

APPENDIX I
ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

ISSUER IDENTIFICATION

YEAR END DATE

31/12/2020

C.I.F. A-87498564

Company name:

PROSEGUR CASH, S.A.

Registered office:

CALLE SANTA SABINA 8, MADRID. SPAIN

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

A. CAPITAL STRUCTURE

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

Date of last change	Share capital (euros)	Number of shares	Number of voting rights
05/10/2020	30,890,719.58	1,544,535,979	1,544,535,979

Remarks
<p>The following changes in the Company's share capital occurred during financial year 2020:</p> <p>(i) Capital increase of 421,159.06 euros through the issuance of 21,057,953 new shares, approved by the Board of Directors on 3 June 2020 under the powers delegated to it at the General Shareholders' Meeting on 6 February 2017, bringing total share capital to 30,421,159.06 euros represented by 1,521,057,953 ordinary shares; and</p> <p>(ii) Capital increase of 469,560.52 euros through the issuance of 23,478,026 new shares, approved by the Board of Directors on 28 July 2020 under the powers delegated to it at the General Shareholders' Meeting on 6 February 2017, bringing total share capital to 30,890,719.58 euros represented by 1,544,535,979 ordinary shares.</p>

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

Yes

No

A.2 Provide details of the company's significant direct and indirect shareholders at year end, excluding any directors:

Name of shareholder	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
MS. HELENA IRENE REVOREDO DELVECCHIO	0	74.977%	0	0	74.977%

Breakdown of the indirect holding:

Name of indirect shareholder	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights
MS. HELENA IRENE REVOREDO DELVECCHIO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	53.301%	0	53.301%
MS. HELENA IRENE REVOREDO DELVECCHIO	PROSEGUR ASSETS MANAGEMENT, S.L.U.	21.676%	0	21.676%

State the most significant shareholder structure changes during the year:

Most significant changes
On 9 September 2020, Invesco Limited reduced its equity stake from 3.787% to 2.755%.

A.3 Complete the following tables on the members of the Board of Directors with voting rights in the company:

Name of director	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights	% voting rights <u>than can be transmitted</u> through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR. CHRISTIAN GUT REVOREDO	0.00%	0.00%	0.086%	0.00%	0.086%	0.00%	0.00%
MR. JOSE ANTONIO LASANTA LURI	0.00%	0.00%	0.018%	0.00%	0.018%	0.00%	0.00%

Total percentage of voting rights held by the Board of Directors	0.104%
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Remarks
They are financial instruments as defined by Article 13(l)(a) of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 and Articles 28.1a) and 31 of the Royal Decree 1362/2007, of 19 October, implementing the Spanish Securities Market Act 24/1988, of 28 July (<i>Ley de Mercado de Valores</i>), as they relate to the transparency requirements concerning information regarding companies whose shares are listed on an official secondary market or on another regulated market in the European Union. The assignment of those instruments falls within the Long-Term Incentive Plan 2018-2020.

Breakdown of the indirect holding:

Name of director	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% of voting rights <u>than can be transmitted</u> through financial instruments
N/A					

- A.4 If applicable, state 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, except those that are reported in Section A.6:

Name of related party	Nature of relationship	Brief description
N/A		

- A.5 If applicable, state any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

Name of related party	Nature of relationship	Brief description
PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Commercial	Provision of services; sale and purchase of goods; licensing of intangible assets; real estate lease; financing.
PROACTINMO, S.L.U.	Commercial	Lease agreement entered into with Proactinmo, S.L.U. regarding the building located at calle Juan Ignacio Luca de Tena 6, Madrid

- A.6 Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of proprietary directors.

Explain, as the case may be, how the significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies in its group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of directors, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
MR. CHRISTIAN GUT REVOREDO	MS. HELENA IRENE REVOREDO	- Prosegur Compañía de Seguridad, S.A.	- First degree consanguinity relationship with Ms

	DELVECCHIO	- Gubel, S.L.	Helena Irene Revoredo Delvecchio. - CEO of Prosegur Compañía de Seguridad, S.A. - Director and non-controlling shareholder of Gubel, S.L.
MS. CHANTAL GUT REVOREDO	MS. HELENA IRENE REVOREDO DELVECCHIO	- Prosegur Compañía de Seguridad, S.A. Gubel, S.L.	- First degree consanguinity relationship with Ms Helena Irene Revoredo Delvecchio. - Director of Prosegur Compañía de Seguridad, S.A. - Director and non-controlling shareholder of Gubel, S.L.
MR. ANTONIO RUBIO MERINO	MS. HELENA IRENE REVOREDO DELVECCHIO	- Prosegur Compañía de Seguridad, S.A. - Prosegur Gestión de Activos, S.L. - Prosegur Soluciones de Seguridad Integral España, S.L. - Compañía Ridur 2016, S.A.	- Proprietary director of the company representing Prosegur Compañía de Seguridad, S.A. - Director of Prosegur Gestión de Activos, S.L. and Prosegur Soluciones de Seguridad Integral España, S.L. - Joint administrator of Compañía Ridur 2016, S.A.
MR. PEDRO GUERRERO	MS. HELENA IRENE REVOREDO DELVECCHIO	Prosegur Compañía de Seguridad, S.A	- Proprietary director of the company representing Prosegur Compañía de Seguridad, S.A.

Remarks
Mr Christian Gut Revoredo and Ms Chantal Gut Revoredo are first degree descendants of Ms Helena Irene Revoredo Delvecchio. Ms Helena Irene Revoredo Delvecchio holds control, as defined by Article 42 of the Commercial Code, of Gubel, S.L. by virtue of the syndication agreement with that company as reported by Prosegur Compañía de Seguridad, S.A. as a significant event to the Spanish National Securities Market Commission (CNMV) on 31 January 2020, bearing registration number 286383. Mr Christian Gut Revoredo and Ms Chantal Gut Revoredo are also shareholders of Gubel, S.L., which controls 59,368% of the share capital of Prosegur Compañía de Seguridad, S.A. In addition, Prosegur Compañía de Seguridad, S.A. controls 70.41% of the Company's share capital (through a 53,301% direct interest and a 21,676% indirect interest through its subsidiary Prosegur Assets Management, S.L.).

A.7 State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Spanish Corporate Enterprises Act ("LSC", *Ley de Sociedades de Capital*). If so, briefly describe these agreements and list the party shareholders:

Yes

No

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

Yes

No

If any of the aforementioned agreements or concerted actions have been modified or terminated during the year, please specify expressly:

A.8 State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, please identify them:

Yes

No

Name of individual or company
MS. HELENA IRENE REVOREDO DELVECCHIO

Remarks
Ms Helena Irene Revoredo Delvecchio holds control, as defined by Article 42 of the Spanish Commercial Code, of Gubel, S.L. by virtue of the syndication agreement referred to in section A.6 above. Gubel, S.L. controls 59.368% of the share capital of Prosegur Compañía de Seguridad, S.A. which, in turn, directly and indirectly owns 74.977% of the Company (53.301% direct interest and the 21.676% indirect interest is owned through its subsidiary Prosegur Assets Management, S.L.).

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

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
23,436,659	0	1.517%

(*) Through:

Name or company name of the shares' direct owner	Number of direct shares
N/A	
Total:	

Explain any significant changes during the year:

Explain significant changes
On 8 May 2017, the Company entered into a liquidity agreement in accordance with the prevailing legislation at the time. Before signing this agreement, the Company held no treasury shares. Trading prior to the liquidity agreement to establish the treasury stock ended on 8 June 2017 once the treasury stock had reached 1,000,000 shares. Trading under the liquidity agreement commenced on 9 June 2017 and ended on 10 July 2017 – the date on which this

liquidity agreement was terminated. On 7 July 2017, the Company signed a new liquidity agreement (entering into force on 11 July 2017) in accordance with prevailing legislation at the time, once again triggering trading to provide liquidity under the agreement. This liquidity agreement was temporarily suspended on 12 June 2020.

On 3 June 2020, the Company's Board of Directors authorised a treasury share buy-back programme for up to 40,000,000 euros or 45,000,000 shares, representing approximately 3% of the Company's share capital at that date. Pursuant to this authorisation, the Company launched the buy-back programme on 12 June 2020.

At 31 December 2020, the Company held 23,436,659 treasury shares.

In 2020, the Company filed a treasury share form with the National Securities Market Commission, in accordance with Spanish legislation, reporting the net position of 15,313,653 shares in total (0.991%) on 12 October 2020.

A.10 Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

The General Shareholders' Meeting of the Company 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 Corporate Enterprises Act and in compliance with, at all times, those provisions set forth in the law in force, subject to the following terms:

- a) Acquisitions may be made directly by the Company or indirectly through their subsidiaries and the same must be formalised by sale, exchange, or any other legally business form recognised by the Law.
- b) 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.
- c) The minimum price of acquisition of the shares shall be their nominal value and the maximum price shall be up to 10% of their market value at the date of purchase.
- d) This authorisation 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 Article 146.1.a) of the Corporate Enterprises Act, approval was given that shares acquired by the Company or by its subsidiaries under the foregoing authorisation 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.

At the Annual General Shareholders' Meeting on 28 October 2020, the Company's shareholders voted to reduce its share capital by redeeming the shares acquired through a buy-back programme authorised by the Board of Directors for up to 40,000,000 euros or 45,000,000 shares, granting the Board of Directors the powers needed to execute this.

1. Amount and type of capital reduction – The nominal value of the reduction of the Company's capital will be equal to the number of shares acquired through the Buy-back Programme multiplied by 0.02 euros per share, by redeeming said shares, up to 900,000 euros, which equates to the maximum number of treasury shares to be acquired through the Buy-back Programme (45,000,000 ordinary shares of 0.02 euros nominal value each).

As explained below, the final figure for the capital reduction will be set by the Board of Directors according to the final number of shares acquired through the Buy-back Programme.

2. Procedure for the acquisition of shares to be redeemed – The shares to be redeemed will be acquired by the Company through the Buy-back Programme ending, at the latest, on the date stipulated by the Board of Directors. It will be executed as per the pricing and volume conditions established in Article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures.

Pursuant to this, as per Article 340.3 of the Corporate Enterprises Act, if the Company does not acquire the maximum number of 45,000,000 shares of 0.02 euros nominal value each through

the Buy-back Programme, the capital shall be understood to be reduced by the amount of shares actually acquired through the programme.

3. Procedure for carrying out the reduction and reserves against which it is charged – In accordance with Article 342 of the Corporate Enterprises Act, the capital reduction must be executed within one month of the end of the Buy-back Programme.

The capital reduction will not entail returning contributions to shareholders as the Company is the holder of the shares to be redeemed, and it will be performed with a charge to unrestricted reserves, by posting to a redeemed capital reserve an amount equal to the nominal value of the redeemed shares. According to Article 335 c) of the Corporate Enterprises Act, this reserve can only be drawn down subject to the same requirements as set forth for reducing share capital.

Consequently, as stipulated in said article, the entitlement of the Company's creditors to challenge capital reductions referred to in Article 334 of the Corporate Enterprises Act will not apply.

4. Delegation of powers – All members of the Board of Directors have been granted the express powers needed to execute the agreement to reduce capital; they may determine any points not explicitly laid down in the agreement or result there from.

A.11 Estimated free float:

	%
Estimated free float	23.40%

Remarks

A.12 State whether there are any restrictions (article of associations, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and those regimes for the prior authorization or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes

No

A.13 State whether the shareholders have resolved at a meeting to adopt measures to neutralize a take-over bid pursuant to the provisions of Act 6/2007.

Yes

No

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

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

Yes

No

Where applicable, state the different types of shares and, for each category of share, the rights and obligations they entail.

B. GENERAL SHAREHOLDERS' MEETING

B.1 State whether there are any differences between the quorum established by the LSC for General Shareholders' Meetings and those set by the company and if so, describe them in detail.

Yes

No

B.2 State whether there are any differences in the company's manner of adopting corporate resolutions and the manner for adopting corporate resolutions described by the LSC and, if so, explain:

Yes

No

B.3 State the rules for amending the company's Articles of Association. In particular, state the majorities required for amendment of the Articles of Association and any provisions in place to protect shareholders' rights in the event of amendments to the Articles of Association.

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

The full text of the proposed amendment(s) that the Board of Directors wish to submit to the General Shareholders' Meeting 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 associated documentation, as well as obtain said documents immediately and free of charge. It will also be accessible at all times on the Company's corporate website.

Neither the Bylaws nor the Regulations of the General Shareholders' Meeting stipulate a system of majorities required to modify Bylaws that is different than that established by law.

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

Date of General Shareholders' Meeting	Attendance data				Total
	% physically	% by proxy	% distance voting		
			Electronic	Other	
28/05/2018	8.12%	81.2%	0.00%	0.00%	89.33%
Of which, free float:	0.00%	0.00%	0.00%	0.00%	0%
03/06/2019	0.00%	90.82%	0.00%	0.00%	90.82%
Of which, free float:	0.00%	14.53%	0.00%	0.00%	14.53%
28/10/2020	1.097%	84.97%	0.00%	0.50%	86.57%
Of which, free float:	0.001%	9.99%	0.00%	0.50%	10.49%

B.5 State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by the shareholders for any reason:

Yes

No

B.6 State whether the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or on distance voting:

Yes

No

Number of shares required to attend General Meetings	1,000
Number of shares required for remote voting	1,000

Remarks
<p>The shareholders that hold at least 1,000 shares may attend the General Shareholders' Meetings, provided that said shares are registered in their name in the corresponding book entry register at least five days prior to the date on which the General Shareholders' Meeting is to be held.</p>
<p>The shareholders that hold a fewer number of shares may delegate their representation upon a shareholder that has the right to attend, and moreover may group together with other shareholders that are subject to the same situation until the necessary shares are grouped together, and the shareholders that group together must delegate their representation on one of said shareholders. The grouping must be specific to each General Shareholders' Meeting and be substantiated by means of a written document.</p>
<p>The shareholders with rights to attend the meeting may, prior to the General Shareholders Meeting, cast their votes in relation to the proposals regarding the points included in the agenda to any General Shareholders Meeting by means of postal delivery or correspondence or by means of electronic communication channels.</p>
<p>Shareholders with rights of attendance may also attend the General Shareholders' Meeting using remote electronic or remote channels, provided that said methods have been agreed to by the Board of Directors. The Board of Directors shall state in the announcement of the General Shareholders' Meeting the channels that may be used for said purposes, by reason that they satisfy the required security conditions in order to guarantee the identity of the shareholders, the exercise of their rights and the correct management of the meeting.</p>

B.7 State whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions that must be subject to the approval of the General Shareholders' Meeting.

Yes

No

Explanation of the decisions that must be subject to the approval of the General Shareholders' Meeting, other than those established by law
<p>Article 5 of the Company's General Shareholders' Meeting authorises the General Shareholders' Meeting to decide upon matters including: (i) operations that have an effect equivalent to a structural modification; (ii) the acquisition of essential assets, the disposal thereof or the contribution to another company of essential assets; (iii) the transfer to subsidiaries of essential activities carried out, up until that time, by the Company, although the Company is the legal owner thereof; and (iv)</p>

operations the effect of which is equivalent to that of the liquidation of the Company. The essential nature of the asset shall be deemed to mean when the amount of the operation exceeds 25% of the value of the total assets of the Company's latest approved balance sheet.

In any event, they are matters that are implicitly attributed to the General Shareholders' Meeting as a result of applicable legal provisions.

- B.8 State the address and way to access, on the company website, information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

Corporate website: www.prosegurcash.com

Access to the Company's corporate governance information is available through: Home page / Investors and shareholders / Corporate governance

Access to the Company's General Shareholders' Meeting information is available through: Home page / Investors and shareholders / Corporate governance / Shareholders' General Shareholders' Meeting

C. COMPANY ADMINISTRATIVE STRUCTURE

C.1 Board of Directors

- C.1.1 Maximum and minimum number of directors established in the Articles of Association and the number set by the General Shareholders' Meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the General Shareholders' Meeting	9

- C.1.2 Please complete the following table on board members:

Name of director	Representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
MR. CHRISTIAN GUT REVOREDO		Executive	CHAIRMAN	19/12/2016	03/06/2019	General Shareholders' Meeting Resolution
MR. PEDRO GUERRERO		Proprietary director	DEPUTY CHAIRMAN	17/03/2017	28/10/2020	General Shareholders' Meeting Resolution
MR. JOSÉ ANTONIO LASANTA LURI		Executive	CEO	19/12/2016	03/06/2019	General Shareholders' Meeting Resolution
MR. CLAUDIO AGUIRRE PEMÁN		Lead	INDEPENDENT DIRECTOR	17/03/2017	28/10/2020	General Shareholders' Meeting Resolution
MS. MARÍA BENJUMEA CABEZA DE VACA		Independent	DIRECTOR	17/03/2017	28/10/2020	General Shareholders' Meeting Resolution

MR. DANIEL GUILLERMO ENTRECANALES DOMEQ		Independent	DIRECTOR	17/03/2017	28/10/2020	General Shareholders' Meeting Resolution
MS. CHANTAL GUT REVOREDO		Proprietary	DIRECTOR	17/03/2017	28/10/2020	General Shareholders' Meeting Resolution
MR. ANTONIO RUBIO MERINO		Proprietary	DIRECTOR	19/12/2016	03/06/2019	General Shareholders' Meeting Resolution
MS. ANA INÉS SAINZ DE VICUÑA BEMBERG		Independent	DIRECTOR	17/03/2017	28/10/2020	General Shareholders' Meeting Resolution

Total number on the board	9
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State whether any directors, either through resignation or by decision of the Shareholders' Meeting, have left the Board during the period subject to this report:

Name of director	Director type at time of leaving	Date of last appointment	Date director left	Specialized committees of which he/she was a member	Indicate whether the director left before the end of the term
N/A					

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

EXECUTIVE DIRECTORS

Name or company name of director	Posting in organizational chart of the company	Profile
MR. CHRISTIAN GUT REVOREDO	CHAIRMAN	<ul style="list-style-type: none"> Degree in Economics and Business Administration from CUNEF (Centro Universitario de Estudios Financieros). MBA from INSEAD. Director of Prosegur Compañía de Seguridad, S.A. since 1997. Chief Executive Officer (CEO) of Prosegur Compañía de Seguridad, S.A. since 2008. General Manager of Prosegur Spain until 2007. Member of the Board of Trustees of the Prosegur Foundation.

MR JOSÉ ANTONIO LASANTA LURI	CEO	<ul style="list-style-type: none"> • Degree in Business Administration and Management from Universidad Pontificia Comillas – ICADE (E4). • He worked at the consulting firm McKinsey and the Rothschild investment bank. • He joined Prosegur Group in 2004, where he was the Director of Strategy, Director of Corporate Development, Director for Asia, Director of the Technology Business and Chief Financial Officer.
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Total number of executive directors	2
Percentage of Board	22.22%

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of director	Name or company name of the significant shareholder represented or that has proposed their appointment	Profile
MR. PEDRO GUERRERO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	<ul style="list-style-type: none"> • Degree in Law Universidad Complutense de Madrid. • State Attorney, Stock Exchange Agent and Madrid Notary (on leave). • He was the Chair of the Madrid Stock Exchange and Stock Exchange Company Governing Board. • He was a founder and Vice Chairman of A.B. Asesores Bursátiles and Chairman of A.B. Asesores Red. • Chairman of Bankinter, where he has been a director since 2000.
MS. CHANTAL GUT REVOREDO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	<ul style="list-style-type: none"> • Degree in Economics and Business Administration from CUNEF (Centro Universitario de Estudios Financieros). • MBA from IESE. • Director of Prosegur Compañía de Seguridad, S.A. since 1997. • Director of Euroforum since 2001.

		<ul style="list-style-type: none"> • Member of the Board of Trustees of the Prosegur Foundation.
MR. ANTONIO RUBIO MERINO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	<ul style="list-style-type: none"> • Degree in Economics and Business from ETEA-Universidad de Córdoba, and in Geography and History from Universidad Nacional de Educación a Distancia (UNED). • He was the Director of Consolidation and Audit at Abengoa and Director of Administration and Managing Director of Finance at Inditex Group. • Chief Financial Officer at Prosegur Compañía de Seguridad, S.A. since 2009.

Total number of proprietary directors	3
Percentage of Board	33.33%

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of director	Profile
MR. CLAUDIO AGUIRRE PEMÁN	<ul style="list-style-type: none"> • 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. • Chair, 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.
MS. MARÍA BENJUMEA CABEZA DE VACA	<ul style="list-style-type: none"> • Degree in Geography and History from the Universidad Complutense de Madrid. • Founder of Círculo de Progreso, which later became Infoempleo. • Founder and Chair of Spain Startup since 2012. • Founding member of the International Women Forum (IWF) Spain and Secot.
MR. DANIEL ENTRECANALES DOMEQ	<ul style="list-style-type: none"> • Degree in Economics from Carroll School of Management at Boston College.

	<ul style="list-style-type: none"> • 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. • Proprietary director of Acciona S.A. • CEO of Newco Entreriver, S.L. • Chairman of the Organisation Committee of Madrid Horse Week. • Member of the Advisory Board at AON Iberia
MS. ANA INÉS SAINZ DE VICUÑA BEMBERG	<ul style="list-style-type: none"> • 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 and Inmobiliaria Colonial. • Member of the Boards of Altamar Capital Partners, Acciona, S.A. and Corporación Financiera Guadalmar (CFG). • Member of the Board of Trustees of Fundación ARPE.

Total number of independent directors	4
Total percentage of the Board	44.44%

State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

In this case, include a statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name of director	Description of the relationship	Reasoned statement
MR. DANIEL ENTRECANALES DOMEQ	Chair of Revolution Publicidad, S.L.	<p>Revolution Publicidad, S.L. has provided the Company with marketing and advertising services on an arm's length basis during the ordinary course of its business, invoicing a total of 41,197 euros during 2020.</p> <p>The Company does not work exclusively with Revolution Publicidad, S.L., and it receives marketing and advertising advisory services from other agencies. The fees received by Revolution Publicidad, S.L. are not material and do not represent a significant amount in the Company's accounts.</p>

OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

Name of director	Reason	Company, director or shareholder to whom the director is related	Profile
N/A			

Total number of other external directors	N/A
Total percentage of the Board	N/A

State any changes in status that has occurred during the period for each director:

Name of director	Date of change	Previous status	Current status
N/A			

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				% of directors for each category			
	2020	2019	2018	2017	2020	2019	2018	2017
Executive	0	0	0	0	0%	0%	0%	0%
Proprietary	1	1	1	0	11.11%	11.11%	11.11%	0%
Independent	2	2	2	0	22.22%	22.22%	22.22%	0%
Other external	0	0	0	0	0%	0%	0%	0%
Total:	3	3	3	0	33.33%	33.33%	33.33%	0%

C.1.5 State whether the company has diversity policies in relation to the Board of Directors of the company on such questions as age, gender, disability and training and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

Yes No Partial policies

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

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

Description of policies, objectives, measures and how they have been implemented, including results achieved.
<p>The Company's Corporate Governance System, particularly the Directors Selection Policy approved by the Board of Directors on 25 July 2017, establishes that candidates for the position of director will be selected based on an analysis of the needs of the Company and its group (the "Group") performed by the Board of Directors with the advice and a report from the Sustainability, Corporate Governance, Appointments and Remuneration Committee.</p> <p>The Company seeks persons of good repute, suitable, and solvent, and with the skill, experience, qualifications, training, availability and commitment to carry out their duties.</p> <p>Their nomination will further a diversity of knowledge, experience, origin, nationality and gender, favouring an adequate balance on the Board of Directors taken as a whole that enriches the taking of decisions and provides diverse points of view within the debate of the matters for which the Board is responsible and any type of inherent gap that could imply any type of discrimination will be avoided.</p> <p>The Directors Selection Policy shall endeavour to ensure that the number of female directors in the future still accounts for thirty-three percent (33%) of the overall number of Board members. In any event, the selection process shall exclude any implicit bias that may result in discrimination of any kind and, specifically, that hinders the selection of female directors.</p>

- C.1.6 Describe the means, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, and which makes it possible to achieve a balance between men and women. Also state whether these measures include encouraging the company to have a significant number of female senior managers:

Explanation of measures
<p>The Directors Selection Policy approved by the Board of Directors on 25 July 2017 expressly states that the Company shall endeavour to ensure that the number of female directors in the future still accounts for thirty-three percent (33%) of the overall number of Board members, as was mentioned in the Section C.1.5 above.</p> <p>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. Ms María Benjumea Cabeza de Vaca forms part of the Audit Committee of the Company and Ms Ana Inés Sainz de Vicuña Bemberg, is member of the Sustainability, Corporate Governance, Appointments and Remuneration Committee such that both Board Committees have female members.</p> <p>The Sustainability, Corporate Governance, Appointments and Remuneration Committee ensures that the procedures for selecting director candidates exclude any inherent bias that impede the selection of female directors, attempting to ensure the composition of the Board of Directors has an adequate balance of men and women.</p>

In the event that there are few or no female directors or senior managers in spite of any measures adopted, please explain the reasons that justify such a situation:

- C.1.7 Describe the conclusions of the appointments committee regarding verification of compliance with the policy aimed at favouring an appropriate composition of the Board of Directors.

The Directors Selection Policy is in line with the highest corporate governance standards. The Company's commitment is reflected by (i) the Board of Directors having an adequate composition by encouraging a diversity of knowledge, experience, origins, nationality and gender and (ii) eliminating any inherent bias impeding the selection of female directors.

The Company's Board of Directors currently has three (3) women members, as is mentioned in section C.1.6 above, representing 33.33% of all Board members. The Company therefore currently meets the objective of female directors making up at least 30% of the Board of Directors in 2020.

- C.1.8 If applicable, please explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name of shareholder	Reason
N/A	

State whether the Board has failed to meet any formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed. If this is the case, please explain why the aforementioned requests were not met:

Yes

No

- C.1.9 State the powers delegated by the Board of Directors, as the case may be, to directors or Board committees:

Name of director or committee	Brief description
MR. JOSÉ ANTONIO LASANTA LURI	The Company's CEO 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.
MR. CHRISTIAN GUT REVOREDO	Christian Gut Revoredo has been conferred the authority to perform general administration duties.

- C.1.10 Identify any members of the Board who are also directors or officers in other companies in the group of which the listed company is a member:

Name of director	Name of group member	Post	Does the director have executive powers?
MR. CHRISTIAN GUT REVOREDO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	CEO	Yes
MS. CHANTAL GUT REVOREDO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Director	No

C.1.11 List any directors, or representatives of legal-person directors, of your company who are members of the board of directors, or representatives of legal-person directors, of other companies listed on regulated markets which are not group companies, and have communicated that status to the Company:

Name of director	Name of listed company	Post
MR PEDRO GUERRERO GUERRERO	BANKINTER, S.A.	CHAIRMAN
MR DANIEL GUILLERMO ENTRECANALES DOMEQ	ACCIONA, S.A.	DIRECTOR
MS ANA INÉS SAINZ DE VICUÑA BEMBERG	ACCIONA, S.A.	DIRECTOR
MR CHRISTIAN GUT REVOREDO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	CEO
MS CHANTAL GUT REVOREDO	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	DIRECTOR

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

Yes

No

C.1.13 State total remuneration received by the Board of Directors:

Board remuneration in financial year (thousand euros)	1,963
Amount of vested pension interests for current members (thousand euros)	
Amount of vested pension interests for former members (thousand euros)	

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

Name of individual or company	Position
MR. JUAN COCCI	Director Latam Business
MR. YAGO PALAO TIRADO	Director North Latam Business
MR. MARTIN MATOS	Director South Latam Business
MR. JANINE COPELIN	Director APAC Business
MR. MIGUEL ANGEL BANDRES GUTIERREZ	Director Europe Business
MR. LUIS JAVIER ORO PRADERA	Director of Productivity and Innovation
MS. MARINA COUSO RUANO	Director of Strategic Planning
MR. JAVIER HERGUETA VAZQUEZ	Chief Financial Officer
MR. FELIX CARBAJO	Director of Internal Audit

Number of women in senior management	2
Percentage of total members of senior management	20%

Total senior management remuneration (thousand euros)	2,889
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C.1.15 State whether the Board rules were amended during the year:

Yes

No

Description of amendment
<p>(i) On 28 July 2020 the Board of Directors held a meeting and unanimously agreed, based on a report from the Audit Committee, to amend the Regulations of the Board of Directors. The amendments were intended to adapt and update the functioning and powers of the Board of Directors and its board committees in the context of the reform of the Spanish Code of Good Governance of Listed Companies in June 2020 (the "Code of Good Governance") and bring the regulations into line with other laws and regulations enacted since the last amendment of the Regulations of the Board of Directors. The main changes to the Regulations of the Board of Directors were as follows:</p> <ol style="list-style-type: none"> 1. Assign to the Appointments and Remuneration Committee (now known as the "Sustainability, Corporate Governance, Appointments and Remuneration Committee") powers to prepare the report that must precede any amendments to the Regulations and powers to propose any such amendments. 2. The non-delegable duties of the Board of Directors include the approval of non-financial reporting according to Article 529 <i>ter</i> of the Corporate Enterprises Act, as stipulated in Article 5.3.m). The non-delegable power of the Board of Directors to define the structure of the group of companies stipulated in Article 5.3.n) was removed, and the subsequent stipulations relettered from n) to r). Reference to the Appointments and Remuneration Committee in point p) was also corrected to read that it is the Audit Committee who is responsible for the prior reporting of related-party transactions. A new non-delegable power was also conferred on the Board of Directors in a new point q): the supervision of the compliance by the Company's and the Group's strategy and activity with the principles of sustainable development from an environmental, social and corporate governance (ESG) standpoint. Reference was also made to the Sustainable Development Goals (SDG) promoted by the United Nations, with a view to further engaging the Board of Directors in ESG matters. Lastly, an amendment was made to Article 5.4 referring to the permission in law for decisions on non-delegable matters to be made by delegated bodies or persons in case of duly justified situations or emergency. 3. Article 16.1 on the composition of the Executive Committee was amended to read that, if established, the committee must be comprised of at least two non-executive directors, with at least one of them being independent. 4. Point 1 of Article 17 on the Audit Committee was amended as per Recommendation 39 of the Code of Good Governance to include that the members of the Audit Committee, as a whole, shall be designated taking into account, among other factors, their knowledge and experience in both financial and non-financial risk management matters. <p>Letters b), d), g), h), i), n), o) and p) and (the former) q)) on the Audit Committee's powers were amended which, along with part of letter o) of point 4, once changed has been moved to form part of the powers of the Sustainability, Corporate Governance, Appointments and Remuneration Committee, all in accordance with Recommendations 8, 42.2.c), 42.1.b), 42.1.a), 45, 42.1.c), 53, 54.a), 54.b) and 54.c) of the Code of Good Governance, respectively. Letters r) and s) were eliminated in accordance with the amendments introduced in Recommendation 54.g) of the Code of Good Governance. Consequently, the following stipulations were relettered. A new stipulation t) was also included to establish that the Audit Committee's remit includes informing, prior to its approval by the Board of Directors, on the annual corporate governance report with regard to related-party transactions and risk control and management systems.</p>

5. Two new powers were conferred on the Sustainability, Corporate Governance, Appointments and Remuneration Committee in Article 18.3 concerning environmental and social matters, pursuant to Recommendations 54.c) and 42.1.d) of the Code of Good Governance, respectively. The Appointments and Remuneration Committee was assigned a new power (new letter r)) corresponding to corporate governance powers in accordance with Recommendations 53 and 54.c) of the Code of Good Governance. A new letter s) was added to include the corporate governance powers referred to in Recommendations 53 and 54.c) of the Code of Good Governance on informing, prior to its approval by the Board of Directors, on the annual report on remuneration for directors and the annual corporate governance report (except with regard to related-party transactions and risk control and management systems), and preparing for submission to the Board of Directors the annual report on remuneration for directors (a stipulation already included in Article 30 of the Regulations).
 6. A new point 7 was included in Article 19 to bring the Regulations into line with the Bylaws in response to technological developments and the technical improvements they offer to hold meetings remotely and the mechanisms for remote voting and to facilitate board members' attendance at meetings.
 8. Article 25 of the Regulations was amended with respect to the reasons for board members to be removed, pursuant to Code of Good Governance recommendations.
 9. Following on from the amendments to Article 17 of the Regulations on the powers conferred on the Appointments and Remuneration Committee concerning corporate governance, Article 42 of the Regulations was amended to authorise this Committee to inform on the annual corporate governance report, prior to approval by the Board of Directors.
 10. Lastly, Articles 3, 17.7, 23, 25.3, 45 and 46 were amended to make certain technical and systematic improvements to the wording.
- (ii) On 29 September 2020 the Board of Directors held a meeting and unanimously agreed, based on a report from the Appointments and Remuneration Committee, to amend the Regulations of the Board of Directors. The amendment changed and updated the name of the Appointments and Remuneration Committee as part of the reform of the Regulations approved by the Board of Directors on 28 July 2020.
- This entailed amending the Regulations of the Board of Directors where reference is made to the Appointments and Remuneration Committee and the subsequent amendment of Article 15.2 to refer to the possibility of creating "one or several" separate committees.
- In this regard, the name of the Appointments and Remuneration Committee was changed to "Sustainability, Corporate Governance, Appointments and Remuneration Committee", whereby Articles 3, 8, 10, 11, 12, 13, 14, 15, 18, 19, 21, 22, 23, 25, 29, 30, 35, 37 and 42 were amended to replace references to this committee ("Appointments and Remuneration Committee") with the new name ("Sustainability, Corporate Governance, Appointments and Remuneration Committee").

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors: the competent bodies, steps to follow and criteria applied in each procedure.

- 1.- SELECTION OF DIRECTORS
- The selection of director candidates is the responsibility of the Board of Directors which, with the advice and a report from the Sustainability, Corporate Governance, Appointments and Remuneration Committee evaluates the needs of the Company and the Group in this respect.
- The Company seeks persons of honour, suitable individuals of acknowledged solvency, skill, experience, qualification, training, availability and commitment to their duties, whose appointment favours diversity of knowledge, experiences, nationalities and gender within the Board of Directors, making it possible to enrich the decision-making process and benefit from diverse points of view during the debates regarding issues within their remit.
- 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. Furthermore, director candidates should be natural persons.

2. APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board Members shall be designated by the General Shareholders Meeting or by the Board of Directors in accordance with the provisions of applicable law.

The proposals for the appointment of Board Members that the Board of Directors submits to the General Shareholders Meeting for consideration and the decisions for the appointment thereof that are adopted by the General Shareholders Meeting by virtue of the co-option powers that are legally available thereto, must be preceded by the corresponding proposal (in the case of Independent Directors) or by the report (in the case of the rest of the Board Members) of the Sustainability, Corporate Governance, Appointments and Remuneration Committee. When the Board of Directors disagrees with the recommendations from the Sustainability, Corporate Governance, Appointments and Remuneration Committee, it shall set out the reasons for its decision and place them on record.

The proposal must be accompanied by a supporting report from the Board of Directors that evaluates the competency, experience and merits of the proposed candidate, which will be attached to the minutes to the General Shareholders' Meeting or the Board of Directors Meeting. The proposal to appoint or re-elect any non-independent director must be preceded by a report from the Sustainability, Corporate Governance, Appointments and Remuneration Committee.

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 proprietary director, executive director, or other external director.

The proposals to re-elect directors that the Board of Directors decides to submit to the General Shareholders' Meeting must follow the same rules as for nominations, as well as a formal preparation process. This process will necessarily form part of a report issued by the Sustainability, Corporate Governance, Appointments and Remuneration Committee evaluating the quality of the work and the dedication to the position by the proposed directors during their preceding term.

3.- ASSESSMENT OF DIRECTORS

On an annual basis the Board of Directors will evaluate: (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 Sustainability, Corporate Governance, Appointments and Remuneration Committee; and (iii) the calculation of Remuneration to the Board of Directors, based on the reports on the same.

The Sustainability, Corporate Governance, Appointments and Remuneration Committee of the Company shall organise 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, an independent lead 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 Shareholders' Meeting or the Board of Directors exercising the powers that are legally or statutorily conferred to them.

The Board of Directors will only propose the removal of an independent director before the end of the established term for which he/she was appointed when it considers there is due cause, after having received a report from the Sustainability, Corporate Governance, Appointments and Remuneration Committee.

Directors hold their positions at the pleasure of the Board of Directors and, if deemed appropriate, must present their resignations 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.

b) When they are involved in a legal conflict of interest or prohibition.

- c) When they are tried for an alleged offence or are subject to disciplinary proceedings owing to a serious or very serious infringement of legislation, instigated by the supervisory authorities.
- 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 jeopardises its interests when situations arise in which they are involved, whether or not related to their action at the Company itself.

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 the Board is informed or otherwise becomes aware of the situations mentioned in this paragraph and in point (e) of the previous paragraph, it must investigate the case as soon as possible and, having regard to the particular situation, will decide, following a report by the Sustainability, Corporate Governance, Appointments and Remuneration Committee, whether or not to take any measures, such as opening an internal investigation, asking the director to resign or proposing the director's removal. It shall report the foregoing in the annual corporate governance report, unless there are special circumstances justifying it, which must be placed on record in the minutes, notwithstanding the information which the Company must disclose, as appropriate, at the time of adoption of the relevant measures.

Any Board Member who resigns from his office before the end of their term, whether by reason of resignation or by resolution of the Shareholders' Meeting, must sufficiently explain the reasons for his resignation or, in the case of non-executive directors, his opinion on the reasons for his removal by the Shareholders' Meeting in a letter that shall be forwarded to all of the Board Members. Without prejudice to the fact that all of the foregoing is reported in the annual corporate governance report, to the extent it is relevant to the investors, the Company shall publish that removal as soon as possible, including sufficient reference to the reasons or circumstances put forth by the Board Member. The Board Members must inform the Board of Directors of any criminal proceedings they are defendants in and any disciplinary proceedings initiated by the supervisory authorities due to a serious or very serious incident. In both events, the directors must inform of any subsequent actions. 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.

C.1.17 Explain how the annual evaluation of the Board has given rise to significant changes in its internal organization and to procedures applicable to its activities:

Description of amendment
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 organisation or procedures as not deemed necessary.

Describe the evaluation process and the areas evaluated by the Board of Directors with the help, if any, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas
Pursuant to article 5 of the Regulations of the Board of Directors, 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 Sustainability, Corporate Governance, 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.

Additionally, the independent lead director is responsible of managing the periodic evaluation of the Executive Chairman.

The lead director and the Chair of the Sustainability, Corporate Governance, Appointments and Remuneration Committee at the Company 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 Sustainability, Corporate Governance, 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 Sustainability, Corporate Governance, Appointments and Remuneration Committee has undertaken its duties directly, not having so far involved any external advisor.

C.1.18 Describe, in those years in which the external advisor has participated, the business relationships that the external advisor or any group company maintains with the company or any company in its group.

N/A

C.1.19 State the situations in which directors are required to resign.

Directors hold their positions at the pleasure of the Board of Directors and, if deemed appropriate, must present their resignations 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. In particular, in the case of proprietary directors, when the shareholder or shareholders that proposed, required or determined their appointment, fully or partially sell or transfer their shareholding with the result of losing their status as a significant or sufficient shareholder to justify the appointment.

b) When they are involved in a legal conflict of interest or prohibition.

c) When they are tried for an alleged offence or are subject to disciplinary proceedings owing to a serious or very serious infringement of legislation, instigated by the supervisory authorities.

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 jeopardises its interests when situations arise in which they are involved, whether or not related to their action at the Company itself.

C.1.20 Are qualified majorities other than those established by law required for any specific decision?

Yes

No

If so, please describe any differences.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, to be appointed as chairman of the Board of Directors.

Yes

No

C.1.22 State whether the Articles of Association or the Board Rules establish any limit as to the age of directors:

Yes

No

C.1.23 State whether the Articles of Association or the Board Rules establish any term limits for independent directors other than those required by law:

Yes

No

C.1.24 State whether the Articles of Association or Board Rules establish specific proxy rules for votes at Board meetings, how they are to be delegated and, in particular, the maximum number of delegations that a director may have, as well as if any limit regarding the category of director to whom votes may be delegated and whether a director is required to delegate to a director of the same category. In the event, give a brief outline of these rules.

The Bylaws establish that directors, in the case of absence, may be represented at meetings of the Board by another director by written proxy, which, insofar as possible, shall contain voting instructions. In any case, non-executive directors may only grant their representation to another non-executive director.

The Regulations of the Board of Directors add that Board Members shall use their best endeavours to attend the meetings of the Board of Directors and, when they are unable to personally attend the meetings, they shall try to ensure that their proxy representation is conferred upon another Board Member from within the same category, which should include the pertinent instructions.

C.1.25 State the number of meetings held by the Board of Directors during the year, and if applicable, the number of times the Board met without the chairman present. Meetings where the chairman sent specific proxy instructions are to be counted as attended.

Number of Board meetings	8
Number of Board meetings without the chairman in attendance	0

Remarks
The Board of Directors has adopted resolutions in writing without holding a meeting on one occasion.

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0
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State the number of meetings held in the year by the various committees of the board:

Number of meetings held by the Audit Committee	5
Number of Meetings held by the Sustainability, Corporate Governance, Appointments and Remuneration Committee	2

Remarks
The Sustainability, Corporate Governance, Appointments and Remuneration Committee has adopted resolutions in writing without holding a meeting on six occasions.

C.1.26 State the number of meetings held by the Board of Directors during the and the attendance by its members.

Number of meetings in situ when at least 80% of directors attended	8
% of attendance over total votes during the year	100
Number of meetings in situ or representations made with specific instructions of all directors	8
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	100

Remarks
The Board of Directors has adopted resolutions in writing without holding a meeting on one occasion.

C.1.27 State whether the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

Yes

No

Identify, if applicable, the person/s who certified the individual and consolidated financial statements of the company for preparation by the Board:

Name	Post
MR. JAVIER HERGUETA VÁZQUEZ	CHIEF FINANCIAL OFFICER

C.1.28 Explain any measures established by the Board of Directors to ensure that the financial statements submitted by the Board to the General Shareholders' Meeting are prepared in compliance with accounting regulations.

<p>Financial Management imposes strict controls on individual and consolidated annual accounts so that they comply with the Accounting Principles generally accepted in Spain and International Financial Reporting Standards (IFRS).</p> <p>The Audit Committee's duties include dealing with the external auditor (at the date of this document, Ernst & Young, S.L.) and ensuring the annual accounts that the Board of Directors presents to the General Shareholders' Meeting are prepared in accordance with accounting legislation, and in cases where the auditor has included any qualifications in its audit report, clearly explaining to the General Shareholders Meeting the Committee's opinion on the</p>
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contents and scope thereof, making available to the shareholders a summary of that opinion. To this end, the Audit Committee maintains ongoing discussions with the external auditor when preparing the annual accounts. The external auditor is also invited to an annual plenary session of the Board of Directors to inform the Board of the work it has carried out and evaluate the Company's accounting position and the risks to which it is exposed. It also attends some Audit Committee meetings to periodically update the members of this committee on its external audit work.

Furthermore, the Regulations of the Board of Directors state that the Board of Directors shall use its best endeavours to definitively draft the accounts in such a way that no qualifications are established by the auditor, publicly explaining when the Board of Directors considers that it must maintain its own criteria, the terms and scope of the discrepancy

C.1.29 Is the secretary of the Board also a director?

Yes

No

If the secretary is not a director, please complete the following table:

Name of the secretary	Representative
MS. RENATA MENDAÑA NAVARRO	

Remarks
Ms Renata Mendaña Navarro was appointed as non-director secretary of the Board of Directors on 25 July 2018.

C.1.30 State, if any, the concrete measures established by the company to ensure the independence of its external auditors, financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

The Audit Committee is responsible for safeguarding the independence of the external auditors when exercising their duties. To this end, the Audit Committee shall ensure that the remuneration of the external auditors is sufficient without compromising their independence, and that the external auditor holds an annual meeting with the plenary session of the Board of Directors, and requests its presence at 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 Chair of the Audit Committee will hold working meetings about specific topics depending on the needs of the Company.

Furthermore, the Regulations of the Board of Directors state that the Board of Directors shall abstain from contracting the audit firms in respect of which the professional fees that are expected to have to be paid thereto, for all concepts, exceed 5% of their total revenue during the previous year, and shall publicly inform of the global fees that the Company has paid to the audit firm for services other than audit services

The Committee has exhaustively analysed potential threats to the independence of the external auditor and, in particular, the system for contracting services other than those that are prohibited in accordance with Articles 5.4 and 6.2.b) of Regulation (EU) 537/2014 of 16 April and the provisions of Title I, Chapter IV, Section 3 of Spain's Audit Act 22/2015 (20 July) (*Ley de Auditoria de Cuentas*).

In light of the work performed, non-audit services rendered (taken individually and as a whole), and the fees received by the external auditor, the Annual Report on the Audit Committee's Operations and Activities expresses the Committee's opinion as to whether or not the external auditor's independence has been compromised, in accordance with the provisions of Article 17.4 f) of the Regulations of the Board of Directors.

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 Company Investors that advocates maximum 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 channelled through the Investor Relations Department, that are based on the principle of equal treatment, professionalism, solvency, and independence in their assessments.

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

Yes

No

Outgoing auditor	Incoming auditor
KPMG Auditores, S.L.	Ernst & Young, S.L.

Remarks
The General Shareholders' Meeting held on 3 June 2019 adopted a resolution to appoint Ernst & Young, S.L. as the auditor of the Company and its consolidated group for 2020, 2021 and 2022.

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

Yes

No

C.1.32 State whether the audit firm provides any non-audit services to the company and/or its Group and, if so, the fees paid and the percentage of such amount over the fees invoiced for audit services to the company and/or Group:

Yes

No

	Company	Group companies	Total
Amount invoiced for non-audit services (thousand euros)	103	178	281
Amount invoiced for non-audit services/Amount for audit work (in %)	64.38%	23.96%	31.12%

C.1.33 State whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the chairman of the audit committee to explain the content and extent of the aforementioned qualified opinion or reservations.

Yes

No

C.1.34 State the number of consecutive years the current audit firm has been auditing the financial statements of the company and/or group. Furthermore, state 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:

	Individual	Consolidated
Number of consecutive years	1	1

	Individual	Consolidated
Number of years audited by the current audit firm/number of fiscal years the company has been audited (by %)	20%	20%

C.1.35 State whether there is a procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time and provide details if applicable:

Yes

No

Provide details of the procedures
<p>The director's right to information is expressly regulated by the Regulations of the Board of Directors, which establishes that Board Members shall have the broadest possible powers to be informed about any aspect of the Company, to examine the books, registers, documents and all other supporting documentation regarding the corporate operations and to inspect all of the Company's facilities. The right to information shall extend to the companies of the Group.</p> <p>The exercising of the powers of information will be channelled through the Chairman of the Board of Directors, the Secretary or the Chief Financial Officer of the Company, who will deal with the requests from Board Members by directly providing them with the information requested, offering them the appropriate spokespeople an appropriate level at the Company, or by deciding upon the measures to be adopted for the examination and inspection activities to be carried out in situ.</p> <p>Furthermore, the Regulations of the Board of Directors states that ordinary meetings of the Board of Directors must be called at least three days beforehand, and that the meeting announcement must always include, except when justified, the agenda to the meeting (that shall state the matters in respect of which the Board of Directors is to adopt a decision or resolution) and shall be accompanied, as the case may be, by the information that is deemed necessary.</p>

C.1.36 State whether the company has established rules whereby directors must report and, if applicable, resign, where situations involving them arise, whether or not related to their actions at the company itself, which may damage the company's standing and reputation. If so, provide details:

Yes

No

Explain the rules
<p>Among the cases described in section C.1.19, i.e. those set out in Article 25.3 of the Regulations of the Board of Directors, Board Members should tender their resignation to the Board of Directors and should formalise, 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 jeopardise its interests.</p> <p>Furthermore, the directors must inform the Board of Directors of any criminal proceedings they are defendants in and any disciplinary proceedings initiated, and of any subsequent actions.</p>

If a director is indicted or tried or have a hearing order issued against them for any of the offences set forth in Spanish corporate 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. It shall report the foregoing in the annual corporate governance report, unless there are special circumstances justifying it, which must be placed on record in the minutes, notwithstanding the information which the Company must disclose, as appropriate, at the time of adoption of the relevant measures.

C.1.37 State, unless special circumstances have arisen and have been placed on record in the minutes, whether the Board has been informed, or has otherwise become aware, of any situation involving a director, whether or not related to his/her action at the company itself, which may damage the company's standing or reputation:

Yes

No

In the preceding case, state whether the Board of Directors has examined the case. If so, explain (giving reasons) whether, having regard to the specific circumstances, any measure has been taken to open an internal investigation, to ask the director to resign or to propose his/her removal.

Also state whether the decision of the Board was based on a report by the appointments committee.

Yes

No

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

a) A syndicated loan contract for 300 million euros was signed between the Company and a syndicate of lenders on 10 February 2017. A novation of this financial transaction was completed on 7 February 2019 and extended the maturity date by a further 5 years until February 2024. At 31 December 2020 drawn down capital was 155,000 thousand 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 repayment of the loan.

b) A 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 syndicate of lenders on 28 April 2017.

At 31 December 2020 70,000 thousand Australian dollars has been drawn down. 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 available to the Company and could request early repayment.

c) An issuance on 4 December 2017 as part of the fixed-income issue programme (Euro Medium Term Note Programme) of the Company of ordinary bonds 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.1.39 Identify individually for director, and generally in other cases, and provide detail of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of beneficiaries	1
Type of beneficiary	Description of agreement
CEO	The agreement for the provision of executive services between the Company and the Executive Chairman recognises 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, initiated by the CEO for causes attributable to the Company, or by mutual agreement.

State whether, outside the cases envisaged by law, these contracts have been communicated to and/or approved by management bodies of the company or of the Group. If they have, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this.

	Board of Directors	General Shareholders' Meeting
Body authorizing the clauses	No	No

	Yes	No
Is the General Shareholders' Meeting notified of these clauses?	X	

C.2 Committees of the Board of Directors

- C.2.1 Provide details of all committees of the Board of Directors, their membership, and the proportion of executive, proprietary, independent and other external directors that comprise them:

AUDIT COMMITTEE

Name	Post	Category
MR. DANIEL GUILLERMO ENTRECANALES DOMECCQ	CHAIRMAN	Independent
MR. CLAUDIO AGUIRRE PEMÁN	MEMBER	Independent
MS. MARÍA BENJUMEA CABEZA DE VACA	MEMBER	Independent

% of proprietary directors	0%
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% of independent directors	100%
% of other external directors	0%

Explain the functions attributed to this committee and any additional responsibilities provided for by law, and describe the procedures and rules it follows for its organization and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercised, in practice, each of the functions attributed to it by law, in the Articles of Association or in other corporate resolutions.

<p>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. The most significant activities carried out by this body during the year are described in the Audit Committee Annual Report available at the Company's website (www.prosegurcash.com).</p> <p>The Audit Committee shall be comprised of a minimum of three and a maximum of five Non-Executive Board Members, that shall be designated by the Board of Directors, and that shall have the necessary time dedication, capacity and experience for the performance of the functions thereof. The foregoing shall ensure that the composition of the Audit Committee is diverse. The majority of the members of the Audit Committee must be independent directors. At least one of its members and, in particular its Chairman, should be appointed taking into consideration their knowledge and experience with respect to accounting, auditing, and financial and non-financial risk management. The Board of Directors will designate the chair of the Audit Committee from among independent directors.</p> <p>The position of Chairman of the Audit Committee shall be exercised for a maximum of four years, at the expiry of which the Chairman of the Audit Committee may not be re-elected until at least one year has elapsed as from the date of his removal from office, without prejudice to the continuity or re-election thereof as a member of the Committee</p> <p>Without prejudice to other activities for which the Audit Committee is responsible, the Audit Committee shall have the following basic responsibilities:</p> <p>a) To inform the General Shareholders Meeting regarding the questions that are formulated in respect of the matters for which the Committee is competent and, in particular, regarding the result of the audit.</p> <p>b) To ensure that the financial statements which the Board of Directors presents to the General Shareholders' Meeting are prepared in accordance with accounting legislation, and in cases where the auditor has included any qualifications in his audit report, to clearly explain to the Shareholders' Meeting the Committee's opinion on their contents and scope.</p> <p>c) To present to the Board of Directors the proposals for the selection, appointment, re-election and substitution of the external auditor, as well as the terms and conditions of the contracting thereof, and (i) to examine, in the case of the resignation of the external auditor; (ii) to ensure that the remuneration of the external auditor for the work thereof does not compromise either the quality or the independence thereof; (iii) to supervise notification of the change of auditor as a significant event; (iv) to ensure that the external auditor holds an annual meeting with the plenary session of the Board of Directors; (v) to supervise the due compliance of the audit contract; and (vi) to ensure that the Company and the external auditor abide by the applicable rules regarding the independence of the auditors.</p> <p>d) To establish the relationships and contacts with the external auditor in the terms provided for at law.</p> <p>e) To issue, annually, prior to the release of the accounts audit report, a report that sets out an opinion as to whether the independence of the accounts auditor has been compromised.</p> <p>f) To supervise internal auditing.</p> <p>g) To oversee the preparation and presentation of mandatory financial information.</p> <p>h) To supervise the effectiveness of the Company's internal controls, internal auditing and risk management systems, including tax risks, and ensuring that the internal control policies and</p>

systems are applied effectively in practice.

- i) To supervise the functioning of the Control and Risk Management Unit.
- j) To analyse 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 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.
- m) To establish and supervise a system that enables the employees and other key individuals connected to the Company to notify, in a confidential and anonymous way, any irregularities that may be of potential importance.
- n) To receive information and, when appropriate, generate a report about all the actions and decisions made by the Regulatory Compliance Division when performing its duties, and in particular, pursuant to the Company's Internal Code of Conduct in matters relating to the Securities Market.
- o) To supervise the application of the general policy on the reporting of financial and non-financial and corporate information and the communication with shareholders and investors.
- p) To assess all matters relating to non-financial risks of the Company (operational, technological, legal, social, environmental, political, and reputational).
- q) To coordinate the reporting process of the non-financial information.
- r) To report on any related-party operations.
- s) To report on matters subject to that in the framework contract of relations between the Company and Prosegur Compañía 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.

Any member of the management board or staff that has been formally requested must accordingly attend the meeting sessions of the Audit Committee and must collaborate and provide access to all of the information that is held thereby. The Auditor's attendance is also required.

The Audit Committee may also seek advice from external professionals.

The Chair 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.

For the purposes of complying with the supervision and control duties assigned to the Audit Committee, the Internal Audit Department regularly reports on the internal audit work carried out and includes the relevant information concerning the results and conclusions of the assessment of critical risks performed periodically by the Risk Committee, including non-financial risks.

Specifically, the Company's Internal Audit Director frequently attends Audit Committee meetings in order to (i) present the actions taken by the Internal Audit Department with respect to its supervision of the Company's risk management, providing details of the reports issued in that respect and any weaknesses detected within the framework of the review processes carried out; (ii) report the degree of compliance with the actions set out in the audit plan approved for the year concerned, explaining the main measures that have been implemented and their degree of development; (iii) present any incidents reported through the Company's whistle-blower channel and any measures adopted or investigations in this respect; and (iv) present any legislative amendments that have a direct or indirect impact on the areas supervised by the Internal Audit Department, proposing that the Committee take the appropriate measures to adapt internal policies, procedures and manuals to meet the legislation in force at any given moment.

The Director of the Internal Audit Department sends the Audit Committee a Report on the

Internal Audit Department's Activities at the start of each financial year. This report explains the work performed and the degree of compliance with the objectives established in the preceding year's Internal Audit Working Plan.

The internal audit reports prepared by all group companies in various areas, the internal control over financial information and the supervision of risk management are all monitoring activities that are supervised by the Committee and are described in detail in the Report on Internal Audit Activities.

The Committee has supervised the process of preparing the financial information regarding the Company and the Group, reviewing compliance to regulatory requirements, rules, the correct application of accounting principles and duly reporting this information to the Board of Directors. Recurring meetings have been held with the persons responsible for the Finance Department and the Internal Audit Department in order to obtain current information regarding the main weaknesses detected during the process of preparing and issuing the financial information, and the measures implemented to resolve them.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Name of directors with experience	MR. DANIEL GUILLERMO ENTRECANALES DOMECCQ, MR. CLAUDIO AGUIRRE PEMAN AND MS. MARIA BENJUMEA CABEZA DE VACA.
Date of appointment of the chairperson	17/03/2017

SUSTAINABILITY, CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Post	Category
Mr. Claudio Aguirre Pemán	CHAIRMAN	Independent
MR. PEDRO GUERRERO	MEMBER	Proprietary
MS. ANA INÉS SAINZ DE VICUÑA BEMBERG	MEMBER	Independent

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

Explain the functions attributed to this committee and any additional responsibilities provided for by law, and describe the procedures and rules it follows for its organization and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercised, in practice, each of the functions attributed to it by law, in the Articles of Association or in other corporate resolutions.

The Sustainability, Corporate Governance, Appointments and Remuneration 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 Sustainability, Corporate Governance, Appointments and Remuneration Committee should be independent directors.

The Board of Directors will designate the Chair of the Sustainability, Corporate Governance, Appointments and Remuneration Committee from among independent directors.

Notwithstanding any other undertakings which may be assigned by the Board of Directors, the Sustainability, Corporate Governance, Appointments and Remuneration Committee has the following duties, inter alia:

a) To evaluate the competencies, knowledge and experience that is necessary for the Board of Directors.

b) To inform the Board of Directors regarding the questions related to gender diversity and to establish a representation target for the sex that is less represented on the Board of Directors and to draft proposals regarding how to achieve said target.

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 organise the succession of the Chairman of the Board of Directors and of the chief executive of the Company and, as the case may be, to present proposals to the Board of Directors so that said succession takes place in an ordered and diligent manner.

h) To organise 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 proposed nominations and removals of senior executives and propose to the Board of Directors the basic 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.

p) To periodically evaluate and review the Company's environmental and social responsibility policy.

q) To supervise the Company's environmental and social practices to ensure that they comply with the strategy and policies established, and to supervise and evaluate processes relating to the different interest groups.

r) To review the Company's corporate governance system, make the necessary proposals for its improvement and monitor the compliance with corporate governance rules and codes of conduct of the Company, while also receiving information and, if applicable, issuing reports on the disciplinary measures to be applied to the members of the Company's senior management.

s) To inform, prior to its approval by the Board of Directors, on the annual corporate governance report (except with regard to related-party transactions and risk control and management systems), and submit to the Board of Directors the annual proposal for approval of the annual report on remuneration for directors.

The Sustainability, Corporate Governance, Appointments and Remuneration Committee shall consult with the Chairman of the Board of Directors and with the chief executive of the Company, in particular when the matters at hand relate to the Executive Board Members and senior management.

The Sustainability, Corporate Governance, Appointments and Remuneration Committee shall meet whenever necessary for the adequate performance of its functions. In any event, it shall meet once a year in order to prepare the information regarding the remuneration of the Board Members that the Board of Directors is to adopt and include within its annual public documentation.

The Chair of the Appointments and Remuneration 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 Remuneration Committee meetings are to be made available to the Members of the Board of Directors.

During 2020 the ordinary activities of the Appointments and Remuneration Committee included the preparation of all pertinent reports and the relevant proposals to be presented to the Board of Directors.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	2020		2019		2018		2017	
	Number	%	Number	%	Number	%	Number	%
Audit Committee	1	33.33%	1	33.33%	1	33.33%	1	33.33%
Sustainability, Corporate Governance, Appointments and Remuneration committee	1	33.33%	1	33.33%	1	33.33%	1	33.33%

C.2.3 State, where applicable, the existence of any regulations governing Board committees, where these regulations may be found, and any amendments made to them during the year. Also state whether any annual reports on the activities of each committee have been voluntarily prepared.

1.- AUDIT COMMITTEE

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

- a) the Bylaws (Article 30 and related provisions);
- b) the Regulations of the Board of Directors (Article 17 and related provisions); and
- c) the Audit Committee Regulations that, as set forth in the Regulations of the Board of Directors and in compliance with the recommendations made in the Technical Guide for Audit Committees, develop the rules for the organisation 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 Regulations of the Board of Directors also on the website of the Spanish National Securities Market Commission (CNMV). At its meeting on 18 December 2017, the Board of Directors approved the Regulations of the Audit Committee. These regulations were amended on 28 July 2020 to adapt and update its functioning and powers in the context of the reform of the Spanish Code of Good Governance of Listed Companies in June 2020.

Article 23 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.- SUSTAINABILITY, CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE

The organisation and operation of the Sustainability, Corporate Governance, Appointments and Remuneration Committee of the Board of Directors is governed by:

- a) the Bylaws (Article 30 and related provisions); and Appointments and Remuneration, Corporate Governance and Sustainability
- b) the Regulations of the Board of Directors (Article 18 and related provisions).
- c) the Regulations of the Sustainability, Corporate Governance, Appointments and Remuneration Committee, which implement the rules on the organisation and functioning of the Company's Audit Committee.

All documents can be found and are available for viewing on the website of the Company (www.prosegurcash.com) and the website of the CNMV.

The Sustainability, Corporate Governance, Appointments and Remuneration Committee shall prepare and submit to the Board of Directors an annual report on its operations.

D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

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

<p>The Board of Directors formally reserves the right of approving, after receiving a report from the Audit Committee, 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 parties"), in the terms and subject to the exceptions set forth in Articles 5 and 40 of the Regulations of the Board of Directors.</p> <p>The Audit Committee has the following reporting, advisory and proposal authorities with respect to the Framework Contract:</p> <p>(a) Provide a prior report on the essential aspects (price, term and purpose) of related-party transactions carried out between the Company and Prosegur Compañía de Seguridad, S.A., or between any of the companies in their respective groups, whose approval is reserved for the Board of Directors in accordance with the Framework Contract.</p> <p>(b) Issue a prior report regarding the sections of information released regularly to the public and the Company's annual corporate governance report to which the Framework and related-party transactions between the Group and Prosegur Group refer.</p> <p>(c) Report on the situations in which there are business opportunities between the Group and Prosegur Group companies and monitor compliance with the provisions set out in the Framework Contract in this respect.</p> <p>(d) Regularly report on compliance with the Framework Contract.</p> <p>(e) Provide a prior report on any proposed amendment to the Framework Contract and any proposed transactions intended to end any disputes that may arise between the signatories due to its application.</p> <p>Furthermore, Article 40 of the Regulations of the Board of Directors stipulates that:</p> <p>a) Transactions within the ordinary course of the Company's business and being habitual or recurrent in nature, require the prior, generic authorisation 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</p> <p>b) The authorisation of the Board of Directors is not needed in connection with related-party transactions that simultaneously meet the following three conditions: (i) that are carried out by virtue of contracts the terms and conditions of which are standardised and are generally applied to a significant number of customers; (ii) that are carried out at prices or tariffs that are established generally by the supplier or service provider in question; and (iii) provided that the amount thereof does not exceed 1% of the annual revenue of the Company, pursuant to the audited annual accounts of the most recent closed financial year as at the date of the transaction in question.</p>
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D.2 Describe any transactions which are significant, either because of the amount involved or subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name of significant shareholder	Name of the company or entity within its group	Nature of the relationship	Type of transaction	Amount (thousand euros)
MS. HELENA IRENE REVOREDO DELVECCHIO	Prosegur Compañía de Seguridad, S.A,	Commercial	Operating lease contracts	5,842
MS. HELENA IRENE REVOREDO DELVECCHIO	Prosegur Compañía de Seguridad, S.A.	Commercial	License Agreements (trademark)	15,129
MS. HELENA IRENE REVOREDO DELVECCHIO	Prosegur Compañía de Seguridad, S.A.	Commercial	Receipt of services	80,640
MS. HELENA IRENE REVOREDO DELVECCHIO	Prosegur Compañía de Seguridad, S.A.	Financial	Finance	1.381

GUBEL, S.L.	Proactinmo, S.L.	Commercial	Operating lease contracts	975
GUBEL, S.L.	Agrocinegética San Huberto, S.L.	Commercial	Provision of services	192
GUBEL, S.L.	Euroforum Escorial, S.A.	Commercial	Provision of services	89

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

Name of director or manager	Name of the company or entity within its group	Relations hip	Type of transaction	Amount (thousand euros)
N/A				

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

In any event, note any intragroup transaction conducted with entities established in countries or territories which are considered tax havens:

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
SIS Cash Services Private Ltd.	Loan - India subsidiary (consolidated using the equity method)	2,191

D.5 Describe the significant transactions between the company or entities of the group and other related parties that have not been reported in the previous sections:

Name of related party	Brief description of the transaction	Amount (thousand euros)
Gubel, S.L.	Provision of services	15

D.6 Describe the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders.

<p>1.- CONFLICTS OF INTEREST BETWEEN THE COMPANY AND ITS DIRECTORS</p> <p>According to Article 34 of the Regulations of the Board of Directors, 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 proprietary 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</p>
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Article 231 of the Spanish Corporate Enterprises Act 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:

- Reporting 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 Corporate Enterprises Act, the director shall abstain from:

a) 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.

b) 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.

c) 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 Regulations of the Board of Directors state that the Board of Directors needs to approve any transaction of the Company involving a Significant Shareholder and/or any other Related Party, and the same thereof cannot authorise 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 framework contract precisely defines 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.

D.7 State whether the company is controlled by another entity, within the meaning of article 42 of the Commercial Code, listed or not, and has, directly or through its subsidiaries, business relationships with said entity or any of its subsidiaries (other than those of the listed company) or pursues activities related to those of any of them.

Yes

No

The Company is controlled by its parent, Prosegur Compañía de Seguridad, S.A., which is also listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and Spain's electronic stock market. In turn, Prosegur Compañía de Seguridad, S.A. is controlled by Ms Helena Irene Revoreda Delvecchio, who is a significant shareholder of the Company through the former. Business relations between the Company and its parent, Prosegur Compañía de Seguridad, S.A., and its subsidiaries that are significant due to their size or material because of their substance are described in section D.2 above.

State whether it has reported publicly and precisely on the respective areas of activity and possible business relationships between, on one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries.

Yes

No

State the respective areas of activity and possible business relationships between, on one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries, and identify where these aspects have been publicly reported

The Company and its parent company, Prosegur Compañía de Seguridad, S.A., concluded a framework contract on 17 February 2017 (the "**Framework Contract**") in order to govern the basic principles for their relationship and their respective subsidiaries, in accordance with the best corporate governance practices and, in particular, recommendation 2 of the Code of Good Governance for Listed Companies approved by the CNMV on 18 February 2015 (partially revised on 26 June 2020). The contract publicly and precisely defines the various business areas and business relationships as well as the mechanisms in place to resolve any conflicts of interest that may arise.

The signing of the Framework Contract was reported to the CNMV by way of a significant event filing on 17 March 2017 with registration number 249700.

The Framework Contract can also 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.

Identify measures taken to resolve potential conflicts of interest between the other controlling company of the listed subsidiary and other group companies:

Measures taken to resolve potential conflicts of interest

The Company and its parent company, Prosegur Compañía de Seguridad, S.A., concluded a framework contract on 17 February 2017 (the "**Framework Contract**") in order to govern the basic principles for their relationship and their respective subsidiaries, in accordance with the best corporate governance practices and, in particular, recommendation 2 of the Code of Good Governance for Listed Companies approved by the CNMV on 18 February 2015 (partially revised on 26 June 2020). The contract publicly and precisely defines the various business areas and business relationships as well as the mechanisms in place to resolve any conflicts of interest that may arise. 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.

The Audit Committee has the following reporting, advisory and proposal authorities with respect to the Framework Contract:

- (a) Provide a prior report on the essential aspects (price, term and purpose) of related-party transactions carried out between the Company and Prosegur Compañía de Seguridad, S.A., or between any of the companies in their respective groups, whose approval is reserved for the Board of Directors in accordance with the Framework Contract.
- (b) Issue a prior report regarding the sections of information released regularly to the public and the Company's annual corporate governance report to which the Framework and related-party transactions between the Group and Prosegur Group refer.
- (c) Report on the situations in which there are business opportunities between the Group and Prosegur Group companies and monitor compliance with the provisions set out in the Framework Contract in this respect.
- (d) Regularly report on compliance with the Framework Contract.
- (e) Provide a prior report on any proposed amendment to the Framework Contract and any proposed transactions intended to end any disputes that may arise between the signatories due to its application.

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

- a) Under no circumstances whatsoever shall the Board of Directors authorise a related party transaction with a shareholder if a report from the Audit Committee has not previously been issued that evaluates the transaction from the point of view of the equality of treatment of shareholders and in relation to other market conditions.
- b) In relation to transactions within the ordinary business activities of the and that constitute habitual or recurrent transactions, the prior generic authorisation regarding the group of transactions and the specific

conditions thereof by the Board of Directors shall be sufficient for all similar transactions, subject to the prior report of the Audit Committee.

c) The authorisation of the Board of Directors shall not be deemed to be necessary, however, in relation to the transactions that simultaneously comply with the following three conditions: (i) that are carried out by virtue of contracts the terms and conditions of which are standardised and are generally applied to a significant number of customers; (ii) that are carried out at prices or tariffs that are established generally by the supplier or service provider in question; and (iii) provided that the amount thereof does not exceed 1% of the annual revenue of the Company, pursuant to the audited annual accounts of the most recent closed financial year as at the date of the transaction in question.

E. RISK MANAGEMENT AND CONTROL SYSTEMS

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

The Company considers that the effective management of risks is key to assuring the creation of shareholder value and, in turn, to guarantee its success. Accordingly, and at the recommendation of the Audit Committee of the Company, the Board of Directors approved on 28 July 2020 a new Risk Control and Management Policy of the Company.

It therefore has a robust risk control and management system in place across all areas of its business. The Company analyses, controls and assesses relevant factors that could affect its daily operations in order to fulfil its business objectives. In doing so, it safeguards the interests of its customers, staff and shareholders.

The Risk Management System is end-to-end and continuous, with management consolidated by area, business unit, activity, subsidiary, geographical area and corporate support area.

The Company carries out control activities by means of the appropriate policies and procedures to help prevent and detect the materialisation of risks and, if they do materialise, mitigate, compensate or correct their impact. In this way, the aim is to ensure that the risks assumed by Prosegur Cash are compatible with its objectives in the short and medium term.

The Company properly manages and controls risks and assumes a controlled level of risk enabling it to:

- Achieve the strategic objectives approved.
- Provide the maximum level of guarantees to shareholders.
- Defend the interests of shareholders, customers and other stakeholders concerned with the Company's development.
- Protect its results and its reputation.
- Ensure sustained financial stability and soundness.

The risk control and management system is based on procedures and methodologies that allow risks to be identified and assessed in order to achieve these objectives.

The actions aimed at controlling and mitigating risks are summarised below:

- Identification, prioritisation, and evaluation of critical risks on an ongoing basis, considering their possible impact on the strategic objectives of the Company.
- Evaluation of risks according to procedures based on key indicators that allow risk control, risk management evaluation and monitoring the evolution of risks over time.
- Periodic monitoring of the effectiveness of the measures applied by those responsible for the risks to prevent and mitigate the effects of the materialisation of any of the risks.
- Review and analysis of results by the Corporate Risk Committee.
- Supervision of the system by the Audit Committee.

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

As part of its general function of supervision, the Board of Directors is ultimately responsible for determining the general risk management and control policies and strategies of the Company, delegating to the Audit Committee the power to inform, advise and propose in relation to these policies and strategies and to monitor the functioning of the risk management and control unit.

As the Company's risk management and control unit, the Risk Committee (i) assures the correct functioning of the Risk Control and Management Systems, and in particular, that they 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) ensures that the Risk Control and Management Systems effectively mitigate the risks.

The Internal Audit Director is a permanent member of the Risk Committee and it holds regular meetings for the purpose of presenting the results and conclusions of the critical risk assessment, including non-financial risks, that are carried out during the performance of its duties. The Internal Audit Director regularly prepares the Critical Risk Management Assessment Report that presents details regarding significant aspects of the assessment of critical risks, and the main conclusions reached in that respect, which are later reviewed by the entire Risk Committee. That report is sent to the Audit Committee meeting at which the Internal Audit Director is in attendance to present the primary detailed conclusions reached in the assessment report. The Audit Committee analyses the conclusions presented by the Internal Audit Director in detail and, if appropriate, adopts resolutions to apply all appropriate measures in this respect.

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

1. Digital transformation. Technological choice and rhythm of change
2. Cybersecurity, cyberattacks, loss or theft of company or customer confidential information.
3. Security and software defects and incidents in the IT infrastructure.
4. Transactions in highly competitive markets. Pressure on prices and margins.
5. Transactions in highly regulated markets. Risk of non-compliance with regulations, including applicable tax regulations in each market and/or as a group. Unfavorable regulatory change. Increase in the intervention of governments or regulators.
6. Devaluation of currency and restriction of the movement of capital.
7. Reputational risks. Negative publicity regarding name. Loss of brand value.
8. Difficulty obtaining the results projected in the alarms business plan.
9. Damage to company assets and to assets held under its care.
10. Inadequate management of indirect costs.
11. Decline in liquidity generation or in cash management.
12. Occupational risks related to occupational health and safety.
13. Corruption and fraud risks.

E.4 State whether the entity has a risk tolerance level, including tolerance for tax compliance risk.

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 the Company.

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 State what risks, including tax risk, have materialized during the year.

The risks arising during the fiscal year are inherent to the business model, to the activity of Prosegur 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 systems planned for said risks have proved effective with no significant risk or incident in the business activity or results of the Company have incurred.

The outbreak of the coronavirus COVID-19 and its global spread has triggered a global health crisis. The COVID-19 pandemic is not only an unprecedented health emergency, but also an economic and social emergency, whose magnitude and consequences pose one of the most serious challenges for all organizations. Prosegur has not been unaffected by the effects of the pandemic caused by COVID-19 in 2020. In order to face this situation, the Company has continuously monitored the evolution of events and their impact throughout the year, establishing different measures aimed at guaranteeing the health and safety of all its employees, customers and collaborators and maintaining excellence in the provision of its services. Among the measures adopted, the following stand out:

- The creation of a Global Crisis Committee at the beginning of the year to promote agility in decision-making and critical actions. In turn, local Crisis Committees were replicated to adapt measures according to the health situation in each country.
- Preparation of protocols for action in the event of Covid-19, distribution and implementation in all countries where we operate, adapted to the regulations enacted and following the recommendations of the relevant health and administrative authorities.
- Coordination of the collection of protective material, which favored the supply of the most exposed personnel from the outset.
- The establishment of remote working as a preventive measure for all personnel whose duties allow it. Prosegur's main services have been declared essential in most of the countries where the Company operates. In this complex context, our teams have developed a fundamental role and are providing services in a wide range of sectors, some as critical as health infrastructures, logistics centres or food distribution chains.

E.6 Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, as well as the procedures followed by the company in order to ensure that the board of directors responds to any new challenges that arise

The Company carries out in a periodic and recurrent way the identification, evaluation and prioritisation of critical risks, considering, in particular, their impact on relevant objectives. For this purpose, it has a management and information tool through which risks are controlled and managed that graphically displays the diagnosis of the risk assessment process. It is determined through the interaction of the probability and impact of the risks on the different processes, activities and functions of a business or support area. It is a helpful tool for the review of the internal control in place to mitigate risk impact.

Depending on the type of risk involved and its significance, Company management and the managers directly responsible for managing risk have adequate procedures in place to prevent, detect, avoid, mitigate, offset or share the effects of risks occurring.

The Risk Committee periodically reviews and analyses the results of risk management and control. The Audit Committee supervises the risk control system and its results and raises to the Board of Directors any matters that must be debated at that level due to their relevance or materiality.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE PROCESS OF FINANCIAL REPORTING (FRICS)

Describe the mechanisms comprising the System of Internal Control over Financial Reporting (FRICS) of your company.

F.1 Control environment

Report on at least the following, describing their principal features:

F.1.1 The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective FRICS; (ii) their implementation; and (iii) their supervision.

Article 5 of Prosegur Cash's Regulations of the Board of Directors stipulates that it has a general supervisory function. Except for the matters reserved for the General Shareholders' Meeting, the Board of Directors is the Company's maximum decision-making body.

Article 5 of the Company's Regulations of the Board of Directors stipulates that the Board of Directors shall, in particular, directly control, among others, the following authorities: the determination of the "Company's general policies and strategies and risk management and control policies, including those governing tax matters, as well as the supervision of internal control and reporting systems".

Article 17 of the Regulations of the Board of Directors and Articles 8.2 and 11 of the Audit Committee Regulations state that the latter is tasked, amongst other duties, to "oversee and evaluate the preparation and presentation of mandatory financial information and submit recommendations or proposals to the Board of Directors aimed at safeguarding its integrity. In connection to this, the Committee is responsible for overseeing and evaluating the preparation and integrity of the financial and non-financial reporting as well as the systems for control and management of financial and non-financial risk in relation to the Company and the Group, including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption, and review compliance with regulations, and ensure correct delimitation of the consolidation perimeter and the correct application of accounting criteria. The Board of Directors must be duly informed"; "oversee the efficacy of the Company's internal control and the risk management systems (including tax risks) and discuss any significant weaknesses of the internal control system with the account auditor which have been detected during auditing. Independence must never be compromised. Following from this, and when appropriate, the Committee must submit recommendations or proposals to the Board of Directors and indicate the follow-up time frame". In this context, "it must propose the risk control and management policy to the Board of Directors. This policy must at least identify or determine: (i) the type of financial or non-financial risks (operational, technological, financial, legal, social, environmental, political and reputational risks or those related to corruption) to which the Company is exposed, including among the financial or economic risks contingent liabilities and other off-balance-sheet risks; (ii) a risk control and management model based on different levels which includes a specialized risk committee where the industry standards so establish or the Company deems appropriate; (iii) the risk level which the Company deems to be acceptable; (iv) the measures for mitigating the impact of identified risks were they to materialize; and (v) the control and information systems used to control and manage said risks"; "supervise the functioning of the risk management and control unit of the Company that is responsible for: (i) ensuring the proper functioning of the risk management and control systems and, in particular, that all of the significant risks that affect the Company are identified, managed and adequately quantified; (ii) actively participating in the drafting of the risk strategy and the important decisions regarding the management thereof; and (iii) ensuring that the risk management and control systems adequately mitigate the risks in accordance with the policy defined by the Board of Directors".

F.1.2 State whether the following are present, especially if they relate to the creation of financial information:

- Departments and/or mechanisms in charge of: (i) design and review of corporate structure; (ii) clear definition of lines of responsibility and authority with an adequate distribution of tasks and functions; and (iii) assurance that adequate procedures exist for proper communication throughout the entity.

Prosegur Cash's Regulations of the Board of Directors require it to directly appoint and remove the Company's CEOs, to establish the conditions of their contracts and the appointment and removal of the executives that report directly to the Board of Directors or any of its members, as well as the establishment of the basic conditions of their contracts, including their remuneration.

The design and review of the organisational structure and the definition of the lines of responsibility and authority is proposed by the CEO and validated by the Sustainability, Corporate Governance,

Appointments and Remuneration Committee. The Human Resource Department is responsible for updating the organisational chart information, once any amendments have been approved, and publishing it on the intranet.

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 relevant areas, based on the policy for evaluating job positions for the Prosegur Group. Experts from the Human Resources Department are called upon to help with this.

This organisational structure is transferred to an organisational chart that graphically represents the relationships between the different business and support departments at Prosegur Cash. The Company's organisational chart is available on the corporate intranet and accessible to all personnel.

- Code of conduct, the body approving this, degree of dissemination and instruction, including principles and values, (state whether there is specific mention of transaction recording and creation of financial information), a body charged with analysing breaches and proposing corrective actions and sanctions.

The Company has a Code of Ethics and Conduct approved by the Board of Directors on 26 April 2017. It is applicable to all Prosegur Cash companies and all of Prosegur Cash's businesses and activities carried out in all of the countries in which it operates. It is based on the Code of Ethics and Conduct of Prosegur Compañía de Seguridad, S.A., which is the parent company of Prosegur Group, to which Prosegur Cash pertains, and it therefore reflects the same behaviour principles. It is binding for all members of the governing bodies, executives and Prosegur Cash personnel. The Code of Ethics and Conduct offers guidelines as to how Prosegur Cash's professional should behave. It reflects Prosegur Cash's commitment to common principles and standards when establishing its relationships with the group of stakeholders affected by its business: employees, shareholders, customers and users, suppliers and associates, authorities, public administrations and regulatory bodies, competitors and the civil society in which it operates.

All Prosegur Cash's professionals 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 that anyone, due to action or omission, violates the Code of Ethics and Conduct will be subject to the disciplinary measures applicable in each case in accordance with current employment regulations and internal policies and procedures. Any failure to comply that is reported is analysed by opening an investigation process by a team of impartial experts led by the compliance unit. It presents its conclusions and proposes, if appropriate, the corrective measures that must be applied and informing the persons that identified or reported the failure to comply.

The Legal Compliance section of the Code of Ethics and Conduct expressly states the Company's commitment and obligation to preparing 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 and shareholders, permanent access.

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 Prosegur Cash's corporate website (www.prosegurcash.com).

Section 3 of the Code of Ethics and Conduct states that Prosegur professionals accept the rules summarised in the Code and are bound to compliance by signing the document. New hires receive a physical copy of the Code of Ethics and Conduct.

Prosegur Cash employees have training courses relating to the Code of Ethics and Conduct available on the Prosegur Corporate University platform.

- Whistleblower channel, that allows notifications to the Audit Committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organization, reporting, as the case may be, whether this is of a confidential nature and whether it allows for anonymous notifications that respect the rights of the whistleblower and of the party in breach.

Prosegur Cash has an Ethics Channel that enables any interested party to communicate in a secure, anonymous and confidential way and incidents or irregular acts in breach of Prosegur Cash's Code of Ethics and Conduct, including anything to do with financial and accounting that occurs during the course of the business activities carried out by the Company.

The Ethics Channel is a line of communication available on the website <https://www.prosegurcash.com/canal-etico> and the Company's intranet, that is always available and keeps the identity of those reporting an issue from being disclosed.

The Internal Audit Department coordinates in a confidential way all complaints received and reports their conclusions to the Audit Committee.

- Training and periodic refresher programs for staff involved in the preparation and revision of financial information, as well as assessment of the FRICS (Internal Control System for Financial Information), that covers at least accounting rules, audits, internal control and risk management.

Prosegur Cash pays particular attention to training updates and professional development so that employees can adequately perform their duties.

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 others, legal counsel, accounting, financial services) have been entered into between Prosegur Cash and the asset management division of the Prosegur Group, specifically Prosegur Gestión de Activos, S.L., wholly-owned by Prosegur Compañía de Seguridad, S.A. As a result, staff in charge of central services and management support services, together with Internal Audit Management professionals regularly attend training sessions to bring themselves up-to-date with any legislative and regulatory change.

The Company receives regular training from certain organisations that allow staff knowledge to be permanently maintained up-to-date with respect to the preparation of the financial statements of the Company and its Group, and the review of financial information.

Moreover, Prosegur Cash manages all training through an online platform – Prosegur Corporate University – where the Company's staff can access the training they need.

F.2 Assessment of financial information risks

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including error and fraud risk, as regards:

- Whether the process exists and is documented.

The Finance Department has a process for identifying every year, within the scope of the FRICS, the risks that affect the financial information with regards to accounting records and possible non-compliance with accounting principles, after the analysis of those risks.

- Whether the process covers all of the objectives of financial information, (existence and occurrence; completeness; valuation; delivery; breakdown and comparability; and rights and obligations), whether it is updated and with what frequency.

The scope matrix of the FRICS 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, among other things) have been considered.

This scope matrix of the FRICS 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. The matrix is updated every year, subsequent to the preparation of the Consolidated Annual Accounts. In fiscal year 2020, the scope matrix was updated based on the results of the Annual Financial Statements as of 31 December 2019.

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).

- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex company structures, shell companies, or special purpose entities.

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 Finance Department any transactions performed in their domain and that affects the structure of the group and the perimeter of consolidation.

The Finance Department, 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 takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.

Prosegur Cash has a Risk Committee that reports the results of the periodic assessment of the management of critical risks to the Audit Committee. Prosegur Cash's Internal Audit Management identifies critical risks of any type (operational, business, technological, financial, interest rate, exchange rate, legal, tax, social, regulatory compliance, reputational, environmental, political, corruption and fraud) that, should they materialise, could have an adverse effect on the attainment of relevant objectives for the Company.

- The governing body within the company that supervises the process

The Audit Committee is responsible for supervising the effectiveness of the FRICS. 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

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

F.3.1 Review and authorisation procedures for financial information published by the stock markets and a description of the FRICS, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including financial closing procedures and the specific review of judgements, estimates, valuations and relevant forecasts.

The consolidated annual accounts and the half-yearly and quarterly consolidated financial reports regarding Prosegur Cash are reviewed by the Audit Committee before being prepared by the Board of Directors in accordance with Article 17 and 8, respectively, of the Regulations of the Board of Directors and the Audit Committee Regulations.

The Audit Committee reviews any other relevant information prior to being published through the Regulatory Authorities.

The Board of Directors approves and, if deemed appropriate, prepares the financial information presented that is subsequently published through the CNMV and brought before third parties.

Prosegur Cash performs regular reviews of the financial information prepared, as well as the description of the FRICS whose objective is to ensure the quality of the information. The Finance Department at Prosegur Gestión de Activos, S.L. Compliance with its support role and is responsible for preparing the description of the FRICS in coordination with the Departments involved. This process ends with the review by the Audit Committee and, consequently, it is also approved in the Annual Corporate Governance Report validated by the full Board of Directors.

The Finance Department documents in detail activity flows and controls over significant transactions that affect the financial statements. The documentation of these flows defines 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 publishes financial information for the securities markets every quarter. Prosegur Cash's Chief Financial Officer is the ultimate responsible person for the process of issuing financial information. In the operation flow description of the closing accounts process the control activities ensure the reliability of the information. The departments making up the Finance Department in support of the Company and its Group from Prosegur Gestión de Activos analyse and supervise the information prepared.

The Finance Department 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:

- Flowcharts for each of the sub-processes

- Risk matrices and applicable controls including:
 - List of the internal procedures and regulations approved by Management, and that govern the 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:

- Organisational 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 in each of the sub-processes

The specific review of the relevant judgements, estimates, and valuations for quantifying assets, rights, and obligations, income and expenses, and any other commitment detailed in the individual and consolidated annual accounts is performed by Prosegur Cash's Finance Department with the collaboration and support of Prosegur Gestión de Activos, S.L. and the rest of Prosegur Cash's support departments. The assumptions based on the evolution of the business are analysed together with the Business Department.

Prosegur Cash's Chief Financial Officer and CEO, within their respective areas, analyse the reports issued and the financial information before presenting it to the Audit Committee and Board of Directors.

F.3.2 Internal IT control policies and procedures (access security, change controls, their operation, operational continuity, and segregation of duties, among others) which support relevant processes within the company and relate to the creation and publication of financial information.

The Information Security Department, headed up by the Global Chief Information Security Officer (CISO), reports to Operations, the corporate area reporting to the Chief Operating Officer (COO), and provides support to all the countries in which Prosegur operates. Prosegur Cash has its own CISO.

The Information Security Department has the following responsibilities:

- Aligning the information security objectives with the main strategic lines of business
- Introducing Prosegur Cash's IT security as a global and integrated activity within the business
- Coordinating and approving the proposals received for projects related to information security
- Supplying the resources that are necessary for the development of information security initiatives
- Identifying and assessing security risks with respect to the needs of the business
- Raising the awareness of and training staff on information security matters.

The Information Security Department's duties include preparing the 2021-2023 Strategic Plan setting out the improvements required in this area and serving as a blueprint for the continuous process and cultural changes needed in relation to information security. This plan will be approved in the first quarter of 2021. Access control to reporting systems is managed through assigning personalised user credentials and passwords. Users must periodically change their password in the systems in accordance with robust configuration measures. The Company implemented controls over user system access management. Specifically, it has established controls over user additions, removals and the assignment of privileges. Regular reviews are performed of user consolidation permissions and, upon request, certain access and actions carried out by systems users may be reviewed.

There is a procedure established for controlling access to the Prosegur Cash Data Processing Centre. Access is restricted to authorised staff and every access is logged.

There is an exchange desk process that manages the steps for producing systems for all applications

residing on Prosegur servers.

Prosegur Cash's IT systems 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 intended to guide the management of subcontracted activities and those of third parties, as well as those aspects of assessment, calculation or evaluation entrusted to independent experts, which may materially affect 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 Chief Financial Officer of Prosegur Cash. Occasionally, assessment by independent experts is required for situations of the following types:

- a) Related-party transactions with Prosegur Compañía de Seguridad, S.A.
- b) Assessment of the tax impact of company restructuring transactions.
- c) Tax advisory services 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 the prevention of money laundering.
- f) Evaluation of the assignment 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 Information and communication

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

F.4.1 A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organization, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

The Corporate Financial Reporting Department, that provides support to the Group from Prosegur Gestión de Activos, S.L. and that forms an integral part of the Economic-Finance Directorate of Prosegur Compañía de Seguridad, S.A, is responsible for the preparation, issue, publication, and by common agreement with the Finance Department 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 analyses and resolves the queries, doubts, or conflicts with respect to the interpretation and correct application of each of the policies.

The Corporate Financial Reporting Department's functions include analysing the International Financial Reporting Standards with a view to:

- Establishing the support or procedure regulations for helping staff involved in the financial information preparation process.
- Analysing 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.
- Working with external auditors with respect to the criteria used, estimates, and accounting allocations.
- Resolving any doubt coming from different interpretations of the regulation itself.

Prosegur Cash's accounting procedures are updated every year accounting 3P standards). 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 Measures for capturing and preparing financial information with consistent formats for application and use by all of the units of the entity or the group, and which contain the main financial statements and notes, as well as detailed information regarding FRICS.

The process of consolidation and preparation of the financial information is performed in a centralised way. Said process begins its first phase in the subsidiaries that form part of the Prosegur Cash Group, through common IT platforms (ERP) and under the supervision of the Finance Department 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. Prosegur Cash's Accounting Plan applies to all Prosegur Cash subsidiaries for the purposes of reporting for the consolidation of financial statements.

F.5 Supervision of system performance

Describe at least the following:

F.5.1 The activities of the audit committee in overseeing FRICS as well as whether there is an internal audit function that has among its mandates support of the committee and the task of supervising the internal control system, including FRICS. Additionally, describe the scope of FRICS assessment made during the year and the procedure through which the person responsible prepares the assessment reports on its results, whether the company has an action plan describing possible corrective measures, and whether its impact on financial reporting is considered.

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

- To inform the General Shareholders' Meeting regarding the questions that are formulated in respect of the matters for which the Committee is competent and, in particular, regarding the result of the audit, and to explain how the audit has contributed to the integrity of the financial reporting and the function that the Committee has performed in said process.
- To ensure that the financial statements which the Board of Directors presents to the General

Shareholders' Meeting are prepared in accordance with accounting legislation, and in cases where the auditor has included any qualifications in his audit report, to clearly explain to the Shareholders' Meeting, through the Chairman of the Audit Committee the Committee's opinion on their contents and scope, making available to the shareholders, at the time of publication of the call of the Shareholders' Meeting, a summary of that opinion along with the rest of the proposals and reports.

- To present to the Board of Directors the proposals for the selection, appointment, re-election and substitution of the external auditor, and the Audit Committee shall be responsible for the selection process in accordance with applicable law, as well as the terms and conditions of the contracting thereof and to regularly request and obtain from the auditor information regarding the audit plan and the execution thereof, and to preserve the independence thereof in the exercise of its functions
- In relation to the external auditor: (i) to examine, in the case of the resignation of the external auditor, the circumstances that have caused said resignation; (ii) to ensure that the remuneration of the external auditor for the work thereof does not compromise either the quality or the independence thereof; (iii) to supervise that the Company notifies the Spanish Securities and Exchange Commission of the change of auditor, accompanied by a declaration in relation to the existence of any potential disagreement with the outgoing auditor and, if applicable, the terms of said disagreements; (iv) to ensure that the external auditor holds an annual meeting with the plenary session of the Board of Directors in order to inform the Board Members of the work carried out and of the accounting situation of the Company and the risks applicable thereto; (v) to supervise the due compliance of the audit contract, and to ensure that the opinion regarding the annual accounts and the main terms of the audit report are clearly and precisely drafted; and (vi) to ensure that the Company and the external auditor abide by the applicable rules regarding the provision of services other than audit services, the limits regarding the concentration of the business of the auditor and, in general, all other rules regarding the independence of the auditors.
- To establish the relationships and contacts with the external auditor in order to receive information regarding any questions that may represent a threat to the independence thereof, for the examination of said questions by the Committee, and any other matters related to the accounts auditing procedures, and, where applicable, the authorisation of the services other than the prohibited services, in the terms provided for at law, as well as any other communications provided for under accounts audit legislation and under audit regulations. In any event, the Audit Committee must receive from the accounts auditor, on an annual basis, the declaration of the independence thereof in relation to the Company and the entities directly or indirectly related thereto, as well as the detailed and itemised information regarding the additional services of any type whatsoever that have been provided and the corresponding professional fees received from said entities by the auditor, or by the persons or entities related thereto in accordance with the provisions of applicable regulations.
- To issue, annually, prior to the release of the accounts audit report, a report that sets out an opinion as to whether the independence of the accounts auditor has been compromised. Said report must contain, in any event, the justified valuation of the provision of each and every one of the additional services referred to under the preceding paragraph, both individually and as a whole, other than for the legal audit and in relation to the regime of independence or the audit regulations.
- To supervise internal auditing particularly (i) guarantee that internal auditing is independent and efficient; (ii) propose the selection, appointment and termination of appointment of the manager of the internal audit service; (iii) propose the budget for the service; (iv) approve or propose the approval to the Board of Directors of the guidance and of the annual work plan for the internal audit and the annual activities report, ensuring that its activity is focused mainly on relevant risks (including reputational); (v) receive periodic information about its activities; and (vi) verify that senior management takes the conclusions and recommendations in its reports into account.
- To oversee and evaluate the preparation and presentation of mandatory financial information and submit recommendations or proposals to the administration body aimed at safeguarding integrity. In connection to this, the Committee is responsible for overseeing and evaluating the preparation and integrity of the financial and non-financial reporting as well as the systems for control and management of financial and non-financial risk in relation to the Company and the Group, including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption, and review compliance with regulations, and ensure correct delimitation of the consolidation perimeter and the correct application of accounting criteria. The Board of Directors must be duly informed.
- To oversee the efficacy of the Company's internal control and the risk management systems (including tax risks) and discuss any significant weaknesses of the internal control system with the account auditor which have been detected during auditing. Independence must never be compromised. Following from this, and when appropriate, the Committee must submit recommendations or proposals to the Board of Directors and indicate the follow-up time frame. In

this context, it must propose the risk control and management policy to the Board of Directors. This policy must at least identify or determine: (i) the type of financial or non-financial risks (operational, technological, legal, social, environmental, political and reputational risks or those related to corruption) to which the Company is exposed, including among the financial or economic risks contingent liabilities and other off-balance-sheet risks; (ii) a risk control and management model based on different levels which includes a specialized risk committee where the industry standards so establish or the Company deems appropriate; (iii) the risk level which the Company deems to be acceptable; (iv) the measures for mitigating the impact of identified risks were they to materialize; and (v) the control and information systems used to control and manage said risks.

- To supervise the functioning of the risk management and control unit of the Company that is responsible for: (i) ensuring the proper functioning of the risk management and control systems and, in particular, that all of the significant risks that affect the Company are identified, managed and adequately quantified; (ii) actively participating in the drafting of the risk strategy and the important decisions regarding the management thereof; and (iii) ensuring that the risk management and control systems adequately 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
- To inform the Board of Directors, beforehand, regarding all of the matters provided for at law and under the Articles of Association, and, in particular, regarding: (i) the financial reporting that the Company must periodically make public; and (ii) the creation or acquisition of shareholdings in special purpose entities or companies with their registered office situated in countries or territories considered to be 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
- To establish and supervise a system that enables employees and other individuals related to the Company such as directors, shareholders, suppliers, contractors or subcontractors, to communicate irregularities of potential importance, including any financial and accounting irregularities, or any other kind, related to the Company that are detected within the Company or its Group. That mechanism must guarantee confidentiality and, in any case, establish cases in which communications may be made anonymously, respecting the rights of the accuser and the accused.
- To receive information and, when appropriate, generate a report about all the actions and decisions made by the Regulatory Compliance Division when performing its duties, and in particular, pursuant to the Company's Internal Code of Conduct in matters relating to the Securities Market.
- To supervise the application of the general policy on the reporting of financial and non-financial and corporate information and the communication with shareholders and investors, voting advisors and other interest groups. Moreover, monitor the Company's form of communication and relationship with small and medium-size shareholders.
- To inform about the related party transactions and, in general, about the matters provided for under Chapter IX of the Regulations of the Board of Directors.
- To ensure in general that internal control policies and systems established are effectively applied in practice.
- In relation to the framework contract between the Company and Prosegur Compañía de Seguridad, S.A. (hereinafter, the "Framework Contract"), to perform the following functions:
 - a) To previously inform, in relation to the essential aspects thereof (price, term and purpose), about the related party transactions between the Company and Prosegur Compañía de Seguridad, S.A., or between any of the companies of their respective groups, the approval of which is reserved for the Board of Directors in accordance with the Framework Contract.
 - b) To previously inform about the aspects of the periodic public information and the annual corporate governance report of the Company that refer to the Framework Contract and to the related party transactions between the Group and the Prosegur Group.
 - c) To inform about the situations in which business opportunities simultaneously exist in relation to the companies of the Group and the Prosegur Group and to supervise the due compliance of the provisions of the Framework Contract regarding the matter.
 - d) To periodically inform about the compliance of the Framework Contract.
 - e) To previously inform about any proposal for the modification of the Framework Contract, as well as any transaction proposals aimed at resolving the disagreements that may exist

between the signatory parties thereof, by reason of the application thereof.

- To inform, prior to its approval by the Board of Directors, on the annual corporate governance report with regard to related-party transactions and risk control and management systems

Prosegur Cash has an Internal Audit Directorate that reports to the Audit Committee. Its objectives and functions include: (i) supporting the Audit Committee to objectively fulfil its responsibilities; (ii) verifying appropriate risk management; and (iii) ensuring the integrity and reliability of the accounting information.

The Internal Audit Directorate have prepared a FRICS review programme 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 programmes 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 FRICS.

In 2020, significant processes were reviewed with regards to financial information in Spain, and in other European and LATAM subsidiaries.

Internal Audit Directorate performs verifications on the progress of the execution of recommendations included in their audit reports including those relating to FRICS verifications. In 2020 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 there is a procedure by which the account auditor (in accordance with the contents of the *Normas Técnicas de Auditoría* (NTA) - "Auditing Standards"), internal auditor and other experts may communicate with senior management and the audit committee or senior managers of the company regarding significant weakness in internal control identified during the review of the annual accounts or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses found.

During 2020, the external auditors held two meetings with the Audit Committee to review both the conclusions of the audit of the annual accounts as well as the procedures performed within the context of the annual audit planning and the progress of the audit work applied to the 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 Chief Financial Officer, responsible for preparing the annual accounts and interim financial report that Prosegur Cash discloses to the markets and their supervisory bodies, attends meetings of the Audit Committee in order to review and debate any relevant matters in the preparation and presentation process of the regulated financial information.

The Internal Audit Director regularly presents at every Audit Committee meeting the conclusions of the verification work performed on the operation and effectiveness of the FRICS procedures, identified control weaknesses, recommendations made and the status of the execution of the action plans implemented for their mitigation.

F.6 Other relevant information

No additional matters have been identified that warrant disclosure.

F.7 External auditor's report

State:

- F.7.1 whether the FRICS information submitted to the markets has been subject to review by the external auditor, in which case the entity shall include its report as an attachment. If not, reasons why should be given.

The information on the FRICS of Prosegur Cash disclosed to the markets for fiscal year 2020 has been submitted to a review by the external auditor and the same is attached to this document as an annex. The scope of the review procedures of the auditor has been defined in accordance with the Code of Conduct and the standard audit report concerning the information about the financial reporting internal control system of listed companies of July 2013 (updated in 2015) issued by the Institute of Certified Auditors of Spain (ICJCE).

G. EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's level of compliance with recommendations from the Unified Code of Good Governance.

In the event that a recommendation is not followed or only partially followed, a detailed explanation should be included explaining the reasons in such a manner that shareholders, investors and the market in general have enough information to judge the company's actions. General explanations are not acceptable.

1. **That the Articles of Association of listed companies not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.**

Complies

Explanation

2. **That, when the listed company is controlled, within the meaning of article 42 of the Commercial Code, by another entity, listed or not, and has, directly or through its subsidiaries, business relationships with said entity or any of its subsidiaries (other than those of the listed company) or pursues activities related to those of any of them, the following be stated publicly and precisely:**

a) **The respective areas of activity and possible business relationships between, on one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries.**

b) **The mechanisms in place to resolve any conflicts of interest that may arise.**

Complies Complies Partially Explanation Not applicable

3. **That, during the course of the ordinary General Shareholders' Meeting, complementary to the distribution of a written Annual Corporate Governance Report, the chairman of the Board of Directors make a detailed oral report to the shareholders regarding the most material aspects of corporate governance of the company, and in particular:**

a) **Changes that have occurred since the last General Shareholders' Meeting.**

- b) **Specific reasons why the company did not follow one or more of the recommendations of the Code of Corporate Governance and, if so, the alternative rules that were followed instead.**

Complies Complies Partially Explanation

4. **That the company have defined and promoted a policy related to communication and contact with shareholders and institutional investors in the context of their involvement in the company, as well as with proxy advisors that complies in all aspects with rules preventing market abuse and gives equal treatment to similarly situated shareholders. And that the company have made such a policy public through its web page, including information related to the manner in which said policy has been implemented and the identity of contact persons or those responsible for implementing it.**

And that, notwithstanding the statutory obligations to disclose insider information and other types of regulated information, the company also have a general policy on the communication of economic-financial, non-financial and corporate information through whatever channels it deems suitable (the media, social networks or other channels), which helps to maximize the disclosure and the quality of the information available to the market, to investors and to other interest groups.

Complies Complies Partially Explanation

5. **That the Board of Directors not propose to the General Shareholders' Meeting any proposal for delegation of powers allowing the issuance of shares or convertible securities without pre-emptive rights in an amount exceeding 20% of equity at the time of delegation.**

And that, whenever the Board of Directors approves any issuance of shares or convertible securities without pre-emptive rights, the company immediately publish reports on its web page regarding said exclusions as referenced in applicable company law.

Complies Complies Partially Explanation

6. **That listed companies which draft reports listed below, whether under a legal obligation or voluntarily, publish them on their web page with sufficient time before the General Shareholders' Meeting, even when their publication is not mandatory:**

- a) **Report regarding the auditor's independence.**
- b) **Reports regarding the workings of the audit committee and the appointments and remuneration committee.**
- c) **Report by the audit committee regarding related-party transactions.**

Complies Complies Partially Explanation

7. **That the company report in real time, on its web page, the proceedings of the General Shareholders' Meetings.**

And that the company have mechanisms that permit the delegation and casting

of the vote using telematic means and even, in the case of highly capitalized companies and insofar as it is proportional, attendance of and active participation in the Shareholders' Meeting.

Complies Complies Partially Explanation

During the financial year 2020, the Board of Directors agreed to set up an online application that enabled shareholders and their proxies to attend the Shareholders' Annual General Meeting electronically. This application enabled the exercise of the proxy, voting and questioning rights by telematic means and also offered live streaming of the entire proceedings of the General Meeting of Shareholders. All of the above was in line with the recommendations issued by the competent authorities in response to the situation caused by Covid-19, the objective of which was to avoid physical travel to the Meeting location.

As a result of these measures, the Company has not deemed it necessary to provide live broadcasts of the Shareholders' Annual General Meeting on its website. This is because it considers that this system of telematics attendance, together with the usual systems and channels in place to provide information to shareholders regarding the Shareholders' Annual General Meeting are sufficient, with all relevant information on the Shareholders' Annual General Meeting published on the Company's corporate website from the date the meeting was called.

8. **That the audit committee ensure that the financial statements submitted by the Board of Directors to the General Shareholders' Meetings are prepared in compliance with the accounting regulations. And that, where the auditor has included any qualification in its audit report, the chairman of the audit committee explain clearly, at the Shareholders' Meeting, the opinion of the audit committee regarding its content and scope, a summary of said opinion being made available to the shareholders, together with all other proposals and reports by the Board, upon publication of the call to the meeting.**

Complies Complies Partially Explanation

9. **That the company permanently maintain on its web page the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.**

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies Complies Partially Explanation

10. **That, when a verified shareholder has exercised his right to make additions to the agenda or to make new proposals to it with sufficient time in advance of the General Shareholders' Meeting, the company:**

- a) **Immediately distributed the additions and new proposals;**
- b) **Publish the attendance card credential or proxy form or form for distance voting with the changes such that the new agenda items and alternative proposals may be voted upon under the same terms and conditions as those proposals made by the Board of Directors;**
- c) **Submit all of these items on the agenda or alternative proposals to a vote**

and applies the same voting rules to them as are applied to those drafted by the Board of Directors including, particularly, assumptions or default positions regarding votes for or against; and

d) That after the General Shareholders' Meeting, a breakdown of the results of said additions or alternative proposals be communicated.

Complies Complies Partially Explanation Not applicable

11. That, in the event the company intends to pay for attendance at the General Shareholders' Meeting, it establish in advance a general policy of long-term effect regarding such payments.

Complies Complies Partially Explanation Not applicable

12. That the Board of Directors complete its duties with a unity of purpose and independence, treating all similarly situated shareholders equally and that it be guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, and the promotion of continuity and maximization of the economic value of the business.

And that, in pursuit of the company's interest, in addition to complying with applicable law and rules and in engaging in conduct based on good faith, ethics and a respect for commonly accepted best practices, it seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders, as well as the impact of its corporate activities on the communities in which it operates and the environment.

Complies Complies Partially Explanation

13. That the Board of Directors be of an adequate size to perform its duties effectively and collegially, and that its optimum size be between five and fifteen members.

Complies Explanation

14. That the Board of Directors approve a policy aimed at favouring an appropriate composition of the board of directors and which:

- a) is concrete and verifiable;
- b) ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and
- c) favours diversity in knowledge, experience, age and gender. For such purpose, diversity in gender is deemed favoured by measures which encourage the company to have a significant number of female senior managers.

That the resulting prior analysis of the skills required by the Board of Directors be contained in the supporting report from the appointments committee published upon a call from the General Shareholders' Meeting submitted for ratification, appointment or re-election of each director.

The appointments committee will annually verify compliance with this policy and explain its findings in the Annual Corporate Governance Report.

Complies Complies Partially Explanation

15. That proprietary and independent directors constitute a substantial majority of the Board of Directors and that the number of executive directors be kept at a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors entail at least 40% of the board members before the end of 2022 and thereafter, not being less than 30% prior thereto.

Complies Complies Partially Explanation

16. That the percentage of proprietary directors divided by the number of non-executive directors be no greater than the proportion of the equity interest in the company represented by said proprietary directors and the remaining share capital.

This criterion may be relaxed:

- a) In companies with a high market capitalization in which interests that are legally considered significant are minimal.
- b) In companies where a diversity of shareholders is represented on the Board of Directors without ties among them.

Complies Explanation

17. That the number of independent directors represent at least half of the total number of directors.

Nonetheless, when the company does not have a high level of market capitalization or in the event that it is a high cap company with one shareholder or a group acting in a coordinated fashion who together control more than 30% of the company's equity, the number of independent directors represents at least one third of the total number of directors.

Complies Explanation

18. That companies publish and update the following information regarding directors on the company website:

- a) Professional profile and biography.
- b) Any other Boards to which the director belongs, regardless of whether the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.

d) The date of their first appointment as a director of the company's Board of Directors, and any subsequent re-election.

e) The shares and options they own.

Complies Complies Partially Explanation

19. That the Annual Corporate Governance Report, after verification by the appointments committee, explain the reasons for the appointment of proprietary directors at the proposal of the shareholders whose equity interest is less than 3%. It should also explain, where applicable, why formal requests from shareholders for membership on the Board meeting were not honoured, when their equity interest is equal to or exceeds that of other shareholders whose proposal for proprietary directors was honoured.

Complies Complies Partially Explanation Not applicable

20. That proprietary directors representing significant shareholders resign from the Board if the shareholder they represent disposes of its entire equity interest. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors representing this shareholder.

Complies Complies Partially Explanation Not applicable

21. That the Board of Directors not propose the dismissal of any independent director before the completion of the director's term provided for in the Articles of Association unless the Board of Directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties attendant to his post as a director, fails to complete the tasks inherent to his or her post, or enters into any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public share offer, joint venture or similar transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of the proportionate representation criteria provided for in Recommendation 16.

Complies Explanation

22. That companies establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when situations arise in which they are involved, whether or not related to their action at the company itself, which may damage the company's standing and reputation. Specifically, directors must be required to report any criminal act in connection with which they are investigated, as well as the related legal proceedings.

And that, if the Board is informed or otherwise becomes aware of the situations mentioned in the preceding paragraph, it investigate the case as soon as possible and, having regard to the particular situation, decide, following a report by the appointments and remuneration committee, whether or not any measures

should be taken, such as opening an internal investigation, asking the director to resign or proposing the director's removal. The Annual Corporate Governance Report should also contain a report in this connection, unless there are special circumstances that justify the situation, which must be placed on record in the minutes. All of the foregoing is notwithstanding the information to be disclosed by the company, if appropriate, when the related measures are adopted.

Complies Complies Partially Explanation

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies in the case of the secretary of the Board of Directors, despite not being a director.

Complies Complies Partially Explanation Not applicable

24. That whenever, due to resignation or by decision of the Shareholders' Meeting, a director leaves before the completion of his or her term, sufficient explanation be given of the reasons for the director's resignation or, in the case of non-executive directors, of the director's opinion on the reasons for the decision of the Shareholders' Meeting, in a letter addressed to all members of the Board of Directors.

Irrespective of the disclosure of all of the foregoing in the Annual Corporate Governance Report, insofar as it is important to investors, the company should make public, with the least possible delay, the resignation or removal of the director, including sufficient reference to the reasons or circumstances given by the director.

Complies Complies Partially Explanation Not applicable

25. That the appointments committee ensure that non-executive directors have sufficient time in order to properly perform their duties.

And that the Board rules establish the maximum number of company Boards on which directors may sit.

Complies Complies Partially Explanation

It is the responsibility of the Appointments and Compensation, Corporate Governance and Sustainability 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 meet frequently enough so that it may effectively perform its duties, at least eight times per year, following a schedule of dates and agenda established at the beginning of the year and allowing each director individually to propose items do not originally appear on the agenda.**

Complies Complies Partially Explanation

- 27. That director absences only occur when absolutely necessary and are quantified in the Annual Corporate Governance Report. And when absences occur, that the director appoints a proxy with instructions.**

Complies Complies Partially Explanation

- 28. That, when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns be included in the minutes, upon a request from the protesting party.**

Complies Complies Partially Explanation Not applicable

- 29. That the company establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.**

Complies Complies Partially Explanation

- 30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances require.**

Complies Explanation Not applicable

- 31. That the agenda for meetings clearly state those matters about which the Board of Directors are to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.**

When, under exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies Complies Partially Explanation

- 32. That directors be periodically informed of changes in equity ownership and of the opinions of significant shareholders, investors and rating agencies of the company and its group.**

Complies Complies Partially Explanation

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out his duties required by law and the Articles of Association, prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organize and coordinate the periodic evaluation of the Board, and that, if applicable, the chief executive of the company, be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances so dictate.

Complies Complies Partially Explanation

34. That, when there is a coordinating director, the Articles of Association or the Board rules confer upon him the following competencies in addition to those conferred by law: chairman of the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; reflect the concerns of non-executive directors; liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and coordinate a succession plan for the chairman.

Complies Complies Partially Explanation Not applicable

35. That the secretary of the Board of Directors pay special attention to ensure that the activities and decisions of the Board of Directors take into account the recommendations regarding good governance contained in this Code of Good Governance and which are applicable to the company.

Complies Explanation

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a) The quality and efficiency of the Board of Directors' work.
- b) The workings and composition of its committees.
- c) Diversity of membership and competence of the Board of Directors.
- d) Performance of the chairman of the Board of Directors and the CEO of the company.
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the appointments committee.

Every three years, the Board of Directors will rely upon the assistance of an external advisor for its evaluation, whose independence shall be verified by the appointments committee.

Business relationships between the external adviser or any member of the

adviser's group and the company or any company within its group shall be specified in the Annual Corporate Governance Report.

The process and the areas evaluated shall be described in the Annual Corporate Governance Report.

Complies Complies Partially Explanation

The Company considers that the Board of Directors assessment process established in the Regulations of the Board of Directors and in its Policy for Selecting Directors (both documents are published on the Company's website) is adequate for guaranteeing the quality and efficiency of its operation, performance and compensation, without it being necessary to obtain a report from an external consultant.

The Board of Directors considered that the assessment is performed in accordance with the standards defined by experts of recognised prestige with respect to Board evaluations and that are used by companies in similar businesses and of similar sizes and characteristics, and the policy is sufficiently precise that the Board does not consider the support of an external consultant to be necessary.

37. That, if there is an executive committee, at least two non-executive directors be present on the committee, at least one of which must be independent; and that its secretary be the secretary of the Board of Directors.

Complies Complies Partially Explanation Not applicable

38. That the Board of Directors always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies Complies Partially Explanation Not applicable

39. That the members of the audit committee as a whole, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies Complies Partially Explanation

40. That, under the supervision of the audit committee, there be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies Complies Partially Explanation

41. That the person in charge of the group performing the internal audit function present an annual work plan to the audit committee, for approval by the committee or by the Board, reporting to it directly on its execution, including any issues and limitations on scope that may arise during its implementation, on the outcome and on compliance with its recommendations, and present the committee with an activity report at the end of each year.

Complies Complies Partially Explanation Not applicable

42. That, in addition to the provisions of applicable law, the audit committee be responsible for the following:

1. With regard to information systems and internal control:

- a) Supervise and evaluate the preparation and integrity of financial and non-financial information, as well as the financial and non-financial risk management and control systems relative to the company and, if applicable, to the group (including operational, technological, legal, social, environmental, political and reputational, monitoring compliance with governing rules and the appropriate application of consolidation and accounting criteria.**
- b) Ensure the independence and effectiveness of the group charged with the internal audit function; propose the selection, appointment and dismissal of the head of internal audit; draft a budget for this department; approve or propose to the Board the approval of the annual internal audit goals and work plan, making sure that its activity is focused primarily on material risks (including reputational risk); receive periodic information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.**
- c) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any irregularities with important consequences, including those of a financial or accounting nature, or of any other nature, related to the company, which they observe in the company or its group. That mechanism must guarantee confidentiality and, in any case, establish cases in which communications may be made anonymously, respecting the rights of the accuser and the accused.**
- d) Ensure, in general, that the internal control policies and systems are applied effectively in practice.**

2. In relation to the external auditor:

- a) In the event that the external auditor resigns, examine the circumstances which caused said resignation.**
- b) Ensure that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.**
- c) Insist that the company report to the CNMV when there is a change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.**
- d) Ensure that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks accomplished and regarding the development of its accounting and risks faced by the company.**
- e) Ensure that the company and the external auditor comply with applicable**

rules regarding the rendering of services other than auditing, proportional limits on the auditor's billing, and all other rules regarding the auditor's independence.

Complies Complies Partially Explanation

- 43. That the audit committee be able to require the presence of any employee or manager of the company, even without the presence of any other member of management.**

Complies Complies Partially Explanation

- 44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draft a report beforehand to the Board of Directors regarding economic conditions and accounting implications and, in particular, any exchange ratio involved.**

Complies Complies Partially Explanation Not applicable

- 45. That the risk management and control policy identify or determine, as a minimum:**

- a) The various types of financial and non-financial risks (among those operational, technological, legal, social, environmental, political and reputational, including those related to corruption) which the company faces, including financial or economic risks, contingent liabilities and other off balance sheet risks.**
- b) A multi-level risk management and control model, including a specialized risks committee, where industry-wide regulations so provide or the company deems it to be appropriate.**
- c) The level of risk the company considers acceptable.**
- d) Means identified in order to minimize identified risks in the event they transpire.**
- e) Internal control and information systems to be used in order to control and manage identified risks, including contingent liabilities and other off balance sheet risks.**

Complies Complies Partially Explanation

- 46. That, under the direct supervision of the audit committee or, if applicable, of a specialized committee of the Board of Directors, there be an internal control and management function delegated to an internal unit or department of the company which is expressly charged with the following responsibilities:**

- a) Ensure the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks that may affect the company.**
- b) Actively participate in the creation of the risk strategy and in important decisions regarding risk management.**

- c) **Ensure that the risk management and control systems adequately mitigate risks as defined by policy issued by the Board of Directors.**

Complies Complies Partially Explanation

47. **That members of the appointment and remuneration committee – or of the appointments committee and the remuneration committee if they are separate – be chosen taking into account the knowledge, ability and experience necessary to perform the duties they are called upon to carry out and that the majority of said members are independent directors.**

Complies Complies Partially Explanation

48. **That high market capitalization companies have formed separate appointments and remuneration committees.**

Complies Explanation Not applicable

49. **That the appointments committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.**

And that any director be able to ask the appointments committee to consider potential candidates he or she considers appropriate to fill a vacancy on the Board of Directors.]

Complies Complies Partially Explanation

50. **That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it be responsible for the following:**

- a) **Propose basic conditions of employment for senior management.**
- b) **Verify compliance with company remuneration policy.**
- c) **Periodically review the remuneration policy applied to directors and senior managers, including remuneration involving the delivery of shares, and guarantee that individual remuneration be proportional to that received by other directors and senior managers.**
- d) **Oversee that potential conflicts of interest do not undermine the independence of external advice rendered to the Board.**
- e) **Verify information regarding remuneration paid to directors and senior managers contained in the various corporate documents, including the Annual Report on Director Remuneration.**

Complies Complies Partially Explanation

51. **That the remuneration committee consult with the chairman and the chief executive of the company, especially in matters relating to executive directors and senior management.**

Complies Complies Partially Explanation

52. That the rules regarding composition and workings of supervision and control committees appear in the rules governing the Board of Directors and that they be consistent with those that apply to mandatory committees in accordance with the recommendations above, including:

- a) That they be comprised exclusively of non-executive directors, with a majority of them independent.
- b) That their chairmen be independent directors.
- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and detail their activities and accomplishments during the first plenary session of the Board of Directors held after the committee's last meeting.
- e) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and the minutes be made available to all directors.

Complies Complies Partially Explanation Not applicable

53. That verification of compliance with the company's environmental, social and corporate governance policies and rules, as well as its internal codes of conduct, be assigned to one or split among more than one committee of the Board of Directors, which may be the audit committee, the appointments committee, a committee specialized in sustainability or corporate social responsibility or another special committee that the Board of Directors, pursuant to its powers of self-organization, has decided to create. Such committee should be composed solely of non-executive directors, the majority of which are independent, and should be specifically assigned the minimum functions indicated in the following recommendation:

Complies Complies Partially Explanation

54. The following are the minimum functions referred to in the preceding recommendation:

- a) Verification of compliance with the company's corporate governance rules and internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.
- b) Supervision of the application of the general policy related to the communication of economic-financial, non-financial and corporate information, as well as communications with shareholders and investors, voting advisors and other interest groups; monitoring the way in which the Company communicates with and relates to small- and medium-sized shareholders.
- c) The periodic evaluation and review of the company's corporate governance system and its environmental and social policy, with the goal that the company promotes company interests and takes into account, where appropriate, the legitimate interests of other stakeholders.

- d) **Supervision to ensure that the company's environmental and social practices are in line with the stipulated strategy and policy.**
- e) **Supervision and evaluation of the way relations with various stakeholders are handled.**

Complies Complies Partially Explanation

55. That the environmental and social sustainability policies identify and include at least:

- a) **The principles, commitments, objectives and strategy related to shareholders, employees, clients, suppliers, social issues, the natural environment, diversity, fiscal responsibility, respect for human rights, and the prevention of unlawful conduct.**
- b) **Means or systems for monitoring compliance with policies, the associated risks and their management.**
- c) **Means of supervising non-financial risk, including that related to ethics and business conduct.**
- d) **Communication channels, participation and dialogue with stakeholders. Responsible communication practices that impede the manipulation of data and protect integrity and honour.**

Complies Complies Partially Explanation

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies Explanation

57. That only executive directors receive remuneration linked to corporate results or personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments whose value is indexed to share value, or long-term savings plans such as pension plans, retirement accounts or any other retirement plan.

Shares may be given to non-executive directors under the condition that they maintain ownership of the shares until they leave their posts as directors. The forgoing shall not apply to shares that the director may be obliged sell in order to meet the costs related to their acquisition.

Complies Complies Partially Explanation

58. That as regards variable remuneration, the policies incorporate limits and administrative safeguards in order to ensure that said remuneration is in line with the work performance of the beneficiaries and are not based solely upon general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Be linked to pre-determined and measurable performance criteria and that such criteria take into account the risk undertaken to achieve a given result;
- b) Promote sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with rules and internal operating procedures and risk management and control policies:
- c) Be based upon balancing short-, medium- and long-term objectives, permitting the reward of continuous achievement over a period of time long enough to judge creation of sustainable value such that the benchmarks used for evaluation are not comprised of one-off, seldom occurring or extraordinary events.

Complies Complies Partially Explanation Not applicable

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance and other criteria have been effectively met. Entities should have the annual report on directors' remuneration include criteria regarding the time required and methods used for such verification, having regard to the nature and characteristics of each variable component.

Entities should also consider the establishment of a malus clause pursuant to which the payment of part of the variable components is deferred for a suitable period and is forfeited, in whole or in part, if any event making such forfeiture advisable occurs prior to payment.

Complies Complies Partially Explanation Not applicable

60. That remuneration related to company results take into account any reservations which may appear in the external auditor's report which would diminish said results.

Complies Complies Partially Explanation Not applicable

61. That a material portion of variable remuneration for executive directors depend upon the delivery of shares or instruments indexed to share value.

Complies Complies Partially Explanation Not applicable

62. That once shares, options or financial instruments arising from remuneration schemes have been delivered, executive directors be prohibited from transferring the title thereto or exercising them until a term of at least three years has elapsed.

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

The forgoing shall not apply to shares which the director may need to sell in order to meet the costs related to their acquisition or, subject to favourable opinion of the appointments and remuneration committee, to meet supervening extraordinary situations that so require.

Complies Complies Partially Explanation 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 contracts and agreements include a clause that allows the company to claim a refund of the variable components of the remuneration when the payment was not been adapted to performance conditions or when it was paid taking into account data that later proved to be erroneous.

Complies Complies Partially Explanation Not applicable

64. That payments made for contract termination, early or otherwise, not exceed an amount equivalent to two years of total annual remuneration and that they not be paid until the company has verified that the director has fulfilled all established criteria or conditions for payment.

For the purpose of this recommendation, payments made for contract termination, early or otherwise, include any payments which become claimable or must be paid as a result or on occasion of the termination of the contractual relationship between the director and the company, including amounts not yet vested under long-term saving plans and amounts paid under post-contractual non-competition clauses.

Complies Complies Partially Explanation Not applicable

H. FURTHER INFORMATION OF INTEREST

1 If there is any aspect regarding corporate governance in the company or other companies in the group that have not been included in other sections of this report, but which are necessary in order to obtain a more complete and comprehensible picture of the structure and governance practices in the company or group, describe them briefly below.

2 This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not redundant.

Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

3 The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. In such a case, name the code in question and the date the company began following it. It should be specifically mentioned that the company adheres to the Code of Good Tax Practices of 20 July 2010.

This annual corporate governance report was approved by the board of **directors of the company at their meeting on February 23, 2020.**

State whether any directors voted against or abstained from voting on this report.

Yes

No