

## **REPORT PREPARED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. ON ITS FUNCTIONING IN 2020**

### **I. INTRODUCTION**

In accordance with the provisions of article 15.9 of the Board of Directors Regulations of Lar España Real Estate SOCIMI, S.A. (“**Lar España**” or the “**Company**”) and in order for the Board of Directors to undertake the annual evaluation of this Committee as provided in article 529 *nonies* of the consolidated text of the Spanish Companies Act approved by Royal Legislative Decree 1/2010 of 2 July 2010 (the “**Spanish Companies Act**”), the aforesaid Committee will prepare an annual report of its functioning, highlighting the principal issues arising, if any, in respect of its inherent functions. In compliance with the aforesaid rules, the Appointments and Remuneration Committee prepares this report- which includes the information provided in Spanish National Securities Market Commission (CNMV) Technical Guide 1/2019, Appointments and Remuneration Committees (the “**1/2019 Technical Guide**”).

For the purpose of compliance with Recommendation 6 of the Code of Good Governance of listed companies (“**CBG**”), this report will be available to shareholders, investors and other stakeholders on the Company's website ([www.larespana.com](http://www.larespana.com)) from the call of the Ordinary General Shareholders' Meeting.

### **II. REGULATION**

The Appointments and Remuneration Committee of Lar España is regulated in articles 43 of the Articles of Association and 15 of the Regulations of the Board of Directors, and in the specific Regulations of the Appointments and Remuneration Committee, which incorporates the basic aspects regarding the composition, functions and functioning of the Committee included in the 1/2019 Technical Guide. The current versions of these documents are available on the Company's website ([www.larespana.com](http://www.larespana.com)), under the link “Internal Rules on Governance” in the “Corporate Governance” section of the “Shareholders and Investors” section.

Nevertheless, the references included in this report to the internal regulations applicable to the Appointments and Remuneration Committee correspond to the regulations in force during 2020, notwithstanding the fact that the Board of Directors agreed, at its meeting of 15 December 2020, to approve the amendment of the Regulations of the Board and the specific Regulations of the Appointments and Remuneration Committee in order to adapt them to the new wording of certain recommendations of the Code of Good Governance of June 2020.

### **III. COMPOSITION**

Articles 43 of the Articles of Association and 15 of the Board of Directors' Regulations of the Company provide, that the Appointments and Remuneration Committee will be composed of at least three and at most five directors, appointed by the Board of Directors from among the external directors, following

the proposal of the Board's Chairman. The majority of the members of the Appointments and Remuneration Committee will be independent and will be appointed on the basis of the knowledge, ability and experience appropriate to the functions they are called upon to perform. The Board of Directors will also appoint one of the members of that Committee as its Chairman.

In accordance with article 15.3 of the Board of Directors' Regulations, the members of the Appointments and Remuneration Committee will remain in their office for so long as their appointments as directors of the Company are effective, unless the Board of Directors resolves otherwise.

During 2020, the composition of the Appointments and Remuneration Committee has not been modified and is as follow:

- **Mr. Roger Maxwell Cooke MBE** (Chairman) is an independent non-executive director of Lar España. He was appointed as a director of Lar España by the then sole shareholder of the Company on 5 February 2014 and re-elected as external independent director, at the prior proposal of the Appointments and Remuneration Committee and following the favourable report from the Board of Directors, by the Ordinary General Shareholders' Meeting held on 29 May 2017 and re-elected by the Ordinary General Shareholders' Meeting held on 17 March 2020. The Board of Directors of the Company appointed him as a member of the Appointments and Remuneration Committee on 6 February 2014 and Chairman of the same on the same date. Mr. Cooke is an experienced professional with more than 30 years of experience in the real estate sector. Mr. Cooke joined Cushman & Wakefield in 1980 in London where he had a role in drafting valuation standards (Red Book). Since 1995 until the end of 2013, he served as Chief Executive Officer of Cushman & Wakefield Spain, leading the company to attain a leading position in the sector.

In the 2017 New Year's honours' list, Mr. Cooke was awarded an MBE for his services to British businesses in Spain and to Anglo-Spanish trade and investment.

Mr. Cooke holds an Urban Estate Surveying degree from Trent Polytechnic University (Nottingham, UK) and is currently a Fellow of the Royal Institution of Chartered Surveyors (FRICS). Until May 2016, he was the President of the British Chamber of Commerce in Spain. Since September 2017, Mr. Roger Maxwell is Chairman of the Editorial Board of Iberian Property and since January 2020 he is Chairman of RICS in Spain.

- **Mr. Alec Emmott** (Member) is an independent non-executive director of Lar España. He was appointed as a director of Lar España by the then sole shareholder of the Company on 5 February 2014 and re-elected as external independent director, at the prior proposal of the Appointments and Remuneration Committee and following the favourable report from the Board of Directors, by the Ordinary General Shareholders' Meeting held on 29 May 2017 and re-elected by the Ordinary General Shareholders' Meeting held on 17 March 2020. The Board of Directors of the Company appointed him as a member of the Appointments and Remuneration Committee on 6 February 2014. Mr. Emmott has a wide career in the listed and unlisted real estate sector in Europe, and is based in Paris. He served as CEO of Société Foncière Lyonnaise (SFL) from 1997 to 2007 and subsequently as senior advisor to SFL until 2012.

He is currently the Principal of Europroperty Consulting, and since 2011, is a Director of CeGeREAL S.A. (representing Europroperty Consulting). He is also member of the advisory committee of Weinberg Real Estate Partners (WREP I and II). He has been a member of the Royal Institution of Chartered Surveyors (MRICS) since 1971. Mr. Emmott holds an MA from Trinity College (Cambridge UK).

- **Mr. Miguel Pereda Espeso** (Member) is a proprietary non-executive director of Lar España. He was appointed as a director of Lar España by the then sole shareholder of the Company on 5 February 2014 and re-elected as external proprietary director, at the prior proposal of the Appointments and Remuneration Committee and following the favourable report from the Board of Directors, by the Ordinary General Shareholders' Meeting held on 29 May 2017 and re-elected by the Ordinary General Shareholders' Meeting held on 17 March 2020. The Board of Directors of the Company appointed him as a member of the Appointments and Remuneration Committee on 6 February 2014. Mr. Pereda has more than 25 years of experience in the real estate sector, having being Chief Executive Officer of Lar Grosvenor during 6 years.

Actually, he is Co-Chairman and shareholder of Grupo Lar Inversiones Inmobiliarias, S.A. chairman of Villamagna, S.A., a company belonging to the Grosvenor Group, and he is also chairman of the Altamira Lar foundation and in 2015, he was appointed Eminent Member of the Royal Institution of Chartered Surveyors (RICS) in London.

Mr. Miguel has a degree in business administration from Universidad Complutense (Madrid, Spain), an MBA from the Instituto de Empresa (IE), participated in the Breakthrough program for Senior Executives of the IMD, has a Masters in tax from ICADE and participated in the Real Estate Management Program of Harvard University.

- **Mr. Laurent Luccioni** (Member) is a proprietary non-executive director of Lar España. He was appointed as a director of Lar España by the Ordinary General Shareholders' Meeting held on 29 May 2017, by the exercise of the investor PIMCO of its legal right of proportional representation.

Mr. Laurent Luccioni has more than 18 years of experience in the investment and financial services sector. He is currently a Sr. Advisor for PIMCO Europe. Until the end of 2019 held the position of managing director and portfolio manager at PIMCO's London Office, where he oversaw the European commercial real estate team,. Prior to joining PIMCO in 2013, he was the European CEO for MGPA, the Macquarie-backed private equity real estate investment advisory company. Additionally, he worked with Cherokee Investment Partners in London.

Laurent currently sits on the Board of Directors for Carmila SAS.

Mr. Laurent Luccioni holds an MBA from Kellogg School of Management at Northwestern University, and a doctorate in civil and environmental engineering from the University of California, Berkeley.

Detailed information on the members of the Committee and their professional careers is available to the shareholders, investors and other stakeholders of Lar España on the website of the Company.

In accordance with the provisions of article 15.1 of the Board of Directors' Regulations, the Secretary non member of the Appointments and Remuneration Committee is Mr. Juan Gómez-Acebo Sáenz de Heredia, as he is also the Secretary of the Board of Directors, being Deputy Secretary of the Committee, the Deputy Secretary of the Board of Directors Mrs. Susana Guerrero Trevijano.

Therefore, during 2020 the composition of the Committee has been consistent with the provisions of article 529 *quaterdecies.1* of the Spanish Companies Act, being all the members of the Committee non-executive directors and two of them, including its Chairman, independent directors.

On the other hand, the Regulations of the Board of Directors establish, in line with Recommendation 47 of the Code of Good Governance, that the majority of the members must be independent. The Company intends to comply with this requirement as soon as vacancies arise in the Company. The Company has pursued a different composition in the Appointments and Remuneration Committee and in the Audit and Control Committee (made up of the other three independent Directors) in order to achieve independence between the two bodies and a greater participation of all the external Directors in the different Committees. Notwithstanding the foregoing, and as reported in the Annual Corporate Governance Report for fiscal year 2020, the independence of the Commission's decisions is guaranteed since there are no executive directors and that the Chairman of the Appointments and Remuneration Committee, who is independent, has the casting vote in the event of a tie.

#### **IV. MEETINGS**

In accordance with the provisions of article 15.5 of the Regulations of the Board of Directors and 6.1 of the Regulations of the Committee, the Appointments and Remuneration Committee normally meets at least three times per year. It may also meet at the request of any of its members and when called by its Chairman. The Chairman must call the meeting whenever the Board or its Chairman requests the issue of a report or the preparation and adoption of proposals and, in any event, whenever appropriate for the proper exercise of its authority.

The Appointments and Remuneration Committee met nine times in 2020, upon call by the Secretary by means of an individual communication (electronic mail) to each of its members, including the Agenda for the meetings, except in two cases in that the meeting was validly constituted when all its members were present and unanimously accepted the holding of the meeting and its agenda. Likewise, the documents relating to the different items on the Agenda have been made available to the members of the Committee prior to the meeting.

Therefore, the Appointments and Remuneration Committee met with the required frequency to properly perform its duties and according to what is stated in the Second Paragraph of the Third Section of the 1/2019 Technical Guide.

All the members of the Committee personally attended all the meetings held.

Of the nine meetings of the Appointments and Remuneration Committee six were held physically at the Company's registered office and three other meetings were held by videoconference at the location of the Chairman of the Committee.

In addition to its members, the meetings of the Appointments and Remuneration Committee have been attended by various non-members, following the invitation of the Chairman of the Committee to deal with certain items on the Agenda, such as the Corporate and Financial Director of the Company.

Likewise, when it has been deemed appropriate, external advisors or suppliers have participated in specific matters of the Appointments and Remuneration Committee.

## **V. FUNCTIONS OF THE COMMITTEE AND ACTIVITIES DURING 2020**

Article 15 of the Regulations of the Board of Directors includes the functions of the Appointments and Remuneration Committee, which focus on the areas of selection, appointment, removal and evaluation of Directors and the composition of the Board of Directors, appointment of internal positions on the Board and senior management, remuneration issues and corporate social responsibility and sustainability.

The following is a list of the functions that the Regulations attribute to the Committee in force between 1 January and 15 December 2020, indicating its most important actions during 2020 in relation to them and how the Committee has exercised them in practice:

### **1) With regard to the composition of the Board of Directors and its Committees:**

In relation to this matter, the Appointments and Remuneration Committee has the following functions:

- Advise and review the criteria to be followed for the composition of the Board of Directors and the selection of candidates, in particular, evaluate the necessary competences, knowledge and experience in the Board of Directors. To this end, the Board will define the necessary functions and skills of candidates who will cover each vacancy and will evaluate the time and dedication needed for to properly perform their duties, ensuring that non-executive directors have sufficient time available for the proper performance of their duties.

To this end, the Committee shall draw up and regularly update a matrix of the competencies necessary for the board that will define the skills and knowledge of the candidates to become director, particularly those of executive directors and those of independent directors.

- Establish a representation goal for the less represented sex on the Board of Directors and provide guidelines on how to achieve such goal, proposing to the Board of Directors the policy of diversity of directors based, among others, on the criteria of age, disability, training, professional experience and gender.
- To ensure, annually, compliance with the criteria for promoting diversity in the composition of the Board of Directors established by the Company, which will be reported in the Annual Corporate Governance Report.
- Advise the Board of Directors about the most appropriate configuration of the Board of Directors and of its committees, both in size and balance between the different classes of members at all times. To this end, the Committee will regularly review the structure of the Board of Directors and of its committees, particularly when vacancies occur in these bodies.
- Verify periodically the Directors' category.

- Inform of or draw up proposals with regard to nomination or removal of the members who should form part of each of the committees.

In relation to these functions, in 2020 the Appointments and Remuneration Committee analyzed possible incompatibilities of two of its Directors when appointed as members of the Board of Directors of other entities, concluding that, taking into account the amount of meetings, the workload requirements, the corporate purpose of those entities and the number of boards to which these Directors belong to, there were no impediments as there was no conflict of interest so that they could not accept their membership to the Company's Board. Likewise, the Committee analysed possible incompatibilities of one of its directors in view of his appointment as Chairman of a professional body, concluding that there is no conflict of interest and that it does not adversely affect his dedication to the Company.

Likewise, the Committee analyzed the categories of directors held by each of the members of the Board of Directors, concluding that the current categories remain fully in line with their circumstances. In addition, the Committee reviewed the Board's matrix of required competencies that defines the skills and knowledge required from the candidates for directors, concluding that it was up to date and that no adjustments were therefore necessary.

## **2) In regard to the selection of candidates to become board members and senior managers:**

The Appointments and Remuneration Committee has the following functions with regard to the selection of Directors:

- Select the possible candidates to be, as applicable, nominated as board members of the Company and presenting its proposals or reports, as applicable, to the Board of Directors via its Chairman.
- Bring to the Board of Directors the nomination proposals (for its decision or for submission to the decision of the General Shareholders Meeting) for the non- executive members, and the re-election proposals for such directors by the General Shareholders Meeting.
- Inform the Chairman of the Board of Directors of the nomination proposals (for approval or for submission for decision of the General Shareholders Meeting) of the remaining members, and the re-election proposals for such directors by the General Shareholders Meeting.
- Draw up the report referred to in article 5.6 of the Regulations of the Board of Directors and verify, annually, compliance with the member selection policy, reporting on this in the Annual Corporate Governance Report. In particular, the Committee shall ensure that in the promotion of new vacancies or the nomination of new directors, the selection procedures do not include implicit processes that might imply any discrimination and, in particular, that might impede the selection of women.
- Inform of the proposals of the Chairman of the Board of Directors or from the CEO for the appointment and removal of senior managers.

The Committee reviewed and approved the Reports of the Committee on the re-election of the directors Mr. José Luis del Valle, Mr. Alec Emmott, Mr. Roger Cooke and Mr. Miguel Pereda, and also resolved



to submit the to the Board for final approval, reports that were made available to shareholders at the time of the call of the Ordinary General Meeting of Shareholders.

**3) Competences related to and to the process for appointing internal positions of the Board of Directors:**

The Appointments and Remuneration Committee has the following functions in this area:

- Inform of the proposals with regard to the appointment or removal of the Chairman of the Board of Directors.
- Advise of proposals of the Chairman of the Board of Directors regarding the appointment or removal of the CEO.
- Examine or organize the succession of the Chairman of the Board of Directors and of the CEO of the Company and, as applicable, making proposals to the Board of Directors such that this succession occurs in an orderly and planned way, drawing up a succession plan for that purpose.
- Advise of the proposals of the Chairman of the Board of Directors related to nomination or removal of the Deputy Chairman or Deputy Chairmen of the Board of Directors.
- Bring to the Board of Directors the proposal of nomination of a lead non-executive director especially allowed in the event that the Chairman of the Board of Directors exercises executive functions, and inform of proposals for his/her removal.
- Advise of the proposals of the Chairman of the Board of Directors related to nomination or removal of the Secretary and, as applicable, of the Deputy Secretary or Deputy Secretaries of the Board of Directors, of the Secretary General and of the Legal Counsel.

In 2020, the Appointments and Remuneration Committee has not been required to exercise the aforementioned functions.

**4) In regard to the evaluation of Directors:**

In this matter, the Appointments and Remuneration Committee has the functions listed below:

- Establish and oversee an annual programme of continuous evaluation and review of the qualification, education and, as applicable, independence, as well as maintenance of the terms needed to exercise the role of board member and committee member, and proposing to the Board of Directors those measures it considers appropriate in this regard.

In particular, will periodically design and organize knowledge update programs for directors.

- Conduct in collaboration with the Chairman of the Board and with the support of the coordinating director, where appropriate, the annual evaluation of its own functioning and that of its committees including the evaluation of the performance of the Chairman of the Board of Directors and of the Chief Executive Officer, and submit to the board the results of

its evaluation together with a draft action plan and recommendations to correct any deficiencies identified or to improve the functioning.

The Committee, after reviewing and discussing the conclusions of the evaluation of the Board, as well as the proposed action plan for the financial years 2020 and 2021, agreed to approve the Evaluation Report of the Board and its Committees for the financial year 2019 and the Board's action plan for the financial year 2021. In particular with regard to the Nomination and Remuneration Committee, it approved the Self-Assessment Report as well as the Committee's action plan for the financial year 2021.

In addition, the Committee analysed the directors' training plan and agreed to propose to the Board training sessions on PropTech and new digital trends in retail, the impact of Covid-19 on the business and legal developments.

**5) In regard to the separation and dismissal of Directors:**

In this matter, the Appointments and Remuneration Committee has the functions listed below:

- Inform the Board of Directors about proposals for removal of non independent directors due to breach of the duties inherent in the role of member or where the circumstances of mandatory dismissal or termination according to applicable law and to the Company's regulations have been incurred.
- Propose to the Board of Directors the removal of independent directors due to breach of the duties inherent in the role of member or where the circumstances of mandatory dismissal or termination according to applicable law and to the Company's regulations have been incurred.

In 2020, the Appointments and Remuneration Committee has not been required to exercise the aforementioned functions.

**6) In regard to remunerations of directors and senior managers:**

The Appointments and Remuneration Committee has the following functions:

- Propose to the Board of Directors the remuneration policy applicable to directors and senior managers.
- Regularly review the members reward policy and senior managers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior managers in the company, ensuring its compliance and proposing modifications and updates to the Board of Directors.
- Propose to the Board of Directors the individual remuneration of non-executive directors, taking into consideration the functions and responsibilities attributed to each director.
- Propose the individual remuneration of the executive officers and the other basic terms of their contracts for approval by the Board of Directors, including any compensation that may be fixed for early termination in their functions and the amounts to be spent by the Company on insurance premiums or savings system contributions, always in compliance with the



Company's internal standards and, in particular, in accordance with the remuneration policy approved by the General Shareholders Meeting.

- Inform of and submit to Board of Directors the proposals of the Chairman of the Board of Directors or the Chief Executive Officer related to the senior managers' reward structure and the basic terms of their contracts, including any compensation that may be fixed for departure.
- Review the terms and conditions of the contracts of executive directors and senior management and verify that they are consistent with current remuneration policies.
- Oversee observance of the Company's remuneration programmes and advising on the documents to be approved by the Board of Directors for general disclosure about remuneration information, including the annual report on members' remuneration and the corresponding part of the Company's corporate governance annual report.
- Inform, in advance and prior to approval by the competent company body, the remuneration established for the non-executive members of other companies in the group.

During the 2020 financial year, the Appointments and Remuneration Committee analysed the comparative report on the remuneration of independent directors in the Spanish market prepared by the external expert Willis Tower Watson at the request of the Company, agreeing to postpone the review of the Board's remuneration policy and requesting Willis Tower Watson to update the aforementioned report.

The Committee also reviewed the objectives and remuneration of the executives and agreed on the remuneration of the executives, based on an external expert report prepared by Michael Page.

On the other hand, the Committee reviewed the Annual Report on Directors' Remuneration for the financial year 2019 in accordance with the provisions of article 541 of the Capital Companies Act, agreeing to approve it and send it to the Board for its final approval and subsequent submission to the General Shareholders' Meeting.

In turn, and in the context of the crisis caused by the Covid-19 pandemic, the Committee reviewed the remuneration of the members of the Board of Directors, agreeing to propose to the Board a temporal reduction in the remuneration of the directors.

In relation to the objectives of the management team, the Committee reviewed and followed up the personal objectives of the management team and reported to the Board on all aspects related to this issue.

#### **7) In regard to corporate social responsibility and sustainability:**

In the area of corporate social responsibility and sustainability, the Appointments and Remuneration Committee has the following functions:

- Be aware of, promote, guide and supervise the Company's action in matters of corporate social responsibility and sustainability and report on them to the Board of Directors or, as applicable, to the Executive Committee.

- Review the Company's corporate social responsibility policy, ensuring it is geared towards creating value, including the monitoring and evaluation of the same and supervising its degree of compliance.

The report issued, as applicable, by the Appointments and Remuneration Committee about the Company's corporate social responsibility policy will be produced using any of the internationally accepted methodologies and will be provided to shareholders and investors via the web page of the Company with sufficient notice prior to the Ordinary General Meeting.

- Supervise and evaluate processes for different interest groups.

In relation to these competencies, the Committee was informed of all ESG (Environmental, Social and Governance) actions carried out by the Company during the year, as well as the achievements obtained and the projects in progress, analysing the possibility of obtaining some kind of ESG rating. In this regard, the Committee concluded that work should be done to find a way to adequately convey to the market all the work carried out by the Company in this area.

From a more social perspective, during 2020, the Appointments and Remuneration Committee analysed, among other measures the possibility of collaborating with the Aladina Foundation in the refurbishment of rooms in a hospital in Seville dedicated to the treatment of children with cancer, concluding that it would be appropriate to make a contribution and submit the proposal to the Board of Directors. The Committee also analysed the possible collaboration with Cáritas in its project to accompany vulnerable families, reporting favourably on the same and agreeing to submit it to the Board for final approval.

In addition, during the 2020 financial year and in the context of Covid-19, the Committee has at all times been informed and monitored the situation of the Company from the perspective of the health and safety of both its employees and in the Company's shopping centres.

#### **8) Other competences:**

The Appointments and Remuneration Committee reviewed and approved the Committee's operating report for fiscal year 2019 in accordance with the provisions of article 529 *nonies* of the Spanish Companies Act, which will serve as the basis for the Committee's evaluation by the Board, in accordance with the provisions of the aforementioned article of the Spanish Company's Act and the Company's internal regulations.

The Appointments and Remuneration Committee reviewed the performances carried out during fiscal year 2020 confirming that all the duties commended by Law, Corporate Governance Regulations and Recommendations and the CNMV to the Committee had been accomplished, with particular emphasis in the Sustainability and Corporate Social Responsibility.

#### **In particular, the review of the Company's Corporate Regulations and Policies:**

On 26 June 2020, the CNMV approved the partial revision of the CBG, updating various recommendations of the CBG and adapting some of them to various legal amendments approved since its publication, while also clarifying the scope of certain recommendations.

In line with this, CNMV Circular 1/2020 of 6 October was approved, amending the models of the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, the transitional provision of which establishes that, without prejudice to their de facto compliance, companies must adapt corporate texts, internal policies and procedures, where applicable, to the new wording of the CBG recommendations before the end of 2020 in order to be able to consider the amended recommendations to be complied with in the Annual Corporate Governance Report for 2020.

In this regard, in order to always be at the forefront of best corporate governance practices and to complete the adaptation to the new CBG, the Appointments and Remuneration Committee of Lar España has analysed, on the basis of the drafts circulated prior to the meeting and after a presentation by the Company's Legal Director of the main aspects of the reform, the proposed amendments to: (i) the Regulations of the Appointments and Remuneration Committee; (ii) the Regulations of the Board of Directors; (iii) the Corporate Governance Policy; (iv) the Policy on Communication and Contacts with shareholders, investors and proxy advisors of the Company; and (v) the Sustainability Policy of the Company, as well as the joint report on said proposals, agreeing to report favourably and submit to the Board for its final approval the proposed amendments to the aforementioned Regulations and Policies.

## **VI. EVALUATION AND CONCLUSIONS**

Based on the foregoing, the Appointments and Remuneration Committee has evaluated its composition and functioning during the year 2020, considering that:

- The composition of the Committee has been adjusted to the legal provisions with members having the relevant knowledge in relation to the competences of the Committee and the sector of activity to which Lar España belongs, half of its members being independent directors.
- The Committee has held meetings with more frequency than the provided in article 15 of the Board Regulations and whenever it has been necessary in response to the issues to be addressed in such Committee.
- All the meetings of the Committee have been attended by all its members in person, either physically at the meeting venue or by videoconference or similar systems.
- The members of the Committee have had at their disposal, prior to the Committee's meetings, the necessary information with regard to the different Items of the Agenda in order to be able to deliberate and make informed decisions. In addition, when necessary, the Committee has been advised by external experts.
- Lastly, the Committee has deliberated and adopted resolutions on matters within its competence, among which the following can be highlighted the review of the remuneration of directors and executives, the approval of the Committee's operating report, the proposal to amend the Regulations of the Board, the Regulations of the Appointments and Remuneration Committee and certain Corporate Policies, and the analysis and supervision of various issues relating to Sustainability and Corporate Social Responsibility.

In accordance with the foregoing, it can be concluded that the Appointments and Remuneration Committee has complied with the rules provided in the Law regarding the composition, frequency of

meetings, attendance and informed participation of its members, having dealt with the matters of competence of the Committee during fiscal year 2020.

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This report has been approved by the Appointments and Remuneration Committee at its meeting held on 23 February 2021 and submitted to the Board of Directors at its subsequent meeting held on 23 February 2021.