



## **REPORT ON ACTIONS OF THE AUDIT AND COMPLIANCE COMMITTEE FOR THE YEAR 2022**

### **I. Introduction**

This report on the functions and activities of the Audit and Compliance Committee of Corporación Financiera Alba, S.A. ("Corporación Financiera Alba" or the "Company"), from 1 January until 31 December 2022, has been drawn up in accordance with the recommendations on the corporate good governance of listed companies, and in particular those set out in the Good Governance Code of Listed Companies, approved by the National Securities Market Commission ("CNMV") on 18 February 2015 and partially amended on 26 June 2020 (the "GGC") as well as Technical Guide 3/2017 of the CNMV, on Audit Committees of Public-Interest Entities (the "Technical Guide").

### **II. The Audit Committee: origin, evolution and regulation**

#### **II.1. Origin and evolution**

The Audit Committee was created by the Board of Directors on 29 March 2000, following the recommendations of the so-called "Olivencia Code". Since its incorporation, the regulation of this Committee has undergone various modifications in order to adapt it to new regulations, recommendations and best practices in corporate governance matters.

In this regard, special reference must be made to the Board of Directors' Regulations approved: (i) on 5 May 2015, which included the new provisions regarding the composition, organisation and functions of the Audit Committees established by Law 31/2014 of 3 December; (ii) on 3 May 2016, whereby the name of the Audit Committee was changed to Audit and Compliance Committee and the amendments to its composition and functions established by Law 22/2015 of 20 July on the Auditing of Accounts were included; and (iii) on 13 May 2021, whereby the functions of the Committee were extended to adapt it to Law 5/2021 of 12 April.

### **III. Regulation**

The Audit Committee is governed by the provisions of article 47 of the Company Bylaws, articles 21 to 34 of the Board Regulations and, more specifically, by the Audit Committee Regulations, approved by the Board of Directors on 23 October 2017, amended on 26 October 2020 and 13 May 2021, to adapt them to the Technical Guide and the amendment of the CBG, respectively, as well as by the provisions of the Capital Companies Act (*Ley de Sociedades de Capital*) ("LSC").



The current texts of the aforementioned internal regulations are available on the corporate website ([www.corporacionalba.es](http://www.corporacionalba.es)).

#### **IV. Functions of the Audit and Compliance Committee**

In Article 3 of the Regulations of the Audit and Compliance Committee of Corporación Financiera Alba, SA, as well as in the Regulations of the Board, in its Article 22, following the provisions of the Article 529 quaterdecies of the LSC, the following functions are entrusted to the Audit and Compliance Committee, without prejudice to those others that may be assigned by the Board of Directors:

- a) Report to the General Shareholders' Meeting as to any issues raised in connection with those matters that lie within the competency of the Committee, and in particular the results of the audit, explaining how this has contributed to the integrity of financial information, and the function that the Committee performed in this process.
- b) Supervise the efficacy of internal control of the Company, internal auditing and risk management systems, and discuss with the accounts auditor any significant weaknesses in the internal control system that might be detected in the development of the audit, all the above without undermining its independence. To this end, and as applicable, they may submit recommendations or proposals to the governing body, and the corresponding period for the follow-up thereof.
- c) Supervise and evaluate the process of preparation and presentation of the required financial and non-financial information, and present recommendations or proposals to the governing body in order to safeguard its integrity.
- d) Refer to the Board of Directors proposals as to the selection, appointment, re-election and replacement of the accounts auditor, taking responsibility for the selection process in accordance with the provisions of Articles 16, subsections 2, 3 and 5, and 17.5 of Regulation (EU) No 537/2014, of 16 April 2014, in addition to the contractual conditions, and regularly receive information from it as to the audit plan and execution thereof, while also maintaining its independence in the performance of its functions.
- e) Establish the appropriate relations with the external auditor to receive information on those issues that may pose a threat to their independence, for examination by the Committee, and any others related to the process of carrying out the audit of accounts, and, where appropriate, the authorisation of services other than those prohibited, under the terms set out in Articles 5, Section 4, and 6.2.b) of Regulation (EU) No. 537/2014, of 16 April, and as foreseen in Section 3 of Chapter IV of Title I of Law 22/2015, of 20 July, on the Auditing of Accounts, on the independence regime, as well as those other communications provided for in the account auditing legislation and in the auditing standards. It must in all cases each year receive from the external



auditors the declaration of their independence with regard to the organisation or organisations directly or indirectly related to it, in addition to detailed and individual information on additional services of any class that are provided, and the corresponding fees received from said organisations by the external auditor or the persons or entities related to it, in accordance with the provisions of the regulations governing accounts auditing operations.

- f) Issue each year, prior to the issuance of the accounts auditing report, a report stating an opinion as to whether the independence of the accounts auditor or auditing firms has been compromised. This report must in all cases contain the evaluation of the performance of each and every one of the additional services referred to in the above section, taken individually and as a whole, other than the legal audit, and with regard to the regime of independence or the regulations governing accounts auditing operations.
- g) Report to the Board of Directors in advance as to all matters set out in Law, the corporate bylaws and the Board Regulation, and in particular with regard to:
  - 1. the management report and any financial information, and non-financial information where applicable, that the company would be required periodically to publish,
  - 2. the creation or acquisition of stakes in special-purpose vehicles or any domiciled in countries or territories classified as tax havens, and
  - 3. operations with related parties requiring approval by the General Meeting or the Board of Directors.
- h) Supervise compliance with the rules of corporate governance, internal codes of conduct and the sustainability policy.
- i) Supervise the application of the economic/financial and non-financial reporting policy, and the processes for relations and communication with shareholders, investors, proxy advisers and other stakeholders.
- j) Supervise the internal procedure for those related-party operations the approval of which is delegated by the Board in accordance with the Law.

## **V. Composition**

The Audit and Compliance Committee is an internal body of the Board composed of Directors of the Company appointed by the Board. In accordance with the provisions of the Capital Companies Act, the majority of the members of this Committee must be independent Directors and at least one of them shall be appointed taking into account their knowledge and experience in accounting and/or auditing. As a whole, the members of the Committee should have relevant expertise in relation to the sector of activity to which the Company belongs.



The Committee must be chaired by an independent director and, in accordance with the provisions of the Law and the Company Bylaws, the Chairman must be replaced every four years and may be re-elected after one year has elapsed since he ceased to hold office.

The composition of the Audit and Compliance Committee as at 31 December 2022 was as follows:

Nombre	Cargo	Categoría	Fecha del primer nombramiento
D <sup>a</sup> Ana María Plaza Arregui	Chair	Independent	2019
D <sup>a</sup> Claudia Pickholz	Member	Independent	2016
D <sup>a</sup> María Eugenia Girón Dávila	Member	Independent	2018

During the financial year 2022, there have been no changes in the composition of the Committee.

Following the recommendations of the CNMV Technical Guide 3/2017, the experience and expertise of each of them is briefly highlighted:

- Ms. Plaza has extensive experience in the world of auditing and financial management in companies in various fields, both national and international;
- Ms. Pickholz has held management positions in large multinationals in various sectors with responsibility for marketing and strategy; and,
- Ms. Girón has extensive experience in business, strategy design, brand building, international growth and sustainable development.

In accordance with the recommendations of the Good Governance Code for Listed Companies, full information on the profile of all its Directors is available on the Company's corporate website ([www.corporacionalba.es](http://www.corporacionalba.es)).

Consequently, as regards to its composition, the Audit and Compliance Committee of Corporación Financiera Alba has complied with legal requirements, as it is made up of three independent female directors, all of whom have the necessary knowledge and experience to perform their duties.

## **VI. Functioning and activity**

### **VI.1. Functioning**

The internal functioning of the Audit and Compliance Committee is governed by the provisions of article 47 of the Company Bylaws and by articles 29 to 34 of the Regulations of the Board and articles 12 to 18 of the Regulations of the Audit and



Compliance Committee, which regulate all matters relating to its meetings, calls, quorum, adoption of resolutions, minutes, relations with the Board, with the Company's management and with the auditor and the internal auditor, and the powers to request information on any aspect of the Company and to seek the advice of external professionals.

## VI.2. Meetings and attendance

During the 2022 financial year, the Audit and Compliance Committee held eight meetings, at which it worked, within the aforementioned functions, in the areas indicated below, and for which it had the necessary information and documentation:

- a) Review of the periodic financial information for submission to the National Securities Market Commission (CNMV).
- b) External audit of the annual accounts and relations with the external auditors.
- c) Risk identification and internal control system.
- d) Internal audit.
- e) Review of non-financial information.
- f) Compliance with the legal system and internal regulations.

The meetings of the Audit and Compliance Committee were attended, at its request, by the Chief Financial Officer and the heads of risk, internal audit and regulatory compliance of the Company. In addition, during 2022, the Company's external auditors were invited to participate in four meetings of the Audit and Compliance Committee and the internal auditors in three.

## VI.3. Activities

At the end of each financial year, the Audit and Compliance Committee approves its Programme of Activities for the following financial year in relation to the aforementioned areas and carries out the appropriate monitoring thereof.

The main activities carried out by the Audit and Compliance Committee during financial year 2022 are included below, encompassed in the different functions attributed to it, as well as, where applicable, a brief description of the bodies, procedures and internal regulations of the Company that support this Committee in the correct performance of its functions.

### a) Review of the periodic financial information

- The Committee **has analysed, prior to their submission to the Board, the half-yearly financial information** sent to the CNMV and made public, as well as the supplementary information leaflets published, in accordance with the requirements established by Royal Decree 1362/2007, of 19 October (amended by Royal Decree 875/2015, of 2 October), and by CNMV Circular 3/2018, of 28 June. It has also reviewed the financial



information relating to the first and third quarters of 2022, the publication of which is no longer mandatory following the elimination of article 120 of the Securities Market Law ("LMV").

The Company's Chief Financial Officer, who is responsible for the preparation of the aforementioned information, has collaborated in this analysis in order to explain to the Committee the accounting process followed for its preparation and the decisions and criteria adopted.

- The Committee **has analysed the annual accounts and examined the (individual) balance sheet as at 30 June 2022**, taken as a basis for the distribution of a flexible dividend, prior to its formulation by the Board of Directors.
- Following recommendation 43 of the Technical Guide, the Committee has ensured that the financial information published on the entity's website is up to date and coincides with the information formulated by the Board of Directors and made public.

#### **b) External audit of the annual accounts and relations with the external auditors**

- In the financial year 2022, the **External Auditors**:
  - Attended the meetings of the Committee where the financial **information corresponding to the close of the 2021 financial year and the annual accounts for said financial year were examined**. In said meetings, they reported on the audit work performed, the most significant issues raised and the criteria followed. These annual accounts were the subject of an unqualified report, with no significant risks being noted in the Company, and the internal control of the Company was considered adequate. The responsible persons within the Company assisted the external auditors in the performance of their duties.
  - Submitted to the Committee the **limited review of the financial statements for the first half of 2022**.
  - Attended the Committee meeting where **the (individual) balance sheet of the Company as at 30 June 2022**, prepared for the distribution of a flexible dividend, **was examined**. In this meeting, they reported on the audit work carried out, the most important issues and the criteria followed. This balance sheet and its explanatory notes were the subject of an unqualified report.
  - Explained the **planning** of the audit work for the financial year 2022.





- In accordance with the provisions of article 529 quaterdecies of the Capital Companies Act, the Committee received written confirmation from the External Auditors as to their **independence** vis-à-vis the entity or related entities and issued a report expressing its opinion on the independence of these External Auditors.
- The Committee approved the new **Policy for the Provision by the External Auditor of Non-Statutory Audit Services**, which replaces the one approved on 21 September 2017, in order to include the update of the lists of "permitted services" and "pre-approved permitted services", taking into account the services provided by the External Auditor and market practices. In addition, the Committee reported on the pre-approved services provided by the Company's statutory auditor.

### c) Risk Identification and Internal Control System

The Audit and Compliance Committee is responsible for the risk identification and internal control system and assesses whether the Company has adequate organisation, personnel and processes to identify and control its main operational, financial, non-financial and legal risks, and is empowered to investigate any aspect of the risk identification and internal control system it deems appropriate. In this area, the Company has a set of **operating rules<sup>1</sup> that establish the internal control criteria**, a function entrusted to the Financial Department.

- During 2022, as customary, the Committee included in six of its eight meetings an agenda item dedicated to risk management and monitoring issues, in order to monitor them. On two occasions, the Committee had the intervention and report of those responsible for the different risks within the Company.
- During 2022, as has become customary, the Committee included in six of its eight meetings an agenda item dedicated to risk management and monitoring issues, in order to monitor them. On two occasions, the Committee had the intervention and report of those responsible for the different risks within the Company.

#### *Control and Risk Management Unit*

The Audit and Compliance Committee is responsible for supervising the effectiveness of the Company's internal control, internal audit and risk management systems, assessing whether the group has the appropriate organisation, personnel, policies and processes to identify and control its main risks and, in particular, operational, financial, non-financial and legal risks.

---

<sup>1</sup> These rules include, among other: cash investments, accounting and reporting, management of real estate and receivables, investments and divestments in subsidiaries, investments and divestments in real estate and investments and divestments in venture capital.



Since 2015, the Company has had a **Risk Control and Management Unit** as an advisory and control body at the service of the Audit Committee, independent from the business, and aimed at ensuring the establishment of adequate control and efficient and prudent risk management. <sup>2</sup>.

The Company has implemented an **Integrated Risk Management System** adapted to the nature and degree of complexity of its operations and the environment in which it operates, in order to mitigate the risks to which the group is subject. <sup>3</sup>.

In relation to risk management processes, in addition to the aforementioned Risk Control and Management Unit and the Internal Audit Service, the Company has **regulatory compliance processes**, which will be referred to below.

During financial year 2022, and in relation to this matter:

- A new Risk Map of the Company has been drawn up. The Committee has given its favourable opinion prior to its approval by the Board of Directors on 9 May 2022. This review resulted in the monitoring of 11 critical risks compared to the 9 previously considered.
- Two Business Risk Monitoring Reports have been prepared and submitted to the Committee (corresponding to the second half of the year and the full financial year 2021 and the first half of 2022, respectively), in accordance with the approved Risk Management Methodology and Monitoring Model. These reports examine the aggregate risk situation and individual risk analysis (the most critical risks, according to the Risk Map). For their preparation, meetings are held with those responsible for the risks, the controls and indicators defined are checked, and the assessment subject to monitoring is reviewed and analysed. The conclusion of the reports was that the controls were effective (although some were not applied in the periods mentioned), and no weaknesses were identified in the risk management system implemented to identify and mitigate the critical risks to which the company is exposed in the course of its business.
- The tax risks that may affect the Company have been analysed, and no significant transactions were carried out during the year.

#### **d) Internal Audit**

In 2011, an Internal Audit Service was established as an instrument for the better development of the functions entrusted to the Board of Directors and the Audit Committee, in relation to the control and management of risks and the monitoring of internal information and control systems. The Company also has the support

---

<sup>2</sup> The Risk Management and Control Function Charter was approved by the Board of Directors on 26 October 2015 and, besides, a Risk Management Methodology and Monitoring Model has been adopted.

<sup>3</sup> This system is embodied in three key elements: (i) continuous risk management process; (ii) organisational approach to roles and responsibilities; and (iii) monitoring model.





of an auditing firm for the development of the Internal Audit functions, with the General Secretary, under the supervision of the Committee, assuming the coordination between these auditors and the Company. This contributes to the independence of this function, which, in 2022, continued to be carried out by Deloitte Advisory, S.L.

Internal Audit has a Statute for the Internal Audit Function approved by the Board (most recently, by resolution of 27 February 2017) and carries out its functions in accordance with the Activity Plan approved annually by the Audit and Compliance Committee.

In this area, and during financial year 2022:

- **Audits of some internal procedures** were carried out, in accordance with the Internal Audit Activity Plan submitted to the Audit and Compliance Committee, and no irregularities were found, and some recommendations were made in relation to the practices and procedures followed by the Company.
- The Committee has shown its conformity of the application of the Company's Internal Control over Financial Reporting System Manual ("ICFR") after examining the certifications issued by those responsible for it.
- The Committee has analysed and informed the Board of the results of the internal audits and the monitoring of the ICFR carried out.

#### e) **Review of the Non-Financial Information**

The Audit and Compliance Committee is entrusted with the supervision of the Non-Financial Information and the Sustainability Policy.

Since 2016, the Company has been reporting on environmental, social and governance issues. Initially, this information was disclosed through the Sustainability Report, which was reported by the Audit and Compliance Committee prior to its approval by the Board of Directors and made available on the Company's corporate website on the call to the General Meeting. In financial year 2019, the group complied for the first time with the requirements established in Law 11/2018, formulating since then the Statement of Non-Financial Information provided for in this Law (which replaced the Sustainability Report presented in previous financial years).

During 2022:

- The Committee has analysed, prior to its presentation to the Board, the **Statement of Non-Financial Information** corresponding to financial year 2021, which includes, as provided for in Law 11/2018, significant information on: environmental issues; social and personnel-related issues;



respect for human rights; the fight against corruption and bribery; and on the Company.

For its preparation, the Global Reporting Initiative ("GRI") Sustainability Reporting Guidelines, an internationally recognised standard, have been used as the reporting standard, following the principles and contents included in the most updated version of the guidelines ("Selected GRI Standards").

The context and regulations of the sectors in which the subgroups operate, sector trends and best practices have also been taken into account to determine which aspects are relevant for Alba. The main aspects considered to be relevant are: attracting and retaining talent; compliance and business ethics; diversity and equality; occupational health and safety; commitment to society; and energy efficiency and environmental management.

The Non-Financial Information Statement includes the activities of the Alba Group and those of the Satlink, Nuadi, Preving, Gesdocument and Facundo subgroups (its subsidiaries).

The Statement of Non-Financial Information, which forms part of the Directors' Report and is prepared by the Board of Directors, was approved by the Company's General Meeting of Shareholders as a separate item on the agenda and is available on the corporate website.

- The Committee **has monitored the Sustainability Policy**, approved by the Board of Directors on 12 November 2020 (replacing the Corporate Social Responsibility Policy, approved on 17 June 2019, which had replaced the one initially approved on 26 October 2015), and the information thereon, especially through the Statement of Non-Financial Information.

## **f) Regulatory compliance and others**

With regard to compliance with the applicable law and internal regulations, a more detailed description is given than in the previous points, since, in accordance with the provisions of both the Regulations of the Board of Directors and the Regulations of the Audit and Compliance Committee (articles 26.c) and 9.c), respectively), the Audit and Compliance Committee must prepare an annual report on the efficiency and compliance with the Company's rules and procedures of governance.

### *Internal Regulations*

The functions of this Committee include ensuring that an effective internal system is in place to monitor the Company's compliance with the laws and regulations governing its business, and that procedures are in place to ensure that



management and employees comply with internal regulations. The meetings of the Committee are attended, when necessary and upon invitation by the Chairman, by the Chief Financial Officer, the head of regulatory compliance and the head of audit and internal control of the Company, who report on matters relating to this matter.

In order to ensure **compliance with the applicable law**, the Company has an appropriate organisation, in particular the existence of:

- (i) a Legal Department, a Tax Department and a Finance Department which, each in its own area of competence, ensure that the regulations in force (external and internal) are respected;
- (ii) a **Regulatory Compliance Unit**.

In addition, as mentioned above, the Company has an **Internal Audit Service** and a **Risk Control and Management Unit**, and has adopted a **Risk Management Methodology** and a **Crime Prevention and Monitoring Model**. In this regard, in 2016, a Regulatory Compliance function was formalised and implemented, and in terms of criminal prevention, since 2015 it has had a Crime Prevention Manual.

Within its corporate documentation, the Company currently has the following Policies provided for by various provisions or in good corporate governance recommendations: Corporate Governance Policy; Sustainability Policy; Communication Policy; Dividends Policy; Treasury Stock Policy; Investments Policy; Tax Policy; Board Remuneration Policy; Policy for Selection of Candidates for Director; Risk Management Policy; and Criminal Risk Prevention and Anti-Fraud Policy. These Policies are reviewed periodically in case they need to be amended. During 2022, the Investment Policy and the Board Remuneration Policy were updated.

With regard to the existence of **internal procedures**, as mentioned, the Company has a several operating rules that establish the internal control criteria, as well as **the Company's Internal Control over Financial Reporting System Manual**, **Risk Management Methodology** and the **Monitoring and Crime Prevention Model**.

A new **Code of Ethics and Conduct** was approved in 2018, which was amended by resolution of the Board of Directors on 26 October 2020, in order to adapt it to the revision of the Good Governance Code for Listed Companies approved by the CNMV on 26 June 2020, in particular, to admit anonymous complaints in cases where they have accounting or financial significance.

On the other hand, the Company has an **Internal Code of Conduct in the Sphere of the Securities Market** adapted to the regulations on market abuse, which was last amended by resolution of the Board of Directors on 29 November 2021, in order to eliminate the blocking periods relating to quarterly information,



which ceased to be compulsory following the suppression of article 120 of the Securities Market Act, by Act 5/2021 of 12 April.

During 2022, and in relation to internal regulations, the Audit Committee:

- Has regularly monitored the Sustainability Policy, the Communication Policy and the Tax Policy. The Committee also periodically reviews these policies in order to make the necessary proposals for updating them in accordance with applicable law and good corporate governance recommendations.
- It has reported on the internal rule relating to the process for managing Inside Information for the purposes of the Market Abuse Regulation and Alba's Internal Code of Conduct, which aims to develop the internal procedure for the use, management, dissemination and delay of Inside Information as well as the designation of those responsible.
- The Code of Ethics and Conduct has been monitored and the **Whistleblowing Channel** has been reported on, with no whistleblowing occurring in 2022.

### *Regulatory Compliance*

Since 2016, the Company has had a **Regulatory Compliance Function** in place, within the General Secretary's Office, in order to coordinate, systematise and monitor the various actions and efforts it has been carrying out in this area, with the collaboration of external advisors for the implementation and monitoring. In 2018, the Board of Directors of the Company approved, with the favourable report of the Audit and Compliance Committee, the **Statute of the Regulatory Compliance Function**, entrusting the Secretary of the Board of Directors with the Management of the Regulatory Compliance Unit, which reports to the Audit and Compliance Committee and currently has the external collaboration of Deloitte Advisory, S.L.

The objective of this function is to provide reasonable assurance that Alba complies with its key legal and regulatory requirements, to which end: (i) the main legislative and regulatory obligations with which the Company must comply have been identified; (ii) a compliance model has been designed (with activities and tasks to be performed, dates and persons responsible); and (iii) a model has been established for monitoring and tracking compliance activities, with early warnings and half-yearly reviews, in order to avoid potential non-compliance.

- During 2022, the **Regulatory Compliance monitoring reports** were prepared in relation with the second half of the year and the full year 2021, and for the first half of 2022, in which the requirements identified are verified, those that have been met, those that have not been applied and, if applicable, the opportunities for improvement are indicated. In the report for the first half of 2022, 100% effectiveness has been verified for all



applicable controls, with no favourable controls with recommendations or unfavourable controls detected.

### *Criminal Prevention*

As a consequence of the regulation of the criminal liability of legal persons, the Company approved a Crime Prevention Manual (26 October 2015) which was updated in the financial year 2020 in order to adjust it to the current situation of the governance model of the entity and the policies associated with it and to align it with the best market practices.

- In 2022, the effectiveness of the Crime Prevention Model was monitored and two reports were issued, one referring to the full financial year 2021 and the other referring to the first half of 2022, resulting in a general situation of compliance with the risks analysed, with no favourable controls with recommendations or unfavourable controls having been detected. The Audit and Compliance Committee has considered the monitoring carried out to be adequate.

### *Related-party vinculadas*

Within this area of compliance, reference should also be made to the review of transactions with directors, significant shareholders or their representatives, or with persons related to them, or with investee companies ("related-party transactions"). In financial year 2022:

- The Committee has reported favourably on one related-party transaction, as it met the necessary conditions to do so.
- The Committee has approved and made public on the Company's corporate website a report on the aforementioned related party transactions of the previous year<sup>4</sup>.

### *Others*

- The Committee also **examined the draft Annual Corporate Governance Report for 2021** - subsequently approved by the Board of Directors - and the **Monitoring reports prepared by the supervisory bodies on the Internal Code of Conduct, the Code of Ethics and Conduct, and the Crime Prevention Manual**, on the actions carried out in compliance therewith during 2022.
- The Committee has examined the **Company's tax situation**, with reference to its tax obligations, in general, the most relevant aspects in relation to Corporate Income Tax, and compliance with the various

---

<sup>4</sup> Recommendation 6 of the Good Governance Code of Listed Companies.



reporting obligations. In 2020, the Company adhered to the Code of Good Tax Practices promoted by the Large Companies Fund (20 July 2010).

- With regard to communications with the CNMV, which include communications of financial information, privileged information and other relevant information and other requests for information, all appropriate communications were made during the year.
- The Audit Committee has monitored the operation and content of the website. In addition, during financial year 2022 it reported on the conclusions reached in the area of cybersecurity and external hacking and continued to monitor the situation of the Information Technology area.

### *Assessment of external audit, internal audit and the Audit and Compliance Committee*

In financial year 2022, and following Recommendations 71, 58 and 76 of the Technical Guide, respectively:

- The Committee **evaluated the external auditor** on the basis of its presentations to the Committee and the various reports issued, considering that during financial year 2021 the external auditor performed its duties satisfactorily, complying with the Plan established for the year, with no incidents having occurred and contributing through its work to the integrity of the Company's financial information.
- The Committee **evaluated the internal audit area** of the Company and, in view of the presentations made and the Annual Report of the Internal Audit Service, considered that during financial year 2021 the Internal Audit Service had performed its function satisfactorily, fulfilling the objectives of the Plan established for the year and without any incidents having occurred. The Internal Audit Manager was also considered to have performed his role adequately.
- The Committee self-assessed its performance in 2021, as part of the annual evaluation of the Board (contained in the Board Evaluation Questionnaire and the Board Evaluation Report). In the Board Evaluation questionnaire, all Directors provided feedback on the performance of this Committee, informing the Board of the aspects evaluated and the outcome of the evaluation. The evaluation of the Audit and Compliance Committee has not led to changes in the internal organisation and procedures of the Company.

## **VII. Conclusions**

In view of the foregoing, the Audit and Compliance Committee considers that the Company has an adequate organisation and a sufficient regulatory framework to ensure satisfactory compliance with regulations, and that effective compliance by





the Company with the external and internal regulations applicable thereto, as well as with the provisions and recommendations on good corporate governance, is satisfactory.

It also considers that the Company has adequate mechanisms in place to enable the Audit and Compliance Committee to properly perform the duties assigned to it by law and in the internal regulations of the Company in relation to periodic financial reporting, external audit, internal audit, non-financial reporting and risk identification and internal control systems, and that the Company's compliance in relation to these matters is satisfactory.

Madrid, 23 February 2023