for appointment or removal of positions on the Board of Directors, including the Secretary and Vice-Secretaries and proposing to the Board of Directors the members who must form part of each of the Committees.
- g) To examine and coordinate the succession of the Chairman of the Board of Directors and the Company's top executive.
- h) To organize and co-ordinate the periodic assessment of the Chairman of the Board of Directors and the Board of Directors and its members and the top executive of the Company.
- i) To report on the proposals for appointment and removal of senior managers and propose to the Board of Directors the base terms and conditions of their contracts.
- j) To propose a policy to the Board of Directors for the compensation of Directors and General Managers or other individuals carrying out senior management duties under the direct supervision of the Board, the Executive Committees or the Managing Directors, as well as individual compensation and other contractual terms of the Executive Directors, ensuring that such terms are complied with.
- k) To ensure compliance with the compensation policy established by the Company.
- l) To ensure compliance with and periodically review the compensation policy for Directors and Senior Executives, including share compensation systems and their application, as well as to ensure that individual compensation is proportionate to the amounts paid to other Directors and Senior Executives of the Company.
- m) To verify information regarding compensation of Directors and Senior Executives as provided in various corporate documents.
- n) To report on any conflicts of interest of the Directors.
- o) To ensure that any potential conflicts of interest do not threaten the independence of any external advisor provided to the Committee.

The Appointments and Compensation Committee shall consult the Chairman of the Board of Directors and the top executive of the Company, in particular when it concerns matters relating to the Executive Members and Senior Managers. The Appointments and Compensation Committee shall meet whenever it is deemed advisable for the proper development of its functions and, in all cases, once a year to prepare the information about the compensation of the Directors that the Board of Directors has to approve and include in the yearly public documents.

The Chairman of the Appointments and Compensation Committee must report to the Board of Directors the matters dealt with and the decisions taken by them at the first meeting of the Board of Directors after a Committee meeting. The Minutes of the Appointments and Compensation Committee meetings are to be made available to the Members of the Board of Directors.

C.2.2 Please complete the following table with the information on the number of female Directors on the Board Committees over the last four fiscal years:

	Number of Female Directors							
	Fiscal Year 2017		Fiscal Year 2016		Fiscal Year 2015		Fiscal Year 2014	
	Number	%	Number	%	Number	%	Number	%
AUDIT COMMITTEE	1	33.33%	0	0.00%	0	0.00%	0	0.00%
APPOINTMENTS AND COMPENSATION COMMITTEE	1	33.33%	0	0.00%	0	0.00%	0	0.00%

C.2.3 Section repealed

C.2.4 Section repealed.

C.2.5 Please indicate, where applicable, if there are any regulations governing the Board Committees, where these regulations may be consulted and any amendments thereto made during the year. Please also state whether any Annual Reports on the activities of each Committee have voluntarily prepared.

1.- AUDIT COMMITTEE

The organization and operation of the Audit Committee of the Board of Directors is governed by:

- a) the Bylaws (Article 30 and related provisions);
- b) the Board of Directors Regulations (Article 17 and related provisions); and
- c) the Audit Committee Regulations that, as set forth in the Board of Directors Regulations and in compliance with the recommendations made in the Technical Guide for Audit Committees, develop the rules for the organization and functioning of the Audit Committee of the Company.

All documents can be found and are available for viewing on the website of the Company (www.prosegurcash.com) and the Bylaws and the Board of Directors Regulations on the web site of the Spanish Securities Market Commission (CNMV - Comisión Nacional del Mercado de Valores). The Board of Directors on 18 December 2017 approved the Regulations of the

Audit Committee.

Article 24 of the Audit Committee Regulations states that a report on the operation of the Audit Committee is to be prepared every year that is to be published as part of the Annual Report of the Company and available to the public on the corporate website of the Company

2.- APPOINTMENT AND COMPENSATION COMMITTEE

The organization and operation of the Appointment and Compensation Committee of the Board of Directors is governed by:
a) the Bylaws (Article 30 and related provisions); and
b) the Board of Directors Regulations (Article 18 and related provisions).

All documents can be found and are available for viewing on the website of the Company (www.prosegurcash.com) and the web site of the Spanish Securities Market Commission (CNMV - Comisión Nacional del Mercado de Valores).

The Appointments and Compensation Committee shall prepare and submit to the Board of Directors an annual report on the functioning of the same thereof.

C.2.6 Section repealed.

D RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1 Please explain, as the case may be, the procedures for approving related-party and intragroup transactions.

Procedures for reporting on the approval of related-party transactions

The Board of Directors formally reserves the right of approving transactions carried out by the Company or its group companies with significant shareholders, whether individually or collectively with others, including shareholders represented on the Board of Directors of the Company or of other group companies, or with parties related thereto (hereinafter "related transactions"), in the terms and subject to the exceptions set forth in Articles 5 and 40 of the Board of Directors Regulations.

The foregoing approval should be preceded by, in accordance with that set forth in Articles 17 of the Board of Directors Regulations and 14 and 15 of the Audit Committee Regulations and, in relation to transactions with Prosegur Compañía de Seguridad, S.A., in compliance with the commercial relationship established in the framework contract between the Company and the same, a report assessing the transaction with regards to the principles of fair treatment of shareholders and the market conditions.

Furthermore, Article 40 of the Board of Directors Regulations stipulates that:

- Transactions within the ordinary course of the Company's business and being habitual or recurrent in nature, require the prior, generic authorization for the line of operations and their conditions of execution from the Board of Directors, based on a report submitted by the Audit Committee; and
- The authorization of the Board of Directors is not needed in connection with related-party transactions that simultaneously meet the following three conditions: (i) they are governed by standard contracts applied on an across-the-board basis to a large number of clients; (ii) that are performed at prices or rates generally established for those that act as Supplier of the goods or services in question; and (iii) that the amount thereof is not greater than 1% of the Company's annual revenue, according to the audited annual accounts from the previous fiscal year end date of the operation in question.

D.2 Please describe any transactions for significant amounts or relating to significant issues between the Company or group companies and the company's significant Shareholders:

Name of Significant Shareholder	Name of the Company of its Group	Nature of the Relationship	Kind of relationship	Amount (thousand euros)
MS. HELENA REVOREDO DELVECCHIO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Commercial	Operating Lease Agreements	9.940
MS. HELENA REVOREDO DELVECCHIO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Commercial	License Agreements	30.569
MS. HELENA REVOREDO DELVECCHIO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Commercial	Receipt of Services	47.742
MS. HELENA REVOREDO DELVECCHIO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Commercial	Sale of Goods	103.618
MS. HELENA REVOREDO DELVECCHIO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Commercial	Sale of Financial Assets	68.487
MS. HELENA REVOREDO DELVECCHIO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Commercial	Financing Agreements: other	30.170
MS. HELENA REVOREDO DELVECCHIO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Commercial	Financing Agreements: loans	18.372

MS. HELENA REVOREDO DELVECCHIO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Commercial	Other instruments that may imply the transfer of assets and liabilities between the Company and its related party	24.375
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D.3 Please describe any transactions for significant amounts or relating to significant issues between the Company or group companies and the Company's Directors or Executives:

D.4 Please describe significant transactions carried out by the Company with other companies belonging to the same Group, to the extent that they are not removed for the purposes of preparing the Company's consolidated financial statements and do not (in terms of their purpose and conditions) form part of the Company's ordinary business activities.

In any case intragroup transaction carried out with organizations established in countries or territories deemed to be tax havens shall be reported:

D.5 Please state the amount of the transactions carried out with other related parties.

0 (in thousands of euros).

D.6 Please describe the mechanisms established to detect, assess, and resolve potential conflicts of interests between the Company and/or its Group and its Directors, Executives, or Significant Shareholders.

1.- CONFLICTS OF INTEREST BETWEEN THE COMPANY AND ITS DIRECTORS

According to Article 34 of the Board of Directors Regulations, it shall be understood that a conflict of interest exists where there is a direct or indirect conflict between the interests of the Company and the companies included in its Group and the personal interest of the Director. The Director shall be deemed to have a personal interest when he or she is directly affected or if any Related Party thereto is so affected, or, in the case of a Shareholder-Appointed Director, when the shareholder(s) whose shareholdings they represent on the Board or if any Related Party to them are so affected. The foregoing provision refers to Article 231 of the Spanish Capital Corporations Law for the definition of those who are considered Related Parties to a Director for the purposes of the Regulations, including in the concept thereof any Company in which the Director exercises a position on the Board or Management or in which they are a significant shareholder.

Conflict of interest situations are governed by the following rules:

- Information Obligations:

The Director must report to the Board of Directors, through the Chairman or Secretary of the same, any situation that could cause a conflict of interest, whether directly or indirectly, in which they find themselves to be.

The Director must also report all positions that he or she occupies and the activities carried out in other companies or entities and, in general, any fact or situation that could be relevant in their role as Company Board Member.

- Abstention Obligations:

Except in the case of a legal exemption in accordance with that set forth in Article 230 of the Spanish Capital Corporations Law, the Director shall abstain from:

- engaging in transactions with the Company that are not considered ordinary transactions, performed under standard conditions for clients and of minor importance, with the foregoing being understood to be those whose information is not required to express a true image of the assets, financial situation and results of the Company.
- taking advantage or receiving compensation from a third-party different to the Company or its Group when carrying out the duties of their position, unless involving duties out of common courtesy.
- In general, abstain from debating and voting on those matters in which they have a conflict of interest.

2.- CONFLICTS OF INTEREST BETWEEN THE COMPANY AND THEIR SIGNIFICANT SHAREHOLDERS

In respect to significant shareholders, articles 5 and 40 of the Board of Directors Regulations state that the Board of Directors need to be told about any transaction of the Company involving a Significant Shareholder and/or any other Related Party, and the same thereof cannot authorize any transaction without the Audit Committee having previously issued a report assessing the transaction on the principle of fair treatment of shareholders and the market conditions.

Furthermore, with respect to Prosegur Compañía de Seguridad, S.A, the commercial relationship established in the framework contract signed between the Company and the foregoing, defines exactly the respective areas of the business on the basis of the preference and custody of the interests of the minority shareholders of the Company, the general framework for handling transactions between them, the information flows between both to fulfil their requirements and legal obligations and before the respective Regulators and mechanisms to resolve any possible conflicts of interest that can arise thereof.

This contract can be viewed by the public on the corporate website of the Company (www.prosegurcash.com) accessed from the Home Page in the "Corporate Governance" section.

D.7 Is there more than one Group company listed in Spain?

Yes

No

Please identify any subsidiaries that are listed on a Spanish Stock Exchange:

Listed Subsidiary

Please identify whether the respective areas of activity and potential business relationships among them, as well as those of the listed subsidiary with other group companies, have been made publicly available;

Please define any potential relations between the parent company and the listed subsidiary, as well as between the latter and any other Group Company

Please identify the mechanisms developed to resolve potential conflicts of interest between the listed subsidiary and the other Group Companies:

Mechanisms for resolving potential conflicts of interest

E RISK MANAGEMENT AND CONTROL SYSTEMS

E.1 Please explain the scope of the Company's Risk Management and Control System, including as regards tax risks.

Prosegur Cash considers that the effective management of risks is key to assuring the creation of shareholder value and, in turn, to guarantee the success of the Company. A robust Risk Management and Control System contributes to the safeguarding of the assets and the interests of the clients, employees, and shareholders. Accordingly, and at the recommendation of the Audit Committee of the Company, the Board of Directors approved on 26 April 2017 the Risk Control and Management Policy of the Company.

The Risk Control and Management system Grupo Prosegur Cash is based on pre-established procedures and methodologies enabling the identification and assessment, according to set tolerance thresholds, the risks that could affect the attainment of the objectives of the Group, together with, in case of any occurrence, to mitigate, compensate, or correct its impact. The suitability of the tolerance level applicable according to the identified risks is assessed on a continuous basis to ensure the correct performance of the Risk Control and Management system.

The basic principles for managing risks in Prosegur Cash include:

- a) the identification, assessment, and prioritization of critical risks on a continuous basis, taking into account, taking into account any possible incident impacting the objectives relevant to Prosegur Cash.
- b) the assessment of the risks according to the procedures based on key indicators that control, assess the management thereof and monitor its evolution over time.
- c) the periodic follow-up on the results of the assessment and the effectiveness of the measures applied to the management of Prosegur Cash for preventing, detecting, mitigating, compensating, and correcting the effects of the materialization of any of the risks being managed.
- d) the review and analysis of results by the Risks Committee.
- c) the supervision of the system by the Audit Committee.

E.2 Please identify the bodies of the Company that are responsible for developing and implementing the Risk Management System, including as regards tax risks.

The responsibility with respect to the execution, in terms of the Risk Control and Management Policy of the Company and its procedures and methodologies, of the Risk Management System, including tax risks, of the Company, lies with the Risk Control and Management Function. The foregoing reports to the Risk Committee, who, in turn, reports to the Audit Committee, and lastly, to the Board of Directors of the Company.

E.3 Please identify the primary risks, including tax risks, which may affect attainment of the business objectives.

- 1.- Regulatory risks. Failure to comply with the same, including labor, social security, fiscal, arms control, and prevention of money laundering applicable in each market and/or all of them. Adverse changes in the regulatory conditions, including tax legislation, or restrictions for obtaining or renewing permits and licenses.
- 2.- Risks due to incidents with assets in custody or cash losses. Insufficient insurance coverage.
- 3.- Market transactions with short-term fall in demand. Prolonged downturn of the use of cash.
- 4.- Highly-competitive market transactions. Pressure on prices and margins. Situation of the economic climate.
- 5.- Reputational risk. Negative publicity for the name. Loss of confidence.
- 6.- Financial risks, including variations in the interest rates or exchange rates, of counterparts and taxes.
- 7.- Downtime or incidents in the IT infrastructure.
- 8.- Loss or theft of confidential information of clients or proprietary information. Cyberattacks and security and IT breaches.
- 9.- Inappropriate management of the labor costs.
10. Deterioration of the generation of liquidity and cash management.

E.4 Please identify whether the Company has established a risk tolerance level, including as regards tax risks.

The management of risks of the Company is underpinned by procedures and methodologies for identifying, assessing, and managing risks using key identifiers, the measurement of the same is performed according to set tolerance levels.

The assessment procedure through key indicators is based on identifying relevant parameters (indicators) that provide a useful measurement for the management of each risk. These indicators are selected taking into account that (i) they can be applied in a consistent way to all markets, (ii) they may be used to make comparisons and perform an evolution analysis over time, and (iii) they allow those responsible for the same to assess the management of the risk and anticipate situations of non-attainment of relevant objectives for Prosegur Cash.

The indicators are usually (i) easily available values from accounting records or others of comparable reliability (ii) budgeted figures for defining indicator limits. As a general rule, the tolerance levels (acceptable level of risk) are defined taking into account a percentage of the limit of the indicator. In the case of risks that cannot be identified with indicators and according to the general criteria defined, the person responsible proposes alternative assessment and supervisory methods, validated by the Risk Committee.

E.5 Please identify the risks, including tax risks that arose during the fiscal year.

The risks arising during the fiscal year are inherent to the business model, to the activity of Prosegur Cash and the markets in which it operates, mainly by incidents involving assets in custody that reiterate, by default, in each financial year.

The control and mitigation of risks systems planned have proved effective with no significant risk or incident in the business activity or results of the Company have incurred.

E.6 Please explain the plans for responding to and monitoring the main risks faced by the Company, including tax risks.

Prosegur Cash carries out in a periodic and recurrent way the identification, assessment, and prioritization of the critical risks, considering, in particular, their impact on relevant objectives. Depending on the type of risk involved and its relevance, the Management of Prosegur Cash and the Risk Control and Management Function activate the procedures necessary to prevent, detect, avoid, mitigate or compensate for the effects of risks occurring.

The results attained by the Risk Control and Management Function from their review and analysis of the same, is periodically reviewed by the Risk Committee and the Audit Committee.

F INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS (SCIIF)

Describe the mechanisms included in your Company's internal control and risk systems in relation to the financial reporting process (SCIIF – *Sistema de Control Interno de la Información Financiera*).

F.1 Company's control environment

Please provide information on the primary characteristics of at least:

- F.1.1. What bodies and/or duties are responsible for: (i) the existence and maintenance of a proper and effective SCIIF; (ii) its implementation; and (iii) monitoring of the SCIIF.

The Board of Directors Regulations of Prosegur Cash states in Article 5 that said body performs the general tasks of supervision. Except in those matters which fall under the competence of the General Shareholders Meeting, the Board of Directors is the ultimate decision-making body.

For these purposes, the Board of Directors Regulations state in Article 5 that it is the Board of Directors duty to exercise directly the following faculties: the determination of the “the general policies and strategies of the Company and, in particular the Risk Control and Management Policy, including tax risks, as well as the supervision of the internal information and control systems”.

Article 17 of the Board of Directors Regulations state that the Audit Committee is responsible for, amongst other duties, “supervising the process of preparing and presenting mandatory financial information and for presenting recommendations and proposals to the Board of Directors aimed at safeguarding their integrity. In this regard, it is also their duty to supervise the process of preparing the financial information about the Company and the Group, the integrity of the same, reviewing the fulfilment of the regulatory requirements, the appropriate delimitation of the consolidation scope, and the correct use of the accounting principles, informing on the same to the Board of Directors”; “supervise the efficiency of the internal control of the Company and the Risk Management Systems, including tax, as well as debating with the Accounts Auditor the significant weaknesses in the internal control system detected when performing the Audit, all this without violating their independence. For these purposes, and in where appropriate, recommendations and proposals may be submitted to the Board of Directors and the term during which it needs to be monitored. Furthermore, it is their duty to refer the Board of Directors to the Risk Control and Management Policy and from which the following shall be identified, at the very least: (i) the risk type (operational, technological, legal, or reputational) so it known the type of risk to which the Company is being exposed; (ii) the level of the risk that the Company considers acceptable; (iii) the measures for mitigating the impact of the identified risks in the case that they actually materialize; and (iv) the control and reporting systems used to control and manage the same; “supervise the functioning of the Risk Control and Management Function of the Company responsible for: (i) assuring the correct functioning of the Risk Control and Management Systems and, in particular, that all significant risks that affect the Company are correctly identified, managed, and quantified; (ii) actively participate in the preparation of the risk strategy and in important decisions about the management thereof; and (iii) monitor that the Risk Control and Management Systems effectively mitigate the risks in accordance with the policy defined by the Board of Directors”.

Additionally, on 18 December 2018 the Board of Directors approved the Audit Committee Regulations which object is, developing the Bylaws and the Regulations of the Board of Directors, to determine the principles of action of the Audit Committee, the basic rules of its organisation and functioning and the rules of conduct of its members, all of which favour the independence of the Committee. Article 1 of said Regulations state that the Audit Committee, as a collegiate body, has specific responsibilities for advising the Board of Directors and supervising and controlling the processes for preparing and submitting financial information, the independence of the auditor and the effectiveness of internal control and risk management systems, without prejudice to the responsibility of the Board of Directors.

F.1.2. If any, please identify the following elements, in particular as regards the process for drawing up financial information:

- Departments and/or mechanisms responsible for: (i) designing and revising the organizational structure; (ii) clearly defining the lines of responsibility and authority, ensuring proper distribution of tasks and duties; and (iii) ensuring that there are sufficient procedures in place for its proper dissemination within the Company.

The Board of Directors of Prosegur Cash as set forth in its Regulations, is required to, in particular, directly exercise the appointment and removal of the Board Members, as well as establishing the terms of their contract and the appointment and removal of Senior Management who report directly to the Board of Directors or any of its Members, as well as the establishing of the framework terms of their contracts, including their remuneration.

The design and review of the organizational structure and the definition of the lines of responsibility and authority is proposed by the Board of Directors and validated by the Appointments and Compensation Committee.

The responsibilities and functions, together with the profile of the position, and the competence required for each of the job positions, are defined by each Line Manager and are approved by the Directors of the subsequent areas with the support of the Human Resources Department and approved by Human Resources Management.

This organizational structure is transferred to an organigram that graphically represents the relationships between the different business and support departments of Prosegur Cash. The organigram of the Company is available on the Corporate Intranet and can be viewed by the staff in question.

- Code of conduct, authorizing body, degree of publication and reporting, principles and values included (identifying whether there is any specific mention to the registration of transactions and drafting of financial information), body tasked with assessing non-compliance and proposing corrective actions and sanctions.

The Company's Board of Directors unanimously resolved on the approval of the Code of Ethics and Conduct at a meeting held on 26 April 2017 applicable to all companies making up Prosegur Cash and all the business and activities that Prosegur Cash carries out in all the countries in which it operates. The foregoing Code is based on the Code of Ethics and Conduct of Prosegur Compañía de Seguridad, S.A., parent company of the Grupo Prosegur, that Prosegur Cash belongs to, and reflects, therefore, the same conduct principles. The same is binding to all Members of Governance Bodies, Senior Managers, and Personnel of Prosegur Cash. The Code of Ethics and Conduct is a set of rules outlining the proper

practices and sets the standard so that Prosegur Cash professionals know what is expected of them in the workplace. Furthermore, it demonstrates the commitment to act of Prosegur Cash according to common principles and standards, in the development of their relationships with the set of interest groups affected by their business activity: employees, shareholders, clients, and users, suppliers and partners, authorities, public administration, and regulatory bodies, competitors and the public with whom they come into contact.

All the professionals of Prosegur Cash have the duty to know and comply with the Code of Ethics and Conduct and to collaborate in order to facilitate its implementation, as well as report any possible non-compliance of those who have knowledge of the same thereof.

The Code establishes who, by act or omission, breach the Code of Ethics and Conduct that shall be subject to the disciplinary measures that, in accordance to the labor rules in force together with internal policy and procedures, are applicable in each case. All non-compliance cases filed, are analyzed by opening an investigation process carried out by a team of impartial experts managed by the Compliance Unit, who shall present their conclusions and recommend, as in the case may be, the corrective measures that have to be applied, informing the person(s) that have been identified or filing the non-compliance.

In the section on legal compliance of the Code of Ethics and Conduct express reference is made to preparing the financial information in an integral, clear, and accurate way, and using appropriate accounting records that, in turn, is distributed through transparent communication channels that provide the market, and in particular, Prosegur Cash shareholders, permanent access to the same.

Likewise, the need to monitor that all transactions of economic importance carried out on behalf of Prosegur Cash are recorded clearly and accurately in appropriate accounting records that represent the true image of completed transactions and are available to internal and external Auditors is included in the section on use and protection of resources.

The Code of Ethics and Conduct is available on the corporate website of Prosegur Cash (www.prosegurcash.com) and is circulated to all employees of Prosegur Cash through numerous actions to raise their awareness and commitment to the same.

- Complaints channel that enables the reporting of financial and accounting irregularities to the Audit Committee as well as for reporting potential breaches of the code of conduct and other irregular activities within the organization. Please indicate whether this channel is confidential.

Prosegur Cash has a Complaints Channel that enables any interested party to communicate in a secure and confidential way improper or illegal acts, or non-compliance to the Code of Ethics and Conduct of Prosegur Cash, including anything to do with financial and accounting that occurs during the course of the business activities carried out by the Company.

The Complaints Channel is a form available at all times on the website www.prosegurcash.com that keeps the identity anonymous of those lodging the complaint from being disclosed.

Internal Audit Management coordinates in a confidential way all complaints received and submits their conclusions to the Audit Committee.

- Training programs and regular ongoing training programs for staff involved in preparing and reviewing financial information, as well as on assessment of the SCIIF, which shall cover, at least, accounting, auditing, internal control, and risk management rules.

Pursuant to the framework agreement entered into between Prosegur Compañía de Seguridad, S.A. and Prosegur Cash, S.A., several agreements for the provision of management and support services (among other, human resources, accounting, financial services or legal advice) have been entered into between Prosegur Cash and the asset management division of the Prosegur Group, in particular, in Spain, Prosegur Gestión de Activos, S.L., wholly-owned by Prosegur Compañía de Seguridad, S.A. As a result, staff in charge of management and support services, together with Internal Audit Management shall attend ongoing training sessions to bring themselves up-to-date with any legislative and regulatory changes.

In addition, the Company has collaboration agreements with other organizations for keeping staff involved in preparing Company and Group Financial Statements and for reviewing financial information up-to-date.

In order to manage these training processes, Prosegur Cash has access to Prosegur Corporate University. As part of the University there is an Economic-Financial community, aimed at professionals who are part of the economic-financial areas in the countries of the Company (to date). The main objectives of the Financial Community is to normalize the economic-financial process and keep abreast of accounting, fiscal, risk management and control, and international policy and regulations.

In fiscal year 2017 the staff involved in the preparation, review, and reporting of financial information of the Company and the Group, have attended refresher sessions and courses on the updates to policy and regulations that have come into force over the year.

F.2 Evaluation of financial reporting risk

Report on at least the following:

F.2.1. What are the main characteristics of the process for identifying risks, including the risk of error or fraud, in relation to:

- Whether the process exists and is documented.

The Economic-Financial Directorate have a process for identifying every year, within the scope of the SCIIF, the risks that affect the financial information with regards to accounting records and possible non-compliance to the accounting principles, after the analysis of the risks, the design of the controls mitigating the same.

- Whether the process covers all financial reporting objectives (existence and occurrence, completeness, valuation, presentation, allocation and comparability, and rights and obligations), and whether it is updated, and with what frequency.

The scope matrix of the SCIIF is aimed at identifying the accounts and allocations that have significant risks associated to them, whose possible impact on the financial information is material and that, as a result, requires special attention. In this context, the process for identifying the significant accounts and allocations, a set of qualitative (account balance) and qualitative (complexity of the transactions; change and complexity of the regulation; need to use estimates and forecasts; exercise of judgement and qualitative significance of the information) have been considered.

Said scope matrix of the SCIIF is prepared on the state of the financial situation and the state of the overall, consolidated results included in the last, audited Consolidated Annual Accounts available. This matrix is updated every year, subsequent to the preparation of the Consolidated Annual Accounts. In fiscal year 2017, the scope matrix was updated based on the results of the Annual Financial Statements as of 31 December 2016.

For the significant accounts and allocations included in the scope matrix, the critical processes and sub processes associated to the same have been included, and controls for preventing errors and/or fraudulent interpretation of the financial information were implemented, covering all the financial information objectives (existence or occurrence; completeness; valuation; presentation, allocation and comparability; and rights and obligations).

- Whether the company has a process for identifying the perimeter of consolidation, taking into account, *inter alia*, the potential existence of complex, corporate structures, instrumental entities or special purpose vehicles.

The process for identifying the perimeter of consolidation is performed every month. Changes to the perimeter of consolidation are entered and saved in the Consolidation IT System of the Group, in which the map of the structure of the ownership of the companies within the perimeter is kept up-to-date.

As part of the support functions to Management that are fulfilled thereof, through Prosegur Gestión de Activos, S.L., it is the duty of Legal Counsel and Business Development Management of Grupo Prosegur to report to the Economic-Financial Directorate any transactions performed in their domain and that affects the structure of the group and the perimeter of consolidation.

The Economic-Financial Directorate, through the Tax Department and subsequent fulfilment of their support duties to Prosegur Cash and its Group from Prosegur Gestión de Activos, S.L., shall maintain a record of all entities included in the perimeter of consolidation, the control or influence mechanisms, the legal framework, and the type of direct or indirect shareholding of all the companies. The foregoing shall be updated on an ongoing basis and shall facilitate the traceability through logs recording the changes to the perimeter.

- Whether the process considers the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.) to the extent that they affect the financial statements.

Prosegur Cash has a Risk Committee who reports to the Audit Committee the results of the periodic assessment of the management of critical risks. The Company's Internal Audit Management performs a process every year for identifying and prioritizing the critical risks of any type (operational, financial, strategic, compliance to regulations, technological, amongst others) that in the event of them materializing, could have an adverse effect on the attainment of the relevant objectives for the Company.

- Which governing body of the company oversees the process?

The Audit Committee is responsible for supervising the effectiveness of the SCIIF. Internal Audit Management uses specific verification programs on the internal control system for financial information under the supervision of the Audit Committee.

F.3 Control Activities

Please provide information on the primary characteristics of at least, if any:

F.3.1. Procedures for reviewing and authorizing financial reporting and the establishment of the SCIIF, to be published in securities markets, identifying the responsible parties, as well as any processes for the descriptive documentation of operation flows and controls (including as regards fraud risk) for the different types of transactions that could materially affect the financial statements, including the procedures for closing the accounts and specifically reviewing the relevant options, estimates, valuations, and projections.

The Consolidated Annual Accounts and the Consolidated Quarterly Financial Reports of Prosegur Cash are reviewed by the Audit Committee before being prepared by the Board of Directors according to Articles 17 and 8 of the Board of Directors and Audit Committee regulations respectively.

The Audit Committee revises any other relevant information prior to publication through the Regulatory Authorities.

The Board of Directors approves and, if deemed appropriate, prepares the financial information presented that is subsequently published through the Spanish Securities Market Commission (CNMV - Comisión Nacional del Mercado de Valores) and brought before third parties.

Prosegur Cash shall perform periodic reviews of the financial information prepared, as well as the description of the SCIIF whose objective is to ensure the quality of the information. The Economic-Financial Directorate, from Prosegur Gestión de Activos, S.L. and in compliance with your support duties, is responsible for preparing the description of the SCIIF in collaboration with Management who are involved in the same thereof. This process culminates in the review by the Audit Committee and thereafter is approved via the Corporate Governance Annual Report validated by a unanimous Board of Directors.

The Economic-Financial Directorate has a process for the descriptive documentation of operation flows and controls for the significant transactions that affect the financial statements. The documentation of these flows define the applicable procedures and information systems used for closing the accounts. The staff involved will be updated and informed on the preparation process for preparing the financial information, including the preparation procedures for closing the accounts of the Financial Statements and the Consolidated and Individual Annual Accounts. The documents detail the tasks involved in preparing, reviewing, and approving the closing of the consolidated and individual company accounts that make up the Group.

Prosegur Cash shall publish the financial information to the securities markets every quarter. The ultimate responsible for the process submitting the financial information is the Financial Director of Prosegur Cash. In the operation flow description of the closing accounts process the control activities ensure the reliability of the information. The departments that report to the Economic-Financial Directorate and that give support to the Company and the Group from Prosegur Gestión de Activos, analyze and supervise the prepared information.

The Economic-Financial Directorate has a process that documents the error or fraud risks in the financial information and the controls that affect all the critical processes/sub-processes. These processes cover the different types of transactions that can materially affect the financial statements (purchases, sales, staff overheads, etc.), as well as the process specific to consolidation and reporting.

In this context, Prosegur Cash has assured the identification of all the processes required for preparing the financial information, in which relevant options, estimates, valuations, and projections have been used, considering all of them to be critical.

The documentation for each of the critical processes includes:

- Work charts on each of the sub-processes.
- Risk charts and applicable controls including:
 - Detail of the internal procedures and regulations approved by Management, and that govern said sub-processes.
 - Description of the key and non-key controls that mitigate each of the identified risks.

For each of the controls that have been identified:

- Organizational structures and/or functions of manager positions of each of the key and non-key controls identified.
- Frequency of the controls.
- Automation level of the controls.
- Control Type: preventative or detective.
- Existence of fraud risk.
- Affected business.
- Details of information systems on each of the sub-processes.

The specific review of the relevant options, estimates, and valuations for quantifying assets, rights, and obligations, income and expenses, and any other commitment detailed in the Individual and Consolidated Annual Accounts performed by Financial Management of Prosegur Cash with the collaboration and support from Prosegur Gestión de Activos, S.L. and the rest of Prosegur Cash Support Management. The hypotheses based on the evolution of the business is analyzed together with Business Management.

The Financial Director and the CEO of Prosegur Cash analyze the reports submitted and approve the financial information before presenting it to the Audit Committee and Board of Directors.

F.3.2. Internal control policies and procedures for reporting systems (including but not limited to for access security, control of changes, operation thereof, operational continuity, and separation of duties) that support the relevant processes of the Company as regards the development and publication of financial information.

One of the specific functions of the Risk Control and Management Function is the ongoing assessment of the part of the internal control system related to the reporting systems, within which are included those that support the issue of financial information.

There is a Risk Committee that is made up of representatives from all the core areas of Prosegur Cash and that has the support through Prosegur Gestión de Activos, S.L., of the managers in Information Security.

These managers are responsible for:

- Aligning the information security objectives with the main strategic lines of business
- Introducing the information security of Prosegur Cash as a global and integrated activity in the business
- Coordinating and approving the proposals received of projects related to information security
- Pre-empting the resources needed for the development of information security initiatives
- Identifying and assessing the security risks with respect to the needs of the business

Those responsible for Information Security shall monitor all these functions using a Plan Director. Once the jobs of the Plan Director 2015-2017 have been defined, a new road map for ongoing improvement of the management of information security for the next 3 years can be established.

Access control to reporting systems is managed through assigning personalized users and passwords. Internal reviews shall be performed of the access control process to systems at least once a year

There is a procedure established for access control to the Data Processing Centre room of Prosegur Cash. Access is restricted to authorized staff and every access is registered.

There is a change table process that manages the steps of placing the systems into production.

The systems and information of Prosegur Cash are backed up and are subject to a redundant infrastructure facilitating the continuity of the business.

As part of an ongoing improvement policy, Prosegur Cash is committed to reinforcing the information security management processes in all countries and systems that have a financial impact.

F.3.3. Internal control policies and procedures aimed at monitoring the management of activities sub-contracted to third parties, as well as of the assessment, calculation or valuation activities outsourced to independent experts, which could have a material effect on the financial statements.

The recurrent activities in the process for preparing the financial information are sub-contracted by Prosegur Cash to Prosegur Gestión de Activos, S.L. and supervised by the Financial Director of the Company. Occasionally, assessment by independent experts is required for situations of the following types:

- a) Transactions Related to Prosegur Compañía de Seguridad, S.A.
- b) Assessment of fiscal impact of company restructuring transactions.
- c) Fiscal assessment for preparing returns subject to specific regulations.
- d) Fair value measurements of specific assets, activity or business lines.
- e) Verification of the effectiveness of the system for prevention of money laundering.
- f) Assessment of the allocation of the purchase price of new companies.

The contracting of external advisors, is requested and at least three proposals are assessed from an economic and competence viewpoint. Using the services of experts for work serves to support accounting assessments, allocations, or calculations as long as the same are registered in their respective Professional Associations, or similar accreditation, and are prestigious companies with a good reputation in the market. The results of the assessments, calculations, and valuations assigned to third-parties of accounting, legal or fiscal matters are ultimately supervised by Financial Management and Legal Counsel of Prosegur Cash.

F.4 Reporting and communication

Please provide information on the primary characteristics of at least, if any:

F.4.1. A specific department for defining and updating the accounting policies (accounting policies area of department); resolving doubts or conflicts arising from the interpretation thereof; maintaining close communications with the parties responsible for the operations of the organization; maintaining an up-to-date accounting policies manual, which shall be communicated to the

different units through which the company operates.

The Corporate Financial Information Department, that provides support to the Group from Prosegur Gestión de Activos, S.L. and that forms an integral part of the Economic-Financial Directorate of Prosegur Compañía de Seguridad, S.A., is responsible for the preparation, issue, publication, and by common agreement with Financial Management of Prosegur Cash, after application of the accounting regulations to Prosegur Cash subject to the internal certification of the process management system known as "3P" (Prosegur Process Policies). Likewise, it analyzes and resolves the queries, doubts, or conflicts with respect to the interpretation and correct application of each of the policies.

As part of the functions of the Department for Corporate Financial Information there is the analysis of International Regulations for Financial Information in order to comply with:

- Establishing the support or procedure regulations for helping staff involved in the financial information preparation process.
- Analyzing transactions that require accounting-specific processing.
- Resolving queries about applying specific accounting rules.
- Assessing the possible impact in the future on financial statements, as a result of new editions or amendments to International Accounting Regulations.
- Relationship with external auditors with respect to the criteria used, estimates, and accounting allocations.
- Resolution of any doubt coming from different interpretations of the regulation itself.

The updating process of the accounting manual of Prosegur Cash is performed every year. Fluid communication is maintained between those responsible involved in preparing the financial information and also distribute and make available the updates made as a result of recent changes to the regulations to employees with accounting functions.

F.4.2. Mechanisms for capturing and preparing financial information, with standardized formats, which apply to and are used by all units of the Company or its Group and that support the main financial statements and notes thereto, as well as the information on the SCIIF.

The process of consolidation and preparation of the financial information is performed in a centralized way. Said process begins its first phase in the subsidiaries that form part of Grupo Prosegur Cash, through common IT platforms (ERP) and under the supervision of the Economic-Financial Directorate thus guaranteeing that the financial information of the Companies is reliable, complete, and consistent. Based on the financial statements of the subsidiaries, and with IT systems programmed for extracting and aggregating data, the process for consolidation and analysis of the individual and consolidated financial statements is performed.

There is a half-yearly reporting process for obtaining the information required for the allocations of the Consolidated Annual Accounts and Consolidated Half-Yearly Report. The Accounting Plan of Prosegur Cash applies to all subsidiaries of Prosegur Cash for the purposes of reporting for the consolidation of financial statements.

F.5 Monitoring functioning of the system

Please provide information on the primary characteristics of at least:

F.5.1. Monitoring activities carried out by the Audit Committee in relation to the SCIIF as well as whether the Company has an Internal Audit Department charged with the duty of supporting the Committee in its monitoring activities of the Internal Control System, including the SCIIF completed during the fiscal year, as well as the procedures followed by the party responsible for the assessment to report his or her results, whether the Company has an Action Plan detailing the potential corrective measures, and whether its impact on financial information has been considered.

In accordance with that set forth in Article 17.4 of the Board of Directors Regulations and in related Articles of the Audit Committee Regulations, the same has amongst its basic duties the following:

- Report to the General Meeting on issues that are brought up relating to those matters that fall under the areas of responsibility of the Committee and, in particular, on the results of the Audit, explaining how the same has contributed to the integrity of the financial information and the function that the Committee has performed in this process.
- Ensure that the Board of Directors presents the accounts to the General Meeting without qualifications nor limitations in the Audit report and, in exceptional circumstances in which there are reservations, to explain through the Chairman of the Audit Committee and ensure that the Auditors explain clearly to the shareholders the content and scope of said limitations or qualifications.
- Raise to the Board of Directors proposals for selection, appointment, re-election and replacement of the External Auditor taking on the responsibility for the selection process in accordance with that provided for in the Law, as well as the terms of their contracting and obtaining on a regular basis from the Auditor information about the Audit Plan and its execution, and at the same time, preserve their independence when exercising their functions.

- With respect to the External Auditor: (i) examine, in the case of the External Auditor resigning, the circumstances that led to this decision; (ii) ensure that the compensation of the External Auditor for their work does not compromise its quality nor their independence; (iii) supervise that the Company communicates as Relevant Fact to the Spanish Securities Market Commission (CNMV - Comisión Nacional del Mercado de Valores) the change of Auditor and attach a declaration on the possible existence of a disagreement with the outgoing Auditor, and in its case, give the reason; (iv) assure that the External Auditor calls a yearly Board of Directors meeting to inform them about the work carried out and the evolution of the accounting situation and the risks of the Company; (v) supervise compliance to the Auditing contract, ensuring that the opinion on the annual accounts and the main contents of the Audit Report are prepared in a clear and precise way; and (vi) assure that the Company and the External Auditor respect the Regulations in force on governing the provision of services different to those governed by Auditing, the limits on the concentration of the Auditor's business, and in general, the other regulations on Auditor independence.

- Establish and maintain an appropriate working relationship with the External Auditor to receive information about those matters that may pose a threat to their independence, so that the same can be examined by the Committee, and any other matters related to the process auditing accounts and, when deemed necessary, the authorization for services different to those prohibited in the terms provided for in the Law, including the other disclosures contemplated in accounting and auditing legislation and auditing standards. Above all, the Audit Committee should receive yearly from the Auditor of the accounts a statement of their independence towards the entity and related entities either directly or indirectly, as well information in detail or on an individual basis on additional services of any type provided and the corresponding fees paid to these entities by the said Auditor, or by the individual or entities related to the same in accordance with that set forth in the regulation in force.

- Issue yearly, always prior to the issue of the report by the Accounting Auditors, a report expressing opinion about the independence of the accounting auditor if compromised. The report should issue an opinion, in any cases, on the reasoned appraisal of the provision of all the aforementioned additional services, individually and as a whole, other than statutory audit work (non-audit services) and in relation to the independence regime or with the regulations governing the accounting auditors activity.

- Supervise the internal audit and, in particular, (i) ensure the independence and effectiveness of the Internal Audit function; (ii) propose the selection, appointment, and removal of the person responsible for the internal audit services; (iii) propose the budget for this service; (iv) review the annual work plan for the internal audit and yearly activities report; (v) receive periodic information on its activities; and (vi) verify that Senior Management take into account the conclusions and recommendation its reports.

- Supervise the process for preparing and presenting mandatory financial information and for submitting any recommendations or proposals to the Board of Directors aimed at safeguarding the integrity of the same thereof. In this context, it is their duty to supervise the process of preparing and ensuring the integrity of the financial information about the Company and the Group, reviewing compliance to regulatory requirements, rules, the appropriate delimitation of the perimeter of consolidation, and the correct application of the accounting principles, duly notifying the Board of Directors.

- Supervise the effectiveness of the Internal Control of the Company and the Risk Management Systems, including as regards tax, as well as debating with the Accounting Auditor any significant deficiencies in the Control System detected during the course of the audit, without undermining their independence. As a consequence, and as the case may be, recommendations or proposals are made to the Board of Directors with its corresponding term for monitoring the same. In this context, it is their duty to propose to the Board of Directors the Risk Control and Management Policy, which shall identify the following, at the very least: (i) the risk types (operational, technological, financial, legal, and reputational) so it is known the type of risk to which the Company is being exposed; (ii) the level of the risk that the Company considers acceptable; (iii) the measures for mitigating the impact of the identified risks in the case that they actually materialize; and (iv) the control and reporting systems used to control and manage the same.

- Supervise the functioning of the Risk Management and Control Unit of the Company responsible for: (i) assuring the correct functioning of the Risk Control and Management Systems, and in particular, identify, manage, and quantify appropriately all significant risks affecting the Company; (ii) actively participate in the preparation of the risk strategy and in the important decisions to be made regarding the management thereof; and (iii) ensure that the Risk Control and Management Systems effectively mitigate the risks in accordance with the policy defined by the Board of Directors.

- To analyse and inform about the economic conditions, the accounting impacts and, as the case may be, the proposed exchange ratio for the structural and corporate modification operations that are to be carried out by the Company, prior to being presented to the Board of Directors.

- Report in advance to the Board of Directors all those matters provided for in the Law and in the Bylaws and, in particular, on: (i) the financial information that the Company needs to periodically disclose to the public; and (ii) the creation or acquisition of shareholdings in special-purpose vehicles or entities resident in countries or territories considered tax havens.

- To review the share issue prospectuses and any other relevant information that must be provided by the Board of Directors to the markets and the regulatory bodies thereof.

- Establish and supervise a system that enables employees to notify, in a confidential and anonymous way, if possible and deemed appropriate, any irregularities that be of potential importance, in particular on matters concerning financial and accounting observed within the Company.

Prosegur Cash has an Internal Audit Directorate that reports to the Audit Committee. Amongst its objectives and functions, it is its duty (i) to support the Audit Committee to attain the objective of their responsibilities, (ii) to verify appropriate risk management, and (iii) ensure the integrity and reliability of the accounting information. The Internal Audit Directorate have prepared a SCIIF review program executed on a regular basis over two years and forming an integral part of annual work plans that are subject to the approval of the Audit Committee.

The Internal Audit Directorate is continually updating their verification programs adapting them to the changes that are

inevitably introduced by the Financial Reporting Department that provides support to the Group from Prosegur Gestión de Activos, in the SCIIF.

In 2017, significant processes were reviewed with regards to financial information in Spain, and in other European and LATAM subsidiaries. As a result of this verification process, the SCIIF Operational Supervision Plan was initiated and is due to finalize in 2018.

Internal Audit Directorate performs verifications on the progress of the execution of recommendations included in their audit reports including those relating to SCIIF verifications. In 2017 two half-yearly reports were issued on the progress of the execution of the recommendations submitted to the members of the Audit Committee.

F.5.2. Whether the Company has a discussion procedure through which the Statutory Auditor (in accordance with the provisions of the Spanish Auditing Technical Standards (NTA), the Internal Audit Department and other experts can communicate with Senior Management, the Audit Committee or Directors of the Company regarding significant weaknesses in internal controls identified during the processes for reviewing the annual financial statements or during other processes entrusted thereto. Please also provide information on whether an Action Plan exists to correct or mitigate the identified weaknesses.

During 2017, the External Auditors held two meetings with the Audit Committee for reviewing both the conclusions of the auditing of the Annual Accounts as well as the work carried out as a result of the agreed procedures for half-yearly financial statements. Likewise, the External Auditors report on any possible deficiencies and possible improvements in Internal Control that may have been identified during the course of their work.

The Financial Director, responsible for preparing the Annual Accounts and interim financial report that Prosegur Cash discloses to the markets and their supervisory bodies, has attended the Agenda of the meetings of the Audit Committee for which their presence is required in order to review and debate any relevant matters in the preparation and presentation process of the regulated financial information.

F.6 Other Relevant Information

N/A

F.7 External Audit Report

Please report on:

F.7.1. Whether the information on the SCIIF released to the markets was submitted to a review by the External Auditor, in which case the Company should attach the relevant report as an Annex hereto. If not, please provide the reasons.

The information on the SCIIF of Prosegur Cash disclosed to the markets for fiscal year 2017 of Prosegur Cash has been submitted to a review by the External Auditor and the same is attached to this document as Annex information, as requested. The scope of the review procedures of the Auditor have been defined in accordance with the Code of Conduct and the standard Auditor report completed with the information about the Internal Control System on the governance of publicly listed companies that was remitted in July 2013 (updated in December 2015) to the Spanish Chartered Accountants Association (*Instituto de Censores Jurados de Cuentas de España – ICJCE*).

G COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Please specify the Company's level of compliance with recommendations from the Unified Corporate Governance Code for publicly listed companies.

If any recommendation was not followed, or was only partially followed, please include a detailed explanation of the reasons so that shareholders, investors, and the market in general have enough information to evaluate the company's conduct. General explanations will not be accepted.

1. That the Bylaws of listed companies should not limit the maximum number of votes that may be cast by any single shareholder and should not contain other restrictions that hinder the takeover of control of the company through the acquisition of shares on the market.

Complies

Explain

2. That when the Parent Company and a Subsidiary are listed on the Stock Exchange both should publicly and specifically define:

- a) The respective areas of activity and potential business relationships between them, as well as those of the listed Subsidiary with other Group Companies.
- b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies

Complies in Part

Explain

Not Applicable

3. That during the Annual General Shareholders Meeting, as a supplement to the publication in writing of the Annual Corporate Governance Report, the Chairman of the Board of Directors should verbally report to the Shareholders, in sufficient detail, regarding the most relevant aspects of the Company's Corporate Governance and, in particular:

- a) On the changes occurring since the previous Annual General Shareholders meeting.
- b) On the specific reasons for which the Company is not in compliance with any of the recommendations of the Corporate Governance Code, and if any, the alternative rules applied in this regard.

Complies

Complies in Part

Explain

4. That the Company should define and promote a Communication and Relationships Policy with Shareholders, Institutional Investors, and Voting Advisors that is fully in compliance with regulations against market abuse and that provides similar treatment to Shareholders in identical circumstances.

And that the Company should make said policy public on its website, including information on the manner in which it is implemented and identifying the partners or responsible parties for its implementation.

Complies

Complies in Part

Explain

5. That the Board of Directors should not make proposals to the General Shareholders meeting for the delegation of powers to issue shares or convertible securities without pre-emptive rights, for an amount greater than 20% of the Capital at the time of the delegation.

And that when the Board of Directors approves any issue of shares or convertible securities without pre-emptive rights, the Company should immediately publish on its website those reports addressing the lack of pre-emptive rights as required by applicable mercantile legislation.

Complies

Complies in Part

Explain

6. That the listed companies that draft the reports referred to herein below, whether on a mandatory or voluntary basis, should publish them on their website sufficiently in advance of the Annual General Shareholders meeting, although dissemination is not mandatory:

- a) Report on the independence of the Auditor.
- b) Reports on the functioning of the Audit Committee and Appointments and Compensation Committee.
- c) Report on the Audit Committee in relation to related-party transactions.
- d) Report on the corporate social responsibility policy.

Complies

Complies in Part

Explain

7. That the Company should hold a live broadcast of the General Shareholders meetings on its website.

Complies

Explain

Even though the Company has not held, since going public on 17 March 2017, any General Shareholders Meeting there is no intention of holding a live broadcast of the General Shareholders Meetings on its website. In this context, the Company considers that the channels used to disclose information to its shareholders as detailed in the General Shareholders Meeting Regulations are sufficient, and in particular, take into account the shareholding structure.

8. That the Audit Committee should ensure that the Board of Directors submits the financial statements to the General Shareholders Meeting without any qualifications or reservations in the Audit Report and, in the exceptional circumstance that it fails to do so, the Chair of the Audit Committee and the Auditors should clearly explain the content and scope of the qualifications or reservations to the Shareholders.

Complies

Complies in Part

Explain

9. That the Company should publish on its website, on a permanent basis, the requirements and procedures to be followed in order to accredit ownership of shares, the right to attend the General Shareholders Meeting and exercise or delegation of the right to vote.

And that said requirements and procedures shall encourage attendance and the exercise of the Shareholders' rights, and which shall be applied on a non-discriminatory basis.

Complies

Complies in Part

Explain

10. That when any authorized Shareholder has exercised, prior to the meeting of the General Shareholders Meeting, the right to add additional Agenda items or present new proposed resolutions, the Company should:

- a) Immediately publicize the additional Agenda items and proposed resolutions.
- b) Make the form of attendance, proxy and voting card public, incorporating the changes required in order to ensure that voting on the new Agenda items and alternative proposed resolutions is carried out under the same terms as the proposals made by the Board of Directors.
- c) Submit all items or alternative proposals to a vote and apply the same voting rules as established for the Board of Directors including, in particular, as regards the presumptions and inferences on the direction of the vote.
- d) Prior to the General Shareholders Meeting, notify the breakdown of the vote on said additional items or proposed resolutions.

Complies

Complies in Part

Explain

Not Applicable

11. That, in the case the Company intends to pay premiums for attendance at the General Shareholders Meeting, it should establish, in advance, a general policy for said premiums, and said policy shall be stable.

Complies

Complies in Part

Explain

Not Applicable

12. That the Board of Directors should perform its duties with unity of purpose and independent judgment, providing equal treatment to all Shareholders in the same situation, and should be guided by the best interests of the company, which shall be understood as developing a profitable business that can be sustained in the long term, promoting the viability of the Company and maximizing its financial value.

And that in pursuing the corporate interests, the Board, in addition to abiding by laws and regulations, should follow good faith and ethical principles and observe commonly accepted customs and good practices, aiming to reconcile the corporate interests with, as applicable, the legitimate interests of its

employees, suppliers, clients, and other interest groups that may be affected, as well as with the impact of the Company's activities on the environment and the Community as a whole.

Complies

Complies in Part

Explain

13. That the Board of Directors should have the required scope to ensure its effective operation and participation at its meetings, for which purpose the Board should have between five and fifteen members.

Complies

Explain

14. That the Board of Directors should approve a Director Selection Policy that:

- a) Is specific and attestable.
- b) Ensure that the proposals for appointment or reappointment are based on a prior analysis of the needs of the Board of Directors.
- c) Favors diversity of knowledge, experience and gender.

That the result of the prior analysis of the needs of the Board of Directors should be included in the justifying report of the Appointments Committee, which is published when the General Shareholders Meeting is convened in order to ratify, appoint or reappoint each Director.

And that the Director Selection Policy should promote the objective of having female Directors account for at least 30% of the total number of Board Members by 2020.

The Appointments Committee shall verify compliance with the Director Selection Policy on an annual basis and shall report on said policy in the Annual Corporate Governance Report.

Complies

Complies in Part

Explain

15. That the shareholder-appointed and Independent Directors should constitute a broad majority of the Board and the number of Executive Directors is the minimum necessary, taking into account the complexity of the corporate group and the percentage interest held by the Executive Directors in the share capital of the Company.

Complies

Complies in Part

Explain

16. That the percentage of shareholder-appointed directors in relation to the total number of non-executive directors should not exceed the proportion between the share capital of the Company represented by said Directors and the remaining share capital.

This criteria may be modified:

- a) In companies with high capitalization and in which shareholdings legally considered to be significant are limited.
- b) In companies where several shareholders are represented on the Board of Directors and are not related to one another.

Complies

Explain

17. That the number of Independent Directors should represent at least one half of the total number of Directors.

That, nevertheless, when the Company does not have high capitalization or when, even if having high capitalization, it has one or more shareholders acting jointly that control 30% of the share capital, the number of Independent Directors should represent at least a third of total directors.

Complies

Explain

18. That companies should publish and update the following information on the Directors on their website:

a) Professional profile and biography.

b) Other Boards of Directors of which they are a member, whether of a listed company or not, as well as any other remunerated activities carried out, regardless of the nature thereof.

c) Indication of the Director's category, identifying, in the case of shareholder-appointed directors, the shareholder that they represent or are related to.

d) The date of their first appointment as a Director of the Company, as well as of all subsequent reappointments.

e) The shares of the Company and option rights thereon that they own.

Complies

Complies in Part

Explain

19. That the annual Corporate Governance Report, following verification by the Appointments Committee, should explain the reasons for the appointment of shareholder-appointed directors at the request of the Shareholders whose interest in share capital is less 3%. It should also explain, where applicable, why formal request from Shareholders for membership on the Board were not honored, when their interest is equal to or exceeds that of other Shareholders whose proposal for shareholder-appointed directors was honored.

Complies

Complies in Part

Explain

Not Applicable

20. That the shareholder-appointed directors should tender their resignation when the Shareholder represented thereby fully transfers its shareholding. And that they should also resign, by the relevant number, when said Shareholder reduces their shareholding to a level that requires a reduction in the number of shareholder-appointed directors.

Complies

Complies in Part

Explain

Not Applicable

21. That the Board of Directors may not propose the dismissal of any Independent Director before the completion of the mandate period for which the member was appointed in accordance with the bylaws, unless just cause is identified by the Board following a report from the Appointments Committee. In particular, just cause shall be deemed to exist when the Director is appointed to new positions or undertakes new obligations that prevent said Director from dedicating the time required to perform the duties inherent in its position as Director, that result in the breach of the duties inherent in its position or that results in any circumstances that would cause the Director to lose their condition as independent, in accordance with applicable legislation.

The dismissal of Independent Directors may also be proposed as a result of a public tender offer, merger, or other similar operation implying a change in the share structure of the Company, provided that such changes in the structure of the Board of Directors are required by virtue of the proportionate representation criteria discussed in recommendation 16.

Complies

Explain

22. That companies should set rules requiring that Directors report on and, where appropriate, resign from their positions in those circumstances that could harm the Company's credit and reputation and, in particular, requiring that they report to the Board of Directors any criminal actions with which they are charged, as well as the subsequent legal proceedings.

And that if a Director is tried or called to court for any of the crimes set out Corporations Law, the Board must investigate the case as soon as possible and, based on the particular situation, decide whether the Director should continue in his or her position. And that the Board of Directors must provide a reasoned written account of these events in its Corporate Governance Report.

Complies

Complies in Part

Explain

23. That all Directors must clearly express their opposition when they consider that any proposal submitted to the Board of Directors could go against the Company's interests. And that this should also apply to both Independent and other Directors that are not affected by the potential conflict of interest if the decision could be detrimental to any Shareholders not represented on the Board of Directors.

And that when the Board of Directors adopts significant or repeated resolutions regarding which Director has voiced serious reservations, the Director should draw the appropriate conclusions and, in case of resignation, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the Secretary of the Board of Directors, despite not being considered a Director.

Complies

Complies in Part

Explain

Not Applicable

24. That whenever, due to resignation or any other reason, Directors leave their position before the completion of their mandate, they shall be required to explain the reasons for this decision in a letter addressed to all Members of the Board of Directors. And that, regardless of whether said resignation has been reported as a relevant event, the reason for leaving their position must be included in the annual Corporate Governance Report.

Complies

Complies in Part

Explain

Not Applicable

25. That the Appointments Committee should ensure that the non-executive directors have enough time to properly perform their duties.

And that the Board Regulations should establish the maximum number of Boards of Directors of which the Directors may form part.

Complies

Complies in Part

Explain

It is the responsibility of the Appointments and Compensation Committee to assess, according to the needs of the Board of Directors of the Company, that any future Members have enough time available and dedication required to efficiently carry out their duties and, likewise, verify that future non-executive Directors have sufficient time for the same. The Company considers that an individual assessment of each Director, adapted to the requirements of the Board of Directors of the Company and other Directors that may become part of it, that is flexible adapting to any evolution in the circumstances, will enable it to comply with the principle of guaranteeing that the same has enough time to properly perform their duties when establishing in a generic way a maximum number of Boards of Directors of which the Directors may form part.

26. That the Board of Directors should meet with the frequency necessary to perform its duties efficiently and, at least, eight times per year, following the schedule and agenda established at the beginning of each year. Directors should be able to individually propose additional Agenda items beyond those initially included on the Agenda.

Complies Complies in Part Explain

27. That Directors' failure to attend should be limited to extraordinary cases and should be quantified in the annual Corporate Governance Report. And that, in case of such absence, representation should be granted with instructions.

Complies Complies in Part Explain

28. That when the Directors or the Secretary voice any concern regarding any proposal or, in the case of Directors, regarding performance of the Company, and their concern is not resolved by the Board of Directors, such circumstances shall be stated for the record at the request of the individual who raised it.

Complies Complies in Part Explain Not Applicable

29. That the Company should establish the channels necessary to ensure that the Directors may obtain the advice required to perform their duties including, if required by the circumstances, external advisory services at the Company's expense.

Complies Complies in Part Explain

30. That, regardless of the knowledge required of the Directors to perform their duties, the companies should offer knowledge update programs to the Directors when the circumstances so require.

Complies Explain Not Applicable

31. That the Agenda for meetings should clearly state the Agenda items that will be resolved upon at the Board of Directors meeting so that the Directors may study or gather the information required for its adoption in advance.

The prior and express consent of the majority of the Directors in attendance shall be required, and duly recorded in the Minutes, if the Chairman wishes, on an exceptional and emergency basis, to propose decisions or resolutions to the Board of Directors that were not listed on the Agenda.

Complies Complies in Part Explain

32. That the Directors should be regularly informed of any changes in shareholdings and of the opinion of significant Shareholders, Investors, and Credit Rating Agencies as regards the Company and its Group.

Complies Complies in Part Explain

33. That the Chairman, as the responsible party for the effective operation of the Board of Directors, in addition to exercising all duties conferred thereto by Law and the Bylaws, shall prepare and submit to the Board of Directors a schedule of dates and issues to be addressed; organize and coordinate the regular assessment of the Board, as well as, as the case may be, of the top executive of the Company; be responsible for the management of the Board and for the effectiveness of its operation; ensure that enough time is spent discussing strategic questions; and resolve on and revise knowledge update programs for each Director, when so required by the circumstances.

Complies Complies in Part Explain

34. That when there is a Coordinating Director, the Bylaws or Board of Directors Regulations should, in addition to the duties attributed thereto by Law, attribute the following duties to the Coordinating Director: to chair the Board of Directors in the absence of the Chairman and Vice Chairman, if any; to voice the concerns of the Non-executive Directors; to maintain contact with Investors and Shareholders to learn about their points of view in order to form an opinion on their concerns, in particular, in relation to the Company's Corporate Governance; and to co-ordinate the succession plan for the Chairman.

Complies Complies in Part Explain Not Applicable

35. That the Secretary of the Board of Directors should ensure, in particular, that the conduct and decisions of the Board of Directors take into account the good governance recommendations included in this Corporate Governance Code and applicable to the Company.

Complies Explain

36. That the Board of Directors, in the plenary session, should annually assess and adopt, as the case may be an Action Plan to correct the deficiencies identified in relation:

- a) The quality and efficiency of the functioning of the Board of Directors.
- b) The functioning and composition of its Committees.
- c) The diversity in the composition and competencies of the Board of Directors.
- d) The performance of the Chairman of the Board of Directors and the Company's top executive.
- e) The performance and contributions of each Director, paying particular attention to the heads of the different Board Committees.

In order to assess the different committees, such assessments shall be based on the reports submitted thereby to the Board of Directors and, as regards assessment of the Board itself, on the report submitted by the Appointments Committee.

Every three years, the Board of Directors shall be assisted in carrying out an assessment by an external consultant, the independence of whom shall be verified by the Appointments Committee.

The business relations held by the Consultant or any of its group companies with the Company or any other Group Company shall be described in the annual Corporate Governance Report.

The process and areas assessed shall be described in the annual Corporate Governance Report.

Complies Complies in Part Explain

37. That if there is an Executive Committee, the structure of the participation by the different categories of Directors shall be similar to that of the Board of Directors itself, and its secretary shall be the Board Secretary.

Complies Complies in Part Explain Not Applicable

38. That the Board of Directors must always be aware of the matters discussed and decisions adopted by the Executive Committee and that all Members of the Board of Directors should receive a copy of the minutes of the Executive Committee meetings.

Complies

Complies in Part

Explain

Not Applicable

39. That the Members of the Audit Committee, and in particular its Chairman, should be appointed considering their knowledge and experience in the area of accounting, auditing, or risk management, and that the majority of its Members should be Independent Directors.

Complies

Complies in Part

Explain

40. That under the supervision of the Audit Committee, the Company shall have a unit dedicated to performing internal audit duties and which ensures that the proper functioning of the internal reporting and control systems and functionally reports to the non-executive Chairman of the Board or of the Audit Committee.

Complies

Complies in Part

Explain

41. That the person in charge of the unit performing the internal audit duties shall present an annual work plan to the Audit Committee, report directly on any issues that may arise in its implementation and submit an activity report at the end of each fiscal year.

Complies

Complies in Part

Explain

Not Applicable

42. That, in addition to those duties provided by law, the Audit Committee should have the following duties:

1. As regards reporting and internal control systems:

- a) To supervise the preparation process and the integrity of the financial information relating to the Company and, as the case may be, to the Group, reviewing compliance with regulatory requirements, the proper scope of the consolidated Group and the correct application of accounting principles.
- b) To ensure the independence of the internal auditing unit; propose the selection, appointment, reappointment, and removal of the party responsible for the internal auditing services; propose the budget for such service; approve the direction and plans for its services to ensure that the activity focuses primarily on relevant risks for the Company; receive regular reports on its activities; and verify that Senior Management takes the conclusions and recommendations of such reports into account.
- c) To establish and monitor a mechanism that allows employees to communicate, confidentially and, if possible and deemed appropriate, anonymously, any potential significant irregularities, in particular financial and accounting irregularities, observed from within the Company.

2. As regards the External Auditor:

- a) If the External Auditor resigns, to examine the circumstances leading to this resignation.
- b) To ensure that compensation of the External Auditor does not compromise quality or independence.
- c) To oversee that the Company reports the change of Auditor as a material event to the Spanish Securities Market Commission (*Comisión Nacional de Mercado de Valores – CNMV*), which shall be accompanied by a statement on any potential disagreements with the outgoing Auditor and, if any, the content thereof.
- d) To ensure that the Company and the External Auditor holds a meeting with a plenary session of the Board of Directors in order to inform them of the work performed and the financial position of and risks faced by the Company.

e) To ensure that the Company and the External Auditor respect rules in force on the provision of non-auditing services, limits on the concentration of the Auditor's business and, in general, any other rule on the independence of the Auditors.

Complies Complies in Part Explain

43. That the Audit Committee may request the presence of any employee or executive of the Company, even without the presence of any other executives.

Complies Complies in Part Explain

44. That the Audit Committee should be aware of any transactions proposed by the Company that would implement structural and corporate changes in order to analyze such transactions and report to the Board of Directors regarding the financial terms and accounting effects thereof and, in particular, as the case may be, regarding the proposed exchange ratio.

Complies Complies in Part Explain Not Applicable

45. That the Risk Control and Management Policy should identify at least the following:

- a) The different types of risk, including financial and non-financial risks (including but not limited to operating, technological, legal, social, environmental, political, and reputation), faced by the Company, including under financial and economic risks any contingent liabilities and other off-balance sheet risks.
- b) An established risk level deemed acceptable by the Company.
- c) The measures intended to mitigate the impact of the risks identified, in the event that they materialize.
- d) The internal control and reporting systems that will be used to control and manage the aforementioned risks, including contingent liabilities and off-balance sheet risks.

Complies Complies in Part Explain

46. That under the direct supervision of the Audit Committee or, as the case may be, of a specialized committee of the Board of Directors, there is an internal audit and risk management function carried out by one of the Company's internal units or departments, which is expressly assigned the following duties:

- a) To ensure proper operation of the Risk Control and Management Systems and, in particular, to ensure the identification, management and proper quantification of the substantial risks faced by the Company.
- b) To actively participate in developing the risk strategy and making important decisions related to the management thereof.
- c) To ensure that Risk Control and Management Systems properly mitigate risks under the framework of the policy established by the Board of Directors.

Complies Complies in Part Explain

47. That the members of the Appointments and Compensation Committee –or of the Appointments Committee and the Compensation Committee, if separate– shall be appointed ensuring that they have the proper knowledge, skills and experience to perform the duties required therefrom and that the majority of its Members shall be Independent Directors.

Complies

Complies in Part

Explain

48. That companies with high capitalization shall have an Appointments Committee and a separate Compensation Committee.

Complies

Explain

Not Applicable

49. That the Appointments Committee shall consult the Chairman of the Board of Directors and the top executive of the Company, in particular in matters related to the Executive Directors.

And that any Director may ask the Appointments Committee to consider potential candidates he or she considers appropriate, in his/her position, to fill a vacancy on the Board of Directors.

Complies

Complies in Part

Explain

50. That the Compensation Committee should carry out its duties independently and that, in addition to the duties granted thereto by Law, should have the following duties:

- a) Propose to the Board of Directors the basic contracting conditions signed with Senior Executives.
- b) To verify compliance with the Compensation Policy established by the Company.
- c) To regularly review the compensation policy for the Directors and Senior Executives, including share compensation systems and their application, as well as to ensure that individual compensation is proportionate to the amounts paid to the other Directors and Senior Executives of the Company.
- d) To ensure that any potential conflicts of interest do not threaten the independence of any external advisor provided to the Committee.
- e) To verify information regarding compensation of Directors and Senior Executives provided in various corporate documents, including the Annual Report on Director Compensation.

Complies

Complies in Part

Explain

51. That the Compensation Committee should consult the Chairman and the top executive of the Company, in particular in matters related to the Executive Directors and Senior Directors.

Complies

Complies in Part

Explain

52. That the rules on the composition and functioning of the monitoring and control committees should be provided in the Board of Directors Regulations, which should comply with all rules applicable to those legally required committees in accordance with the preceding recommendations, including:

- a) That they should be exclusively comprised of Non-executive Directors with a majority of Independent Directors.
- b) That they must be chaired by Independent Directors.
- c) That the Board of Directors should appoint the members of these committees taking into account the knowledge, skills, and experience of the Directors and the terms of reference of each committee; that their members report to the Board of Directors, at the first plenary session thereof following each of the committee meetings, on its activities and work performed.
- d) That the committees may request external advisory services as deemed necessary to perform their duties.

e) That the Minutes should be drafted for the meetings, which shall be made available to all Directors.

Complies Complies in Part Explain Not Applicable

53. That monitoring of compliance with Corporate Governance Rules, Internal Codes of Conduct, and the Corporate Social Responsibility Policy should be attributed to one or more committees of the Board of Directors, which could include the Audit Committee, Appointments Committee, Corporate Social Responsibility Committee, if any, or any specialized committee of the Board of Directors that, in the performance of its self-organization duties, it decides to establish for such purpose, to which the following specific minimum duties shall be attributed:

- a) To monitor compliance with the Internal Codes of Conduct and the Corporate Governance Rules of the Company.
- b) To monitor the Communications Strategy and relationships with Shareholders and Investors, including small and medium shareholders.
- c) To regularly assess whether the Company's Corporate Governance System is appropriate with a view to ensuring that its objective of promoting corporate interests is met and taking into account, as applicable, the legitimate interests of the remaining interest groups.
- d) To review the Company's Corporate Social Responsibility Policy, ensuring it is aimed at creating value.
- e) To monitor the Corporate Social Responsibility Strategy and practices and assess compliance therewith.
- f) To monitor and assess the engagement processes for different interest groups.
- g) To assess all aspects related to the Company's non-financial risks, including operating, technological, legal, social, environmental, political, and reputational risks.
- h) To co-ordinate the process for reporting non-financial and diversity information in accordance with the applicable regulations and international benchmark standards.

Complies Complies in Part Explain

54. That the Corporate Social Responsibility Policy should incorporate the principles and commitments voluntarily assumed by the Company in its relations with various interest groups and identifying at least:

- a) The objectives of the Corporate Social Responsibility Policy and the implementation of support instruments.
- b) The Corporate Strategy as regards sustainability, the environment and social issues.
- c) The specific practices in matters related to: shareholders, employees, clients, suppliers, social issues, environment, diversity, tax liability, respect of human rights, and prevention of illegal conduct.
- d) The methods or systems for monitoring the results of application of the specific practices indicated in the preceding paragraph, associated risks and management thereof.
- e) The mechanisms for monitoring non-financial risks, ethics, and business conduct.
- f) The channels for communication, participation, and dialog with interest groups.
- g) The practices of responsible communication that prevent manipulation of information and protect integrity and honor.

Complies Complies in Part Explain

55. That the Company should report, in a separate document or in the Management Report, on all aspects related to corporate social responsibility, applying for such purpose the internationally accepted methodologies.

Complies Complies in Part Explain

56. That the Director compensation should be set as required to attract and retain Directors with the desired profile and to compensate them for the dedication, qualifications, and responsibility required in the position, without being so high as to compromise the independence of the Non-executive Directors.

Complies Explain

57. That compensation of Executive Directors should be limited to variable compensation linked to performance of the Company and the individual, as well as compensation in the form of delivery of shares, options or share rights or instruments referencing share value and long-term savings systems such as pension plans, retirement funds or other social welfare systems.

Delivery of shares as compensation of Non-executive Directors may be used, provided that Directors are required to hold said shares until they no longer serve as Directors. The foregoing shall not apply to shares that the Director needs to dispose of, as the case may be, in order to pay the relevant acquisition costs.

Complies Complies in Part Explain

58. That variable compensation policies should incorporate the necessary technical precautions and restrictions to ensure that this compensation rewards the professional performance of its beneficiaries and does not solely derive from the general performance of the markets or the activity sector of the company, or from any other similar circumstances.

And, in particular that the variable compensation items should:

- a) Be linked to performance criteria that are pre-determined and measurable and that said criteria should take into account the risk assumed in obtaining a result.
- b) Promote the sustainability of the Company and include appropriate non-financial criteria for creating long-term value, such as compliance with the Company's internal rules and procedures, as well as its risk management control policies.
- c) Be established based on a balance between meeting short, medium, and long-term objectives, enabling compensation for continued performance during a sufficient period of time to measure their contributions to creating sustainable value, such that the measurement elements for this performance are not solely based on one-off, occasional, or extraordinary events.

Complies Complies in Part Explain Not Applicable

59. That payment of a significant part of the variable compensation components should be differed for a minimum period of time sufficient to verify that the previously established performance conditions have been met.

Complies Complies in Part Explain Not Applicable

60. That, in calculating any compensation linked to profits, the Company should consider any potential reservations included in the External Auditor's report that reduce said profits.

Complies Complies in Part Explain Not Applicable

61. That a material percentage of the variable compensation of the Executive Directors should be linked to the delivery of shares or financial instruments linked to their value.

Complies Complies in Part Explain Not Applicable

62. That once the shares or options or share rights have been contributed to the compensation system, the Directors may not transfer ownership of a certain number of shares equivalent to two times fixed annual compensation, nor may exercise the options or rights until a period of a least three years from allocation thereof has elapsed.

The foregoing shall not apply to shares that the Director needs to dispose of, as the case may be, in order to pay the relevant acquisition costs.

Complies Complies in Part Explain Not Applicable

The Company considers that the accruals principle and payment of compensation in shares to the Executive Directors as set forth in the Long-Term Incentive Plan, adequately promotes the allegiance to the interest and trustworthiness of the Director, without having to establish additional lock-in periods.

The Chairman and CEO participate in the Long-Term Incentive Plan of the Company. In accordance with the same:

- a) The payment of compensation in shares, as the case may be, to which the beneficiary has the right subject to fulfilment of their objectives, is exercised over a period of 3 years; and
- b) The payment in shares that, as the case may be, the beneficiary accrues, is divided up over the subsequent 3 years.

63. That contractual agreements should include a clause authorizing the Company to request reimbursement of the variable compensation if the payment amount was not in line with actual performance or if it is subsequently determined that payments were based on data that was clearly erroneous.

Complies Complies in Part Explain Not Applicable

64. That payments for terminating contracts should not exceed an established amount equivalent to two years of total annual compensation and that they should not be paid out until the Company has verified compliance by the Director with the previously established performance criteria.

Complies Complies in Part Explain Not Applicable

H OTHER INFORMATION OF INTEREST

1. If there is any other relevant aspect as regards corporate governance of the Company or any of its groups companies that has not been included in the rest of the sections of this report, but which should be included in order to gather more complete and reasoned information on the Corporate governance structure and practices of the Company or its Group, please briefly describe such information below.

2. Any other information, clarification or specifications related to the previous sections of this report may be included in this section, to the extent it is relevant and not redundant.

In particular, please indicate whether the Company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include that information required to be provided under such legislation and that differs from that requested in this report.

3. The Company may also indicate whether it has voluntarily adhered to any other international, industry or other ethical codes or codes of good practice. If so, please identify the code in question and the date of accession.

GENERAL

The Company is listed on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia since 17 March 2017, being 2017 its first fiscal year as a listed, public-limited company.

A.2

On 5 January 2018, FMR LLC reported to the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores* – CNMV) the reduction of its participation in the Company from 6.760% to 6.741%.

A.3

The share amount detailed in the table corresponding to the rights over shares of the members of the Board of Directors under the heading "number of equivalent shares" refers to the maximum number of shares to which they have the right to, even though the number of shares that they actually receive depends on the fulfilment of the terms and conditions set forth in the Long-Term Incentive Plan of the Company.

B.4

All General Shareholder Meetings included in this report took place before the Company's shares were admitted to trading.

C.1.2

In the case of Shareholder-appointed Members Mr. Pedro Guerrero Guerrero and Ms. Chantal Gut Revoredo, and each one of the four Independent Directors, the date entered in the table corresponding to the date of the first appointment corresponds to the date of effect of their appointment thereof. Said appointment took place on approval of the General Shareholders Meeting on 6 February 2017 (before the Company went public on the Stock Exchange) being its effectiveness conditioned to the registration of the IPO prospectus with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores* – CNMV).

C.1.29

Five out of the eleven meetings of the Board of Directors held in fiscal year 2017 and one out of the five of its Audit Committee, took place before the Company's shares were admitted to trading.

C.1.39

The External Auditor of the Company, KPMG Auditores, S.L. was appointed on 21 September 2016 as Accounting Auditor of the Company and its Group for fiscal years 2016, 2017 and 2018.

C.1.45

The Company shall report on the clauses making reference to this heading in the General Shareholders Meeting in 2018.

D.2

Issues and amounts included as significant transactions between the Company and its significant Shareholders correspond to the following transactions (some of which, having been entered into on 2017 and, therefore, part of section D.2, were implemented before the Company's shares were admitted to trading):

- Operating Lease Agreements: the amount included (9.940 thousand euros) equals the net amount payable by the Company to Prosegur Compañía de Seguridad, S.A. for the lease of real estate assets (that is, the difference between the amount payable by the Company as tenant (11.060 thousand euros) and the amount owed by Prosegur Compañía de Seguridad, S.A. to the Company, as landlord (1.120 thousand euros);
- License Agreements: corresponds to the royalty amount payable by the Company to Prosegur Compañía de Seguridad, S.A. for its licensing of the "PROSEGUR" trademark;
- Receipt of Services: corresponds to the amount payable by the Company to Prosegur Compañía de Seguridad, S.A. for the provision of management and support services;
- Sale of Goods: the amount included (103.618 thousand euros) corresponds to the addition of amounts cashed in by the Company from Prosegur Compañía de Seguridad, S.A. for the sale of (i) real estate assets in Argentina (67.380 thousand euros), (ii) trademark registries (36.038 thousand euros) and (iii) credit rights (200 thousand euros).
- Sale of Financial Assets: the amount included (68.387 thousand euros) corresponds to the addition of amounts cashed in by the Company from Prosegur Compañía de Seguridad, S.A. for the sale of shares in Compañía RIDUR 2016, S.A. and SEGURPRO VIGILANCIA PATRIMONIAL S.A. (49.873 thousand euros and 18.614 thousand euros respectively).
- Financing Agreements: other: the amount of 30.170 thousand euros corresponds to the amount to be cashed in by the Company from Prosegur Compañía de Seguridad, S.A. for the cash consumption of the Security business in Brazil, until its full spin-off (with subsequent sale of its shares) to the company SEGURPRO VIGILANCIA PATRIMONIAL S.A.;
- Financing Agreements: loans: the 18.372 thousand euros correspond to the bank loan agreement assigned to the Company by Prosegur Compañía de Seguridad, S.A., incurred in connection with the financing of the Company's investment in South Africa.
- Other instruments that may imply the transfer of assets and liabilities between the Company and its related party: the amount included (24.375 thousand euros) equals the aggregate of credit rights assigned to the Company by Prosegur Compañía de Seguridad, S.A.

ADDITIONAL INFORMATION RELATING TO THE TECHNICAL GUIDE 3/2007 ON THE AUDITS OF PUBLIC INTEREST ENTITIES COMMISSION

On 18 December 2017, the Board of Directors approved the Audit Committee Regulations according to the recommendations of the Technical Guide on Audit Committees, a copy of which is publicly available at the Company's website (www.prsegurcash.com).

This annual Corporate Governance Report has been approved by the Company's Board of Directors at its meeting held on 26/02/2018.

Please indicate whether any Directors have voted against or abstained from the approval of this Report.

Yes

No



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

Auditors' Report on the "Information concerning the System of Internal Control
over Financial Reporting (ICFR)" of
Prosegur Cash, S.A. for 2017

(Translation from the original in Spanish. In the event of discrepancy,
the Spanish-language version prevails.)

To the Directors
Prosegur Cash, S.A.

As requested by the Board of Directors of Prosegur Cash, S.A. (the "Company") and in accordance with our proposal letter dated 17 January 2018, we have applied certain procedures to the "Information concerning the ICFR" attached in section F of the Annual Corporate Governance Report of Prosegur Cash, S.A. for 2017, which summarises the Company's internal control procedures for annual financial reporting.

The Board of Directors is responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and oversight of an adequate system of internal control, the development of improvements to that system and the preparation and definition of the content of the information concerning the ICFR attached.

In this respect, it should be borne in mind that irrespective of the quality of the design and operation of the internal control system adopted by the Company in relation to annual financial reporting, the system may only provide reasonable, but not absolute assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Company's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures. Consequently, the scope of our evaluation of the internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the efficiency of this internal control over regulated annual financial reporting.

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Action Guide referring to the Auditors' Report on Information on Internal Control over Financial Reporting for listed entities, published on the website of the Spanish Securities Market Commission (CNMV), which defines the work to be performed, the minimum scope of the work and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on its effectiveness or design or operational efficiency, with respect to the Company's annual financial reporting for 2017 described in the attached Information concerning the ICFR. Consequently, had additional procedures been applied to those defined in the Action Guide, or an audit or review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.

Moreover, as this special engagement does not constitute an audit of accounts nor is it subject to the current Audit Law in Spain, we do not express an audit opinion in the terms envisaged in such legislation.

The procedures applied were as follows:

- 1 Reading and understanding of the attached information prepared by the Company in relation to the ICFR – disclosures included in the directors' report – and evaluation of whether it covers all the information required, taking into account the minimum content described in Section F, concerning the ICFR description, of the standard Annual Corporate Governance Report pursuant to CNMV Circular 7/2015 of 22 December 2015.
2. Inquiries of personnel responsible for preparing the information detailed in point 1 above in order to: (i) gain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the Company.
3. Review of explanatory documentation supporting the information detailed in point 1 above, and which will mainly include that made directly available to those responsible for preparing the descriptive information on the ICFR. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the audit committee.
4. Comparison of the information detailed in point 1 above with the understanding of the Company's ICFR gained as a result of the procedures performed within the framework of the audit work on the annual accounts.



5. Reading of the minutes of the meetings of the Board of Directors, audit committee and other committees of the Company for the purposes of assessing the consistency of the matters discussed at these meetings in relation to the ICFR with the information detailed in point 1 above.
6. Procurement of a representation letter concerning the work performed, duly signed by those responsible for preparing and drawing up the information detailed in point 1 above.

As a result of the procedures applied to the Information concerning the ICFR, no inconsistencies or incidents have come to light that could affect it.

This report has been prepared exclusively in the context of the requirements established in Article 540 of the Spanish Companies Act and CNMV Circular 7/2015 of 22 December 2015 for the purposes of describing ICFR in the Annual Corporate Governance Reports.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Bernardo Rücker-Embden

27 February 2018