



PROPOSAL

REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE ON THE MODIFICATION OF THE REMUNERATION POLICY OF THE BOARD OF DIRECTORS OF CORPORACIÓN FINANCIERA ALBA, S.A.

I.- Introduction

Article 529 novodecies of the current Capital Companies Act —*Ley de Sociedades de Capital*— (hereinafter, "LSC") (in the wording introduced by Act 5/2021 of 12 April) establishes the obligation for listed companies to draw up and submit to the General Shareholders' Meeting for approval, at least every three years, the remuneration policy of the Board of Directors. The LSC also establishes that any modification or replacement of the policy during this period shall require the prior approval of the General Shareholders' Meeting in accordance with the procedure established for its approval.

The Appointments and Remuneration Committee (article 529 quindecies.3.g LSC) is responsible for proposing the Directors' Remuneration Policy to the Board of Directors, which must also be submitted to the General Shareholders' Meeting for approval. This proposal must be accompanied by a specific report from the Appointments and Remuneration Committee. These requirements are applicable, pursuant to the provisions of the aforementioned article 529 novodecies of the LSC, to amendments to the Directors' Remuneration Policy.

The General Shareholders' Meeting of Corporación Financiera Alba, S.A. ("Corporación Financiera Alba" or the "Company") held on 20 June 2022, at the proposal of the Appointments and Remuneration Committee and the Board of Directors, approved the Remuneration Policy for the members of the Board of Directors applicable, from its approval, and for the following three financial years, i.e. 2023, 2024 and 2025 (hereinafter, "Remuneration Policy"). This Remuneration Policy, which includes the new requirements established in article 529 novodecies of the LSC, replaced the one approved by the General Meeting of Corporación Financiera Alba held on 17 June 2019 and amended by resolution of the General Meeting held on 18 June 2020.

After examining in detail the current duties and dedication of the Company's directors, the remuneration received by them and its evolution in recent years, as well as an analysis of the remuneration received by directors of other companies comparable to Corporación Financiera Alba, it is proposed to the Board of Directors, for submission to the General Meeting, to amend the remuneration provided for in the Remuneration Policy, in order to update the remuneration of directors in their capacity as such in certain specific aspects.

In compliance with the aforementioned legal precepts, the Appointments and Remuneration Committee of Corporación Financiera Alba has prepared this report on the proposed amendment to the Remuneration Policy for members of



the Board of Directors, which will apply from the date of its approval by the General Shareholders' Meeting until 2025.

II.- Updating of Directors' Remuneration in their capacity as such.

In accordance with the provisions of the Remuneration Policy, the remuneration of directors of Corporación Financiera Alba in their capacity as such is based on the following principles:

- Sufficiency in order to compensate for the effort dedicated, their qualifications and responsibility, without being so high as to compromise their independence.
- Connection with efforts effectively dedicated.
- Link to the responsibility and performance of functions by the different Directors.
- Absence of variable components.
- Incentivising nature, without compromising independence.
- Consideration of market criteria as a reference point, in accordance with the remuneration established for Directors at listed companies that could in some way be deemed comparable.

In line with these principles, the functions and dedication of the Company's Directors are periodically reviewed, which have increased in recent years as a result of the concern of legislators and supervisory authorities to strengthen the corporate governance systems of listed companies, especially in aspects related to internal control, transparency and sustainability.

In this regard, a review was carried out of the remuneration received by the Company's directors and the evolution of this remuneration over the last few years, and an analysis was made of the remuneration received by directors of other companies that could be comparable to Corporación Financiera Alba for various reasons. Comparable companies were mainly international holding companies similar to Alba, but the remuneration of directors of Spanish family-owned listed companies, Spanish companies with a market capitalisation similar to Alba, Spanish listed companies in the financial/investment sector and Spanish listed companies in which Alba has a stake were also examined. In addition, the data contained in expert studies on the remuneration of directors of listed companies or companies related to the group have been taken into account.

As a result of the above analyses, and in relation to the remuneration of directors in their capacity as such, it is proposed to update the annual remuneration of the members of the Audit and Compliance and Appointments and Remuneration Committees, increasing it by 5,000 euros for each of its members, since it is slightly lower than that of comparable companies. As a result, the remuneration for membership of the aforementioned committees would be as follows:

- Chairman of the Audit and Compliance Committee: 40,000 euros per year.



- Members of the Audit and Compliance Committee (excluding the Chairman): 30,000 euros per year.
- Chairman of the Appointments and Remuneration Committee: 30,000 euros per annum.
- Members of the Appointments and Remuneration Committee (excluding the Chairman): 20,000 euros per annum.

All other remuneration provided for in the Remuneration Policy for members of the Board of Directors (approved on 20 June 2022), as well as the maximum annual aggregate remuneration for all members of the Board of Directors in their capacity as such, would remain unchanged.

III.- Conclusion

In accordance with this report, the Appointments and Remuneration Committee of Corporación Financiera Alba considers that: (i) that the Remuneration Policy contains the mentions required by the applicable regulations, both before and after the proposed update, and (ii) that its content is adapted to current regulations and good practices in remuneration matters, meets the criteria of prudence in the assumption of risk, good governance and transparency, and is aligned with the interests of the shareholders, for which reason it is appropriate to submit it to the General Shareholders' Meeting for approval.

Madrid, 8 May 2023