



## **REPORT ON ACTIONS OF THE APPOINTMENTS AND REMUNERATION COMMITTEE FOR THE FINANCIAL YEAR 2023**

### **I. Introduction**

This report on the functions and activities carried out by the Appointments and Remuneration Committee of Corporación Financiera Alba, S.A. ("Corporación Financiera Alba" or the "Company") from 1 January to 31 December 2023 is prepared in accordance with the recommendations on good corporate governance for listed companies and, in particular, those set out in the Good Governance Code for Listed Companies, approved by the Comisión Nacional del Mercado de Valores ("CNMV") on 18 February 2015 and partially amended on 26 June 2020, and in the CNMV Technical Guide 1/2019, on Appointment and Remuneration Committees (the "Technical Guide").

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

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

The Appointments and Remuneration Committee was established by the Board of Directors on 22 May 2003, following the recommendations of the report of the "Special Commission for the Encouragement of Transparency and Security in Financial Markets and at Listed Companies" ("Aldama Report", published on 8 January 2003).

Since its creation, the regulations of this Committee have undergone various modifications to adapt them to new legislation, recommendations and best practices in corporate governance, the most noteworthy of which are as follows: (i) the amendment of the Board Regulations approved on 24 April 2007 to adapt them to the Single Corporate Governance Recommendations Document, whereby the Appointments and Remuneration Committee expanded its powers; and, (ii) the amendment of the Articles of Association (article 47 bis) and the Board of Directors Regulations (articles 35 and 36), approved in 2015, to adapt them to the provisions of Law 31/2014, whereby this Committee became a body that is required to exist in listed companies.

Finally, and following Recommendation number 2 of Section Three of the Technical Guide, the Board of Directors approved on 17 June 2019 a Regulation of the Appointments and Remuneration Committee, which was amended by resolution of the Board of Directors on 26 October 2020, regulating in greater detail its competencies and operation.

#### **II.2. Regulation**

The Appointments and Remuneration Committee is governed by the provisions



of article 47 bis of the Articles of Association, articles 35 and 36 of the Board of Directors' Regulations and, more specifically, by the Regulations of the Appointments and Remuneration Committee, approved by the Board of Directors on 17 June 2019 and amended on 26 October 2020, as well as by the provisions of the Capital Companies Act ("LSC").

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

### **III. Functions of the Appointments and Remuneration Committee**

In Article 36 of the Regulation of the Board of Directors of Corporación Financiera Alba, S.A., the following functions were attributed to the Appointments and Remunerations Committee, without prejudice to any others that might be assigned to it by the Board of Directors:

- a) Evaluate the skills, knowledge and experience required on the Board of Directors. To this end, it will define the functions and skills required of the candidates who are to fill each vacancy, and evaluate the time and dedication required in order to allow them effectively to perform their task.
- b) Establish a target as to representation of the less represented gender on the Board of Directors, and draw up guidance as to how to achieve said target.
- c) Submit to the Board of Directors proposals as to the appointment of independent Directors to be designated by co-option or by referral of the decision to the General Shareholders' Meeting, in addition to proposals for the re-election or dismissal of said Directors by the General Shareholders' Meeting.
- d) Report on proposals for the appointment of the other Directors, to be appointed by co-option or by referral of the decision to the General Shareholders' Meeting, in addition to proposals for the re-election or dismissal thereof by the General Shareholders' Meeting.
- e) Inform proposals for the appointment and dismissal of senior executives, and the basic conditions of their contracts.
- f) Examine and organise the succession of the Chairperson of the Board of Directors and of the Company's CEO and, where applicable, submit proposals to the Board of Directors in order for said succession to occur in an orderly and planned manner.
- g) Propose to the Board Directors, the remunerations policy for the Directors and General Managers, or those performing senior executive functions under the direct authority of the Board, Executive Committees or CEOs, and the individual remuneration and other contractual conditions of executive Directors, ensuring observance thereof.
- h) Periodically review the remunerations policy applied to the Directors and senior executives, including remuneration systems involving shares and



the application thereof, and ensure that individual remuneration is proportionate to that paid to the other Directors and senior executives of the Company.

- i) Report on the proposal as to the appointment and discharge of the Secretary of the Board.
- j) Examine the information provided by the Directors as to their other professional obligations, in case it could interfere with the dedication required.
- k) Perform an annual review of the classification of the Directors.
- l) Verify information regarding the remuneration of Directors and senior executives contained in the various corporate documents, including the annual report on the remuneration of the Directors, and ensure the transparency of remuneration and inclusion of information regarding the remuneration of the Directors in the Annual Explanatory Notes.
- m) Ensure that any possible conflicts of interest do not prejudice the independence of external consultancy provided to the Committee.

Meanwhile, Article 16 of the Regulation of the Board of Directors specifies that proposals for the appointment or re-election of Directors brought by the Board before the General Shareholders' Meeting, as well as provisional appointment thereof by co-option, will be approved by the Board: a) at the proposal of the Appointments and Remunerations Committee, in the case of independent Directors; and b) following a report by the Appointments and Remunerations Committee in the case of all other Directors.

All of these functions are governed in greater detail by Articles 3 to 9 of the Regulation of the Appointments and Remunerations Committee, approved by the Board of Directors on 17 June 2019, and amended on 26 October 2020.

#### **IV. Composition**

The Appointments and Remuneration Committee is an internal body of the Board and is therefore composed of Directors of the Company. The members must all be external Directors (without executive functions) appointed by the Board of Directors, which also appoints its Chairman.

The composition of this Committee as at 31 December 2023 was as follows:

Name	Cargo	Category	Date of first appointment
Ms. María Eugenia Girón Dávila	President	Independent	2017 (Appointed President in 2019)
Mr. Carlos March Delgado	Vocal	Propietary	2018



Name	Cargo	Category	Date of first appointment
Ms. María Luisa Guibert Ucin	Vocal	Independent	2023
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Vocal	Other External	2021

Ms. Claudia Pickholz has also been a member of this Committee until 30 June 2023.

This composition of the Committee is fully adapted to the applicable regulations (Law 31/2014) and to the recommendations of the Technical Guide, which provide that all its members must be non-executive Directors, with a minimum of two independent Directors, and the Chairman must also be independent. Likewise, following the recommendations of the Technical Guide, it should be noted that, as a whole, the members of the Appointments and Remuneration Committee have knowledge and experience in matters such as corporate governance, human resources, selection of directors and executives, performance of senior management functions and remuneration of directors and senior executives.

In accordance with the recommendations of the Good Governance Code of 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)).

## **V. Operation and activity**

### **V.1. Operation**

The internal functioning of the Appointments and Remuneration Committee is governed by the provisions of article 47 bis of the Articles of Association, articles 35 and 36 of the Regulations of the Board of Directors (adapted to the regulations contained in article 529 quincecies.3 of the Capital Companies Act), and articles 12 to 17 of the Regulations of the Appointments and Remuneration Committee, which regulate all matters relating to its meetings, calls, quorum, adoption of resolutions, minutes, relations with the Board, shareholders and management of the Company, and powers to request information on any aspect of the Company and seek the advice of external professionals.

### **V.2. Activity**

During the 2023 financial year, the Appointments and Remuneration Committee held eight meetings, at which it addressed the aforementioned functions and, in particular:



- Reported, after evaluation of the performance of his work, the proposal for the renewal of Directors.
- Reported on the new professional activities of two Directors.
- Reported on the category that should apply to each Director.
- Reported on the composition of the Committees of the Board.
- Reported on the revision of the remuneration of the Executive Managers of the Company.
- Reported on the fulfilment of objectives and distribution of the annual variable remuneration of the Executives Managers for 2022.
- Reported on the definition of the weightings applicable to the annual variable remuneration of the Executive Managers for the 2023 financial year.
- Reported on the performance of the Appointments and Remuneration Committee during 2022.
- Reported on the proposal of the Board's Remuneration Policy update.
- Reported on the Remuneration Policy followed during 2022, on the Annual Report on the Remuneration of the Directors and on the monitoring of the Remuneration Policy.
- Reported on the evaluation of the Board in the financial year 2022 carried out internally and with external consultant.
- Reported on the transparency of the information included in the Annual Accounts for the 2022 financial year regarding the remuneration of the Directors.
- Reported on the monitoring of the Directorial Selection Policy.
- Reported on the establishment of a multi-annual variable remuneration plan 2023-2026 and on the settlement of the 2020-2023 variable remuneration plan.
- Reported on the maximum overall remuneration of the Directors in their capacity as such.
- Ratify the Competency Matrix, after its review.
- Reported on the proposal for the amendment of the resolution on the incorporation of the Investment Commission.

Madrid, 22 February 2024