



**Annual Operations and Activity
Report of the Audit Committee
Financial Year 2021
Prosegur Cash
2/22/2022**





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1. INTRODUCTION

Article 23.1 of the Regulations of the Audit Committee of Prosegur Cash, S.A. ("**Prosegur Cash**" or the "**Company**") stipulates the annual preparation of a report on the operation of the Company's Audit Committee, in order to allow shareholders and other stakeholders to understand the activities carried out by the Company during the financial year.

In this regard, the Company's Audit Committee agreed at its meeting held on February 22, 2022 to issue this annual report on the operations and activities of the Prosegur Cash Audit Committee throughout the financial year 2021, with the scope established in Article 23.2 Regulations of the Audit Committee.

This comprehensive document describes the main procedures carried out by the Company's Audit Committee from January 1, 2021 to December 31, 2021, the closing date of the financial year 2021.

2. AUDIT COMMITTEE REGULATIONS

The operation of the Audit Committee is regulated in the Bylaws (Article 30) and in the Regulations of the Board of Directors (Article 17), and in the Audit Committee Regulations. In addition, this report is also issued in order to comply with the recommendations contained in the Technical Guide on Audit Committees approved by the Spanish National Securities Market Commission on June 27, 2017, and thereby to incorporate the best corporate governance practices.

All these texts are available to anyone on the Company's corporate website (www.prosegurcash.com), Corporate Governance section. Likewise, in compliance with recommendation 6 of the Code of Good Governance of Listed Companies approved by the National Securities Market Commission ("**Code of Good Governance**"), this document will be published on the Company's website sufficiently in advance of the holding of the Ordinary Shareholders' Meeting.

Article 17, section 4 of the Regulations of the Governing Body, and Articles 7 to 14 of the Regulations of the Audit Committee, develop the basic functions of the Audit Committee:

- Inform the General Shareholders' Meeting of issues arising in relation to the matters falling within the Committee's scope of action, particularly the outcome of audits, explaining how the audit contributed to the integrity of financial information and the Committee's role in the process.
- Ensure that the annual accounts presented by the Board of Directors to the General Shareholders' Meeting are drawn up in accordance with accounting regulations and, in cases where the auditor has included any caveats in its audit report, explain clearly at the General Shareholders' Meeting, through the Chairman of the Audit Committee, the Committee's opinion on its content and scope, making available to shareholders, at the time of calling the General Shareholder's Meeting, a summary of that opinion together with the rest of the proposals and reports.
- Submit proposals for selecting, appointing, re-electing and replacing external auditors to the Board of Directors; assume responsibility for the selection process in accordance with the legal requirements, and assume responsibility for the contractual terms and conditions and for regularly collecting information from the auditor about the audit plan and its execution; and ensure the independent performance of its duties.



- In relation to the external auditor: (i) examine, if the external auditor resigns, the circumstances behind this decision; (ii) ensure that the external auditor's remuneration does not compromise the quality or independence of its work; (iii) supervise that the Company reports through the National Securities Market Commission (CNMV) the change of auditor as a relevant event accompanied by a statement about any potential disagreements with the outgoing auditor and, if applicable, explains the nature of such disagreements; (iv) ensure that the external auditor meets annually with the Board of Directors in plenary session to report on the work performed and on the changes in the Company's accounting situation and risks; (v) oversee the performance of the audit contract and ensure that the opinion on the annual accounts and the main content of the audit report are drafted clearly and precisely; and (vi) ensure that the Company and the external auditor adhere to current regulations on the provision of non-audit services, limits on concentration of the auditor's business and, in general, other requirements concerning the auditor's independence.
- Establish and maintain the pertinent relations with the external auditor in order to receive information on any matters that could pose a threat to its independence, for the examination thereof by the Committee, and any other information related to the audit process and, where appropriate, the authorization of services other than prohibited services, on the terms set forth in the Law, as well as any other communications provided for in audit legislation and in audit standards. In all cases, the Audit Committee must receive an annual declaration of independence from the auditor in relation to the entity or entities directly or indirectly related to the auditor, as well as detailed and itemized information on the additional services of any kind provided and the corresponding fees received from these entities by the auditor or by persons or entities related to the auditor pursuant to the provisions of the applicable legislation.
- Issue on an annual basis, prior to the issue of the auditor's report, a report expressing an opinion on whether the independence of the auditor has been compromised. This report must contain, in all cases, a reasoned assessment of the provision of each and every one of the additional services referred to in the preceding point, considered individually and as a whole, other than statutory audit services, and in relation to the rules on independence or to audit legislation.
- Supervise the internal audit and, in particular, (i) ensure the independence and effectiveness of the internal audit body; (ii) propose the selection, appointment and dismissal of the head of the internal audit service; (iii) propose the budget for this service; (iv) approve or propose approval to the Board of Directors of the guidance and annual work plan of the internal audit and the annual activity report, ensuring that its activity is mainly focused on relevant risks (including reputational ones); (v) receive periodic information about its activities; and (vi) verify that senior management takes into account the conclusions and recommendations of its reports.
- Supervise and evaluate the preparation and presentation of mandatory financial information and submit recommendations or proposals to the Board of Directors aimed at safeguarding integrity. In relation to this, it is in charge of monitoring and assessing the preparation process and integrity of financial and non-financial information, as well as the systems for the control and management of financial and non-financial risks related to the Company and the Group, including operational, technological, legal, social, environmental, political and reputational or corruption-related risks, the proper delimitation of the consolidation perimeter, and the correct application of the accounting criteria, reporting on the foregoing to the Board of Directors.
- Supervise the efficacy of the Company's internal control and risk management systems,



including tax risks, and discuss with the auditor any significant weaknesses of the internal control system identified in the course of the audit, all without compromising its independence. For such purpose, as appropriate, it shall submit recommendations or proposals to the Board of Directors and establish the relevant time periods for their monitoring. In this context, it shall propose the risk control and management policy to the Board of Directors, which will identify and determine at least the following: (i) the different types of financial or non-financial risks (operational, technological, financial, legal, social, environmental, political and reputational, including risks related to corruption) faced by the Company, including contingent liabilities and other off-balance sheet risks among the financial risks; (ii) a risk control and management model based on different levels, with a risk-specialized commission for cases in which the industry standard requires it or if the Company deems it appropriate; (iii) setting the risk level that the Company deems acceptable; (iv) measures to mitigate the impact of identified risks if they materialize; and (v) the control and information systems to control and manage these risks.

- Supervise the operation of the risk control and management unit in charge of: (i) ensuring that risk management and control systems are functioning correctly and, in particular, that all major risks the Company is exposed to are adequately identified, managed and quantified; (ii) participating actively in the preparation of risk strategies and in key decisions about their management; and (iii) ensuring that the risk management and control systems effectively mitigate risks in accordance with the policy drawn up by the Board of Directors.
- Analyze and report on the economic conditions, accounting impact and, where applicable, the proposed exchange ratio of structural or corporate modifications planned by the Company, before they are submitted to the Board of Directors.
- Report, in advance, to the Board of Directors on all matters provided for in the Law and the Bylaws and, in particular, on: (i) the financial information which the Company must disclose periodically; and (ii) creation or acquisition of holdings in special purpose vehicles or companies domiciled in countries or territories considered to be tax havens.
- Review prospectuses and any other relevant information that the Board of Directors must provide to the markets and to their supervisory bodies.
- Establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, including those of a financial or accounting nature or of any other kind related to the Company which they observe in the Company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
- The Audit Committee must receive information and, when appropriate, generate a report about the actions and decisions made by the Regulatory Compliance Division when performing its duties and specifically pursuant to the Company's Internal Code of Conduct, regarding matters relating to the Securities Markets of the Company.
- Supervise the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, and regarding communication with shareholders and investors, proxy advisors and other stakeholders. It shall also monitor how the Company communicates and interacts with small and medium-sized shareholders.



- Report on related-party transactions and, in general, on the corresponding matters, in accordance with Title IX of the Regulations of the Board of Directors.
- Ensure, in general terms, that the policies and systems established for internal control are effectively applied in practice.
- In connection with the framework agreements for the relations between the Company and Prosegur Compañía de Seguridad, S.A. (the “**Framework Agreement**”), perform the following functions:
 - Report in advance, with regard to its essential elements (price, term and purpose), about those related-party transactions between the Company and Prosegur Compañía de Seguridad, S.A., or between any of the companies of their respective groups, whose approval is reserved to the Board of Directors in accordance with the Framework Agreement.
 - Report in advance on those sections of the company's regular public information and annual corporate governance report that relate to the Framework Agreement and related operations between the Group and the Prosegur Group.
 - Report on situations in which business opportunities are detected between companies of the Group and the Prosegur Group, and monitor compliance with the provisions of the Framework Agreement in relation to this.
 - Periodically report on the compliance with the Framework Agreement.
 - Report in advance on any proposal to amend the Framework Agreement, as well as any transaction proposals aimed at ending any disagreements that may arise.
 - Report, prior to its approval by the Board of Directors, about the Annual Corporate Governance Report on related-party transactions and on risk control and management systems.

Annex I contains a transcription of Articles 7 to 14 (Audit Committee Responsibilities) of the Audit Committee Regulations.

3. MEMBERS AND OPERATION OF THE AUDIT COMMITTEE

a. Members of the Audit Committee

Currently, the Company's Audit Committee has the following members:

Chairman: Mr. Claudio Aguirre Pemán (Independent Director)

Members: Mr. Antonio Rubio Merino (Nominee Director)

Mr. Daniel Entrecanales Domecq (Independent Director)

Mr. Claudio Aguirre Pemán was appointed Chairman of the Audit Committee, to replace Mr. Daniel Entrecanales Domecq, with effects starting on March 17, 2021, by the Board of Directors' meeting held on February 23, 2021. Mr. Antonio Rubio Merino was appointed as member of the Audit



Committee, to replace Ms. María Benjumea Cabeza de Vaca, by the Board of Directors' meeting held on July 27, 2021.

Article 17 of the Regulations of the Board of Directors and Article 5 of the Regulations of the Audit Committee state that *"the Audit Committee shall be made up of a minimum of three and a maximum of five non-executive directors (...), who have the dedication, capacity and experience necessary to fulfil their duties"*.

At the date hereof, two of the members of the Company's Audit Committee are independent directors and one is a nominee director, and all of them as a whole and, in particular, its Chairman, have the necessary knowledge, skills and experience in accounting, auditing, finance, internal control, and management of both financial and non-financial risks.

The Board of Directors shall appoint a Chairman of the Audit Committee, always from among the independent directors on the Committee. The Chairman of the Audit Committee shall hold office for a maximum term of four (4) years, at the end of which he may not be reappointed until at least one (1) year has elapsed since his removal from such office, without prejudice to his continuity or reappointment as a member of the Committee.

The CVs of all Committee Members are available on the corporate website (www.prosegurcash.com).

b. Operation of the Audit Committee

The Audit Committee is an internal professional, permanent and consultative body, with no executive functions, with the powers to provide information, supervision, advice and proposals within the area of its competence.

The Audit Committee shall meet on a regular basis according to the needs, and at least four times a year (once per quarter), with the aim of reviewing the financial information that must be made public periodically by the Company, as a listed company, and, in any case, when called by its Chairman on his own initiative, at the request of at least two of its members, or when the Board of Directors requests the issuance of reports, the presentation of proposals or the adoption of resolutions within the scope of their functions.

The call notice for ordinary meetings shall be issued at least three days in advance, by any legally valid means that evidences the date on which it was sent, and it shall be authorized with the signature of the Chairman of the Audit Committee or of the Secretary on the orders of the Chairman. Special Audit Committee meetings may be called by telephone and the advance notice period and other requirements indicated in this article shall not apply, where the circumstances so justify in the opinion of the Chairman.

Committee meetings shall be held at the place indicated in the call notice. When decided by the Chairman of the Audit Committee, the meeting may be convened in different interconnected locations or remotely, by teleconference, videoconference or any other remote communication system that allows for the recognition and identification of attendees, permanent communication between them and intervention and voting, all in real time. The meeting will be considered as held at the location where the Chairman is. The Audit Committee members in attendance at any of the interconnected venues or remotely shall be considered for all intents and purposes as attendees of the same and sole Audit Committee meeting.

The Audit Committee shall be deemed validly assembled when at least half of its members are in



attendance.

The Audit Committee, through the Secretary of the Board of Directors, may invite any of the Company's employees or executives and it may even determine that no other executive shall be present. Likewise, the Audit Committee can invite any board member to participate, through the Secretary of the Board of Directors. Executives, employees or other directors, whether executives or otherwise, shall only attend Audit Committee meetings at the invitation of the Committee Chairman, to the extent and with the scope that the Chairman or any of its members considers necessary or appropriate in light of the issues to be discussed in each case, and they shall not attend the decision-making part of the Committee meetings. The Audit Committee may also require the presence of the external auditor at its meetings.

4. MEETINGS AND MAIN ACTIVITIES OF THE FINANCIAL YEAR

a. Audit Committee Meetings and participants

During the financial year 2021, the Company's Audit Committee has met on 6 occasions. All of its members have participated in all cases.

Pursuant to Article 23 of the Audit Committee Regulations, its Chairman has informed the Board of Directors of the matters discussed and the decisions adopted by the Committee, at the following Board meeting and has made the minutes of its meetings available to the Board of Directors.

As a result of the Audit Committee meetings, the corresponding minutes are issued and made available to the members of the Board of Directors.

Its main activities are summarized below:

Annual Operations and Activity Report of the Audit Committee 2021

Prosegur Cash



2/22/2022

| DATE | MAIN MATTERS ADDRESSED | PROPOSALS BROUGHT BEFORE THE BOARD | ATTENDEES |
|-----------|--|--|---|
| 2/04/2021 | 1. Selection of an independent firm for the issuance of a report on the reasonableness of a related-party transaction. | N/A | Mr. Javier Hergueta Vázquez, the Company's Financial Director, participated in the meeting as a speaker. |
| 2/23/2021 | 1. Annual Accounts and Individual and Consolidated Management Report for Financial Year 2020. Presentation to Analysts. Presentation of the opinions of the external auditor and of the verifier of the non-financial information statement in relation to the audit of financial year 2020. | - Favorable opinion of the Board of Directors on the individual and consolidated annual accounts for financial year 2020. Presentation to Analysts. Presentation of the external auditor's opinion on the individual and consolidated annual accounts for financial year 2020. | Mr. Javier Hergueta Vázquez, Company CFO, Mr. Félix Carbajo, Internal Audit Director, the members of the External Auditor (Mr. David Ruiz-Roso Moyano and Ms. Marta Frowein Fiter from Ernst & Young, S.L.), and Mr. José Antonio Lasanta, Company CEO, participated throughout the meeting, addressing the different agenda items. |
| | 2. Non-financial information statement. Recording of the content by the external auditor. | - Favorable report to the Board of Directors on a related-party transaction. | |
| | 3. Report of the Internal Audit Director and risk update. Internal Audit Approval of the 2020 Activity Report. Review and approval of 2020 and 2021 targets. Approval of the 2021 Work Plan. | - Favorable report to the Board of Directors on Annual Corporate Governance Report (ACGR) 2020. | |
| | 4. Related-party transactions carried out during 2020. | - Draft fairness opinion report on the related-party transaction under analysis, for evaluation by the Board of Directors. | |
| | 5. Analysis of related-party transactions. | | |
| | 6. Prior authorization of non-audit work to be carried out by the external auditor. Report on its independence. | | |
| | 7. Approval of the Annual Operations and Activity Report of the Audit Committee for financial year 2020. | | |
| | 8. Annual Corporate Governance Report for 2020. | | |

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Prosegur Cash



2/22/2022

| DATE | MAIN MATTERS ADDRESSED | PROPOSALS BROUGHT BEFORE THE BOARD | ATTENDEES |
|-----------|---|---|--|
| 3/15/2021 | 1. Analysis of a related-party transaction. | N/A | Mr. Javier Hergueta Vázquez, Company CFO, and Mr. José Antonio Lasanta, Company CEO, participated in the meeting to speak about the related-party transaction in question. |
| 4/27/2021 | 1. Report by the Internal Audit Director and risk update. 2. Financial Information relating to the first quarter of financial year 2021. 3. Prior approval of non-audit services provided by the external auditor (Ernst & Young). 4. Report on a related-party transaction. 5. Risk monitoring and control | - Favorable report to the Board of Directors on the quarterly financial report and interim management statement for the first quarter of financial year 2021, and presentation to analysts. - Favorable report of the Board of Directors on the related-party transaction. | Mr. Félix Carbajo, Internal Audit Director, Mr. Javier Hergueta Vázquez, Company CFO, and Mr. José Antonio Lasanta, Company CEO, participated in the meeting, addressing different agenda items. |
| 7/27/2021 | 1. Financial Information relating to the first half of financial year 2021. 2. Internal audit and risk update 3. Activity report by the Investor Relations department. 4. Approval of the non-audit services provided by the auditors. 5. Analysis of related-party transactions. | - Favorable report to the Board of Directors on the half-yearly financial report corresponding to the first half of the financial year 2021, and presentation to analysts. - Favorable report to the Board of Directors on related-party transactions. | Mr. Javier Hergueta, Company CFO, Mr. Pablo de la Morena, head of the Investor Relations department, and Mr. Félix Carbajo, Internal Audit Director, participated in the meeting, addressing different agenda items. |



| DATE | MAIN MATTERS ADDRESSED | PROPOSALS BROUGHT BEFORE THE BOARD | ATTENDEES |
|------------|--|---|---|
| 10/27/2021 | <ol style="list-style-type: none"> 1. Financial Information relating to the third quarter of financial year 2021. 2. Report by the Internal Audit Department and risk update. 3. Analysis of a related-party transaction. 4. Prior approval of non-audit work to be carried out by the External Auditor. 5. Analysis of a related-party transaction. 6. Approval of the meeting calendar for 2022. | <ul style="list-style-type: none"> - Favorable report to the Board of Directors on the quarterly financial report and interim management statement for the third quarter of financial year 2021, and presentation to analysts. - Favorable report to the Board of Directors on a related-party transaction. - Ethics Channel Policy. | Mr. Javier Hergueta, Company CFO, and Mr. Félix Carbajo, Internal Audit Director, participated in the meeting, addressing the different agenda items. |

b. Preparatory meetings

In addition to the meetings held by the Company's Audit Committee during the financial year 2021, its Chairman has maintained regular contacts with the other members of the Committee, and has held preparatory meetings with Mr. Javier Hergueta Vázquez, Company CFO, Mr. Félix Carbajo Olleros, Internal Audit Director, the Secretary and the External Auditor of the Company (Ernst & Young), in preparation for the corresponding sessions of the Audit Committee.

5. INDEPENDENCE OF THE EXTERNAL AUDITOR

The Audit Committee's work with the Company's external auditor forms part of the process of preparation and auditing of the Company's annual accounts, and may also include activities other than audit work, subject to approval by the Audit Committee.

In addition, the Audit Committee is in charge of reviewing the contracting conditions of the external auditor and supervising its independence in the course of its activity.

On the date hereof, the Company's Audit Committee has received from the Company's external auditor (Ernst & Young, S.L.) a draft of the declaration of its independence in relation to the Company and the Group, as well as the detailed and specific information about the additional services of any kind provided and the corresponding fees received, in compliance with the provisions of Article 9.8 of the Regulations of the Audit Committee.

In view of the work carried out by the external auditor during the financial year 2021 and of the fees



received, the Audit Committee expresses a favorable opinion regarding the independence of the Company's external auditor.

6. ASSESSMENT OF THE AUDIT COMMITTEE'S OPERATION AND PERFORMANCE

The Audit Committee considers that it has carried out its duties and fulfilled its responsibilities with diligence, efficiency, quality and professionalism, in compliance with the provisions of the Regulations of the Board of Directors and the Audit Committee. The Committee also values very positively the individual performance and contribution of each of its members.

7. FRAMEWORK AGREEMENT FOR RELATIONSHIPS WITH PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.

Prosegur Compañía de Seguridad, S.A. ("**PCS**", the controlling company of the "**Prosegur Group**") is a company listed in Spain and it owns, directly and indirectly, 79.28% of the Company's share capital. Pursuant to recommendation 2 of the Code of Good Governance¹ and in order to regulate relations between the two, the Company and PCS signed the Framework Agreement on February 17, 2017.

The Framework Agreement, the Board of Directors Regulations and the Audit Committee Regulations give the Audit Committee the responsibility to report on its compliance. In this regard, the Audit Committee has complied with the provisions of the Audit Committee:

- In the case of public information, due to having previously reported on those sections of the periodic public information and the annual corporate governance report of the Company that relate to the Framework Agreement and to related-party transactions between the Group and the Prosegur Group;
- In the case of related-party transactions between the Group and the Prosegur Group, due to having previously reported the essential elements (price, term and subject-matter) of related transactions between the Company and the Prosegur Group; and
- Regarding the fulfillment of the Framework Agreement, through the issuance of this document.

There have been no situations during the financial year 2021 in which business opportunities have been detected between the Company and the Prosegur Group or proposals to amend the Framework Agreement on which it was necessary for the Audit Committee to report.

Finally, the Company has provided to PCS, diligently and within a reasonable period of time, in strict compliance with the Framework Agreement, the necessary information about the Company and its Group in order to enable PCS to comply with its legal and tax obligations and including, in particular:

- preparation of the annual accounts and their interim financial statements, both individual and consolidated;
- compliance with its unique and regular reporting obligations with the National Securities Market

¹ When the parent company and a subsidiary of it are both listed, they should both publicly and accurately define: a) The respective areas of activity and possible business relationships between them, as well as those of the listed subsidiary company with the other companies in the group; b) The mechanisms provided to resolve any conflicts of interest that may arise.



Commission and other authorities;

- design of the policy and coordination of the general strategies of the Prosegur Group, in which the Company is integrated;
- taxation under the tax consolidation regime;
- obtaining, maintaining and updating credit ratings and providing information to institutional investors and financial analysts; and
- compliance with obligations assumed in financing and securities issue agreements.

8. RELATED-PARTY TRANSACTIONS

In accordance with Title IX of the Board of Directors' Regulations and Article 14 of the Regulations of the Audit Committee (in addition to the Framework Agreement, as regards transactions with the Prosegur Group), the responsibilities of the Company's Audit Committee include reporting on certain transactions carried out with directors, with shareholders who hold a majority share, individually or jointly with others, including shareholders represented on the Board of Directors of the Company or other companies of the Group or persons related to them, prior to their approval by the Board of Directors.

Article 40 of the Board Regulations establishes that:

- The competence to approve related-party transactions, the amount or value of which is equal to or greater than 10% of total assets per the last annual balance sheet approved by the Company, shall lie with the general shareholders' meeting.
- The Board of Directors formally reserves the approval, following a report by the Audit Committee, of all other related-party transactions.
- In no case shall a related-party transaction be authorized if a prior report has not been issued by the Audit Committee, save for what is stated in the following section. In its report, the Audit Committee must evaluate whether the transaction is fair and reasonable from the standpoint of the Company and, where applicable, of the shareholders other than the related party, and report on the assumptions on which the evaluation is based and on the methods used. The affected directors may not participate in the drafting of such report.
- The authorization of the Board of Directors shall not be required for transactions that simultaneously meet any of the following requirements: (i) they are transactions between companies forming part of the same group that are carried out in the ordinary course of management and on market conditions; or (ii) they are transactions governed by standard form agreements applied on an across-the-board basis to a large number of customers, entered into at prices or rates set generally by the person supplying the goods or services in question the amount of which is no more than 0.5% of the Company's net revenues.
- These types of transactions will not require a prior report by the Audit Committee. However, the Board of Directors shall establish an internal procedure for periodic reporting and control of related-party transactions, in which the Audit Committee shall participate and which shall verify the fairness and transparency of such transactions and, where applicable, the fulfillment of the legal criteria applicable to the foregoing exceptions.



The Committee shall prepare this report on related-party transactions in compliance with the provisions referred to above.

During the financial year 2021, the Company has concluded the following related-party transactions with the Prosegur Group, with the prior approval of the Board of Directors and a favorable report from the Audit Committee assessing the transaction, among others, from the point of view of equal treatment of shareholders and market conditions:

- Approval of the sale of certain areas of the process outsourcing business and added value services for financial institutions and insurance companies, as well as associated technology, developed in Spain by the Company to Prosegur, Compañía de Seguridad, S.A., through the sale of 100% of the share capital of Prosegur AVOS España, S.L.U.
- Assignment of the contractual position of the Company to Prosegur, Compañía de Seguridad, S.A. in a term sheet signed with Lowers for the execution of a joint venture to carry out, among other aims, the transfer of cash through a cargo drone.
- Lease of the training area at the premises located at Pajaritos 22, in Madrid, owned by Prosegur Gestión de Activos, to Prosegur Servicios de Efectivo España, in order to have proof of ownership, before the Madrid Autonomous Community, of the Shooting Range License authorized by the police in the Training area and, subsequently, for Prosegur Servicios de Efectivo España to sublease 95% of the space to Prosegur Servicios Inmobiliarios.
- Determination of the rent applicable to related-party leases tied to real estate projects in Aracajú (Brazil) –1 building –and 17 buildings in Argentina.
- Approval of combined new construction projects on land acquired by PGA (Tumbes (Peru) and Salvador de Bahía (Brazil)) and another series of basic construction refurbishment works in Spain, Paraguay, Chile and Honduras, executed or ongoing, following the parameters of the approved Framework Agreement.
- Updating of Annex I of the Brand License Agreement (list of brands) signed between PCS and the Company on January 1, 2017.
- Execution of a temporary framework agreement, with a term of one year, to agree on the payment to suppliers of CASH Argentina in currency other than the Argentinean peso, by a company of the Prosegur Group (Holding Seguridad), in exchange for the payment of an amount in Argentinean pesos to Prosegur Argentina (which had acquired the account receivable against CASH Argentina).

The economic detail of all of these transactions is included in the explanatory report of the annual accounts and in the Company's Annual Corporate Governance Report for financial year 2021.

The Board of Directors has authorized the aforementioned related-party transactions with the abstention of the nominee directors appointed in representation of PCS.

9. CODE OF ETHICS

The Audit Committee has supervised at all meetings held during the financial year 2021 the operation of the anonymous whistleblower channel, which can be used by anyone, even outside Prosegur Cash (Ethics Channel).



In this regard, it has received and monitored detailed information and tracked the resolution of complaints related to irregularities of potential significance for breaches of Prosegur's Code of Ethics and Conduct and for actions within the application of the anti-fraud policies included in the company's Code of Ethics and Conduct.

10. INTERNAL CONTROL, RISK MANAGEMENT AND INTERNAL AUDITS

The duties of the Audit Committee include supervising the Company's management and internal control procedures.

The following are the most noteworthy activities performed by the Internal Audit Department and supervised by the Audit Committee:

- Conclusion and report on the projects contained in the annual work plan for 2021.
- Supervision of risk management and internal control of financial information.
- Receipt, analysis and conclusions of notifications received through the whistleblower channel.
- Preparation of half-yearly follow-up reports on the recommendations agreed in the internal audit work, in accordance with the established procedure. (For each incident, where necessary, one or more recommendations for its resolution are prepared and submitted to the audited area, specifying an action plan, the person responsible for implementing such plan and the expected date of resolution).

The Audit Committee has considered that the operation of the internal audit area and the performance of its manager is appropriate and that it has fulfilled its duties and responsibilities during financial year 2021.

The Committee has received the results and conclusions of the critical risk assessment conducted on a quarterly basis by the Risk Committee, including non-financial risks.



ANNEX I – RESPONSIBILITIES OF THE AUDIT COMMITTEE

Article 7. In relation to the General Shareholders' Meeting

The Audit Committee will inform the General Shareholders' Meeting about matters that relate to the Committee's scope of action particularly the outcome of audits. The Committee shall explain how the audit contributed to the integrity of financial information and the Committee's role in the process.

Article 8. In relation to the financial information

The Audit Committee has the powers to provide information, advice and proposals in relation to the Company's financial information:

- 1. Ensure that the annual financial statements presented by the Board of Directors to the General Meeting are drawn up in accordance with accounting regulations. In exceptional cases in which the account auditor has included in their audit report some caveat, the Chairman of the Audit Committee shall clearly explain in the General Meeting the opinion of the Audit Committee on its content and scope, and a summary of this opinion shall be made available to shareholders at the time of summoning of the General Meeting, together with the other proposals and reports of the Board of Directors.*
- 2. Oversee the preparation and presentation of mandatory financial information and submit recommendations or proposals to the Board of Directors aimed at safeguarding integrity. In relation to this, it is in charge of monitoring and assessing the preparation process and integrity of financial and non-financial information, as well as the systems for the control and management of financial and non-financial risks related to the Company and the Group, including operational, technological, legal, social, environmental, political and reputational or corruption-related risks, the proper delimitation of the consolidation perimeter, and the correct application of the accounting criteria, reporting on the foregoing to the Board of Directors.*
- 3. Inform the Board of Directors in advance about the financial information that the Company must publish on a regular basis.*

Article 9. In relation to the external auditor

The Audit Committee has the powers to provide information, advice and proposals in relation to the auditor:

- 1. Submit proposals for selecting, appointing, re-electing and replacing external auditors to the Board of Directors; assume responsibility for the selection process in accordance with the legal requirements, and assume responsibility for the contractual terms and conditions and for regularly collecting information from the auditor about the audit plan and its execution; and ensure the independent performance of its duties.*
- 2. If the external auditor resigns, examine the circumstances behind this reason.*
- 3. Ensure that the remuneration corresponding to the external auditor for its work does not compromise its quality or independence.*
- 4. Ensure that the Company notifies through the National Securities Market Commission (CNMV)*



of the change of auditor as a relevant fact and accompanies the notification with a statement on the possible existence of disagreements with the outgoing auditor and, if this is the case, of the content of the same.

5. *Ensure that the external auditor meets with the plenary Board of Directors to report to it on the work done and on the progress of the Company's risk and accountancy situation.*
6. *Monitor compliance with the audit agreement, ensuring that the opinion on the annual accounts and the main content of the audit report are drafted in a clear and precise manner.*
7. *Ensure that the Company and the external auditor respect current regulations on providing services other than those of auditing, the limits on the auditor's concentration of business and, in general, other regulations regarding the independence of auditors.*
8. *Establish and maintain the pertinent relations with the external auditor in order to receive information on any matters that could pose a threat to its independence, for the examination thereof by the Committee, and any other information related to the audit process and, where appropriate, the authorization of services other than prohibited services, on the terms set forth in the Law, as well as any other communications provided for in audit legislation and in audit standards. In all cases, the Audit Committee must receive an annual declaration of independence from the auditor in relation to the entity or entities directly or indirectly related to the auditor, as well as detailed and itemized information on the additional services of any kind provided and the corresponding fees received from these entities by the auditor or by persons or entities related to the auditor pursuant to the provisions of the applicable legislation.*
9. *Issue on an annual basis, prior to the issue of the auditor's report, a report expressing an opinion on whether the independence of the auditor has been compromised. This report must contain, in all cases, a reasoned assessment of the provision of each and every one of the additional services referred to in the preceding point, considered individually and as a whole, other than statutory audit services, and in relation to the rules on independence or to audit legislation.*

Article 10. In relation to the internal audit area

The Audit Committee has the powers to provide information, advice and proposals in relation to the internal audit area:

1. *Ensure the independence and effectiveness of the Company's internal audit area, which will functionally depend on the Chairman of the Audit Committee.*
2. *Propose the selection, appointing and dismissal of the head of the internal audit area.*
3. *Propose the budget of the internal audit area.*
4. *Approve or propose approval to the Board of Directors of the guidance and annual work plan of the internal audit area and the annual activity report, ensuring that its activity is mainly focused on relevant risks (including reputational ones).*
5. *Receive information about the activities of the internal audit area on a regular basis.*
6. *Verify that senior management takes the conclusions and recommendations in the internal audit area reports into account.*



7. *Assess the operations of the internal audit area and the performance of its manager, for which the Audit Committee will seek the opinion of the Chief Executive Officer and the Chief Financial Officer of the Company.*

Article 11. In relation to the internal control and risk systems

The Audit Committee has the powers to provide information, advice and proposals in relation to the internal control and risks systems:

1. *Promote, always within its competences, a culture in which risk is a factor that is taken into account in all decisions and at all levels across the Company.*
2. *Oversee the efficacy of the Company's internal control and risk management systems, including tax risks, and discuss with the auditor any significant weaknesses of the internal control system identified in the course of the audit, all without compromising its independence. For such purpose, as appropriate, it shall submit recommendations or proposals to the Board of Directors and establish the relevant time periods for their monitoring.*
3. *Propose the risk control and management policy to the Board of Directors, which will identify or determine at least the following: (i) the different types of financial or non-financial risks (operational, technological, financial, legal, social, environmental, political and reputational, including risks related to corruption) faced by the Company, including contingent liabilities and other off-balance sheet risks among the financial risks; (ii) a risk control and management model based on different levels, with a risk-specialized commission for cases in which the industry standard requires it or if the Company deems it appropriate; (iii) setting the risk level that the Company deems acceptable; (iv) measures to mitigate the impact of identified risks if they materialize; and (v) the control and information systems to control and manage these risks.*
4. *Oversee the operation of the risk control and management unit in charge of: (i) ensuring that risk management and control systems are functioning correctly and, in particular, that all major risks the Company is exposed to are adequately identified, managed and quantified; (ii) participating actively in the preparation of risk strategies and in key decisions about their management; and (iii) ensuring that the risk management and control systems effectively mitigate risks in accordance with the policy drawn up by the Board of Directors.*
5. *Ensure, in general terms, that the policies and systems established for internal control are effectively applied in practice.*

Article 12. In relation to overseeing compliance

The Audit Committee has the powers to provide information, advice and proposals in relation to overseeing compliance:

1. *Specifically, the Audit Committee must receive information and, when appropriate, generate a report about the actions and decisions made by the Regulatory Compliance Division when performing its duties and specifically pursuant to the Company's Internal Code of Conduct, regarding the Securities Markets of the Company.*
2. *Establish and supervise a mechanism that allows employees and other persons related to the*



Company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, including those of a financial or accounting nature or of any other kind related to the Company which they observe in the Company or its group. This mechanism shall guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.

Article 13. In relation to the Framework Agreement

*The Audit and Compliance Committee has the powers to provide information, advice and proposals in relation to the framework agreement of relations between the Company and Prosegur Compañía de Seguridad, S.A. (the “**Framework Agreement**”):*

- 1. Report in advance, with regard to its essential elements (price, term and purpose), about those related-party transactions between the Company and Prosegur Compañía de Seguridad, S.A., or between any of the companies of their respective groups, whose approval is reserved to the Board of Directors in accordance with the Framework Agreement.*
- 2. Report in advance on those sections of the company's regular public information and annual corporate governance report that relate to the Framework Agreement and related operations between the Group and the Prosegur Group.*
- 3. Report on situations in which business opportunities are detected between companies of the Group and the Prosegur Group, and monitor compliance with the provisions of the Framework Agreement in relation to this.*
- 4. Periodically report on the compliance with the Framework Agreement.*
- 5. Inform in advance of any proposal to amend the Framework Agreement, as well as any transaction proposals aimed at ending any disagreements that may arise among its signatories during its implementation.*

Article 14.- Other competencies

Without prejudice to any other tasks that may be assigned by law, the Bylaws or the Board of Directors, the Audit Committee also has the following powers of information, advice and proposal:

- 1. Analyze and report on the economic conditions, accounting impact and, when appropriate, proposed exchange ratio for operations that involve structural and corporate changes and have been planned by the Company, before they are submitted to the Board of Directors.*
- 2. Inform the Board of Directors in advance about all the matters provided for by law and the Bylaws, and in particular about the creation or acquisition of equity participation in special purpose vehicles or companies headquartered in countries or territories that are considered to be tax havens.*
- 3. Review prospectuses and any other relevant information that the Board of Directors must provide to the markets and to their supervisory bodies.*
- 4. Report on related-party transactions and, in general, on the corresponding matters, in accordance with Title IX of the Regulations of the Board of Directors.*



- 5. Supervise the implementation of the general policy on the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, voting advisors and other stakeholders. It will also monitor how the Company communicates and interacts with small and medium-sized shareholders.*