

REPORT DRAFTED BY THE APPOINTMENT AND REMUNERATION COMMITTEE ON ITS ACTIVITIES IN 2021

I. Introduction

In accordance with article 48 of the Corporate Bylaws, article 14 of the Board of Directors Regulations and article 24 of the Appointment and Remuneration Committee Regulations of Laboratorios Farmacéuticos Rovi, S.A. (“**ROVI**” or the “**Company**”), and in order for the Board of Directors to carry out the annual assessment of this Committee pursuant to article 5.7 of the Board of Directors Regulations and article 529 *nonies* of Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Corporate Enterprises Act (Ley de Sociedades de Capital) (the “**Corporate Enterprises Act**”), this Committee shall draft an annual report on its operation, highlighting any main incidents arising in relation to the functions inherent to it. The Appointment and Remuneration Committee is therefore has therefore drafted this report, which may also include proposals to improve the Company’s rules of governance, if appropriate.

This report corresponding to the activities of the Appointment and Remuneration Committee during the period 1 January to 31 December 2021 will, in accordance with article 14.6 of the Board of Directors Regulations and article 24.1 of the Appointment and Remuneration Committee Regulations, be available to shareholders and investors on the Company's website (www.rovi.es) from the moment that the General Meeting of Shareholders is convened.

The content of this report complies with the recommendations in the Technical Guide 1/2019 of the Spanish National Securities Market Commission (the “**CNMV**”) on appointment and remuneration committees (the “**Technical Guide 1/2019**”), which are used as a reference for the Company.

II. Regulation, good governance framework and practical guidelines

The framework rules governing the organisation and operation of the Appointment and Remuneration Committee are established in the Corporate Bylaws, in the Board Regulations and the Appointment and Remuneration Committee Regulations, which are available for consultation online on the Company’s website (www.rovi.es).

In addition, as described in the Company’s Annual Corporate Governance Report for fiscal year 2021, the Appointment and Remuneration Committee complies with the CNMV’s Code of Good Governance for listed companies and the Technical Guide 1/2019 on appointment and remuneration committees.

III. Composition

Article 48 of the Corporate Bylaws and article 14 of the Board of Directors Regulations, together with article 13.1 of the Appointment and Remuneration Committee Regulations, stipulate that the Appointment and Remuneration Committee shall consist of at least three and not more than five directors, appointed by the Board of Directors from amongst its non-executive directors. In any case, the majority of the Committee

members must be independent directors. The members of the Appointment and Remunerations Committee will be appointed taking into account their knowledge, skills and experience in relation to the work that they are called on to perform.

The Chairman of the Appointment and Remunerations Committee must be an independent director, who must be replaced every four years, and re-elected one year after his term expires.

The composition of the Appointment and Remuneration Committee at 31 December 2021, was as follows:

- (i) **Mr. José Fernando Almansa Moreno-Barreda** (member of the Committee since 9 June 2015 and chairman since 7 May 2019) is an external independent director of ROVI. He was appointed director of the Company by the General Meeting of Shareholders on 9 June 2015 for the four-year term stipulated by the Bylaws and re-elected as director by the General Meeting of Shareholders held on 12 June 2019 for a further four-year term. Mr. Almansa holds a degree in Law from the University of Deusto (Bilbao). He is a diplomat, having joined the Spanish Diplomatic Service on 2 December 1974. From 1976 to 1992, he served in the following posts: Secretary of the Spanish Embassy in Brussels, Cultural Attaché at the Spanish Embassy in Mexico, Head of the Coordination Department in the Sub-Directorate General for Eastern Europe, Director of Atlantic Affairs at the Directorate General of Foreign Policy for Europe and Atlantic Affairs, Political Attaché at the Office of Spain's Permanent Representative to the North Atlantic Council in Brussels, Minister-Counsellor at the Spanish Embassy in the Soviet Union, Secretary General of the Spanish National Committee for the Fifth Centenary of the Discovery of America, and Deputy General Manager for Eastern Europe Office at the Directorate General for European Foreign Policy. From 1993 to 2002 he was appointed by His Majesty King Juan Carlos I as Head of the King's Household, with the rank of minister, and appointed Privy Counsellor to His Majesty King Juan Carlos I. He was a director of Telefónica S.A. between 2003 and 2016, holding the presidency of the Board's International Affairs Committee serving on the boards of various Telefónica S.A. subsidiaries in Latin America. He has also held office as a director of the Mexican bank BBVA BANCOMER and TELEFÓNICA MÓVILES S.A. in Mexico.
- (ii) **Mr. Marcos Peña Pinto** (member of the Committee since 9 May 2019) is an external independent director of ROVI. He was appointed director of the Company by co-option on 9 May 2019 and re-elected as director by the General Meeting of Shareholders on 12 June 2019. Mr. Peña Pinto holds a degree in Law from the Complutense University of Madrid, and he has passed the Spanish Civil Service examination, qualifying him as a Labour and Social Security Inspector. Between 1984 and 1989, Mr. Peña held the post of Employment Affairs Attaché at the Spanish Embassy in Italy. He then went on to serve as Secretary General of Health at the Spanish Ministry of Health and Consumer Affairs and Secretary General of Employment and Labour Relations at the Ministry

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Labour between 1991 and 1996. Between 2005 and 2006, he served as Expert Adviser on the Economic and Social Council, a body he subsequently chaired until April 2020. As a consequence of his period in office as Chairman of the Economic and Social Council, Mr. Peña Pinto also automatically held a seat on the Spanish Council of State. In April 2020, Mr. Peña was appointed a trustee of the CEOE Foundation (Spanish Confederation of Employers' Organisations). Among his other professional activities carried out, Marcos Peña has specialised in the field of collective bargaining, serving as Chairman of the Negotiating Committee for numerous collective agreements (e.g., Telefónica, RENFE, Repsol, Alcatel, Endesa, Astilleros, among others). Mr. Peña Pinto has also acted as arbitrator and mediator in a number of labour disputes with national repercussions, and he is the author of countless publications and a regular newspaper columnist.

- (iii) **Ms. Fátima Báñez García** (member of the Committee since 20 December 2019) is an external independent director of ROVI. She was appointed director of the Company by co-option starting on 20 December 2019 and re-elected as director by the General Meeting of Shareholders on 20 October 2020. Ms Báñez García holds degrees in Law and in Economics and Business Studies awarded by the Pontifical University of Comillas—ICADE E-3. She concluded her academic studies by earning a Postgraduate Degree in Business Administration from Harvard University, Boston, MA and completing the Public Management Leadership Programme at IESE Business School. She was Minister of Employment and Social Security of the Government of Spain from December 2011 until June 2018, and Acting Minister of Health, Social Services and Equality between August and November 2016. She also held public office as Member of Parliament for Huelva (2000-2019), where she has discharged important duties in the economic sphere for the Partido Popular parliamentary group, and she served as President of the Lower House Foreign Affairs Committee (2018-2019). Previously, she was a member of the board of directors of Radio Televisión de Andalucía, from November 1997 to June 2000. She began her professional career in private companies as head of Strategy and Business Development for a family business group (1993-1997), returning to the private sector in November 2019 as a consultant and business advisor. She has extensive international experience, representing Spain at EPSCO Council meetings, in the G-20, at Ibero-American Summits and at meetings of the OECD and the ILO, as well as other International Employment Forums. Ms Báñez is presently a director of Iberdrola México, S.A. and President of the CEOE Foundation.

The criteria used by the Board of Directors to determine the composition of the Appointment and Remuneration Committee has taken into account technical knowledge with respect to the Company's sector of activity, expertise in corporate governance, analysis and strategic assessment of human resources, selection of

directors and managers, performance of senior management functions, and the design of remuneration policies and plans for directors and senior managers, with respect to all the members of the Board, including those not independent.

Finally, the composition of the Appointment and Remuneration Committee reflects ROVI's commitment to diversity, not only of knowledge and experience, but also gender and age within its governing bodies, so that the decision-making process is enriched and diverse points of view are reflected in the debate on the issues within its scope of competence.

The offices of Secretary and Vice-Secretary of the Appointment and Remuneration Committee are performed by the same persons who hold these posts on the Board of Directors.

All the information on the members of the Appointment and Remuneration Committee is available on the Company's website (www.rovi.es).

The composition of the Committee in fiscal year 2021 therefore corresponds to the provisions of the Board of Directors Regulations, the Appointment and Remuneration Committee Regulations and the Corporate Enterprises Act, as it is exclusively composed of non-executive directors appointed by the Board of Directors, all of whom are independent; thus, the Chairman of the Committee is also an independent director.

IV. Functions and tasks carried out in 2021

The Appointment and Remuneration Committee, pursuant to article 14.2 of the Board of Directors Regulations and Chapter II of the Appointment and Remuneration Committee Regulations, has performed the tasks assigned to it in the 2021 financial year, including the following:

- **Proposal for the re-election of directors and re-election of the CEO**

In compliance with the policy on the composition of the Company's Board of Directors and Recommendation 14 of the Code of Good Governance, the Appointment and Remuneration Committee reviewed the level of compliance with the policy on the composition of the Board of Directors in 2021.

Moreover, given the fact that the posts of four directors of ROVI are due to expire soon, in compliance with the provision of article 529 *decies* of the Corporate Enterprises Act, and taking into consideration the policy on the composition of the Board of Directors, the Appointment and Remuneration Committee agreed to approve and submit to the Board of Directors a report on the re-election of Mr. Juan López-Belmonte López (proprietary director), Mr. Juan López Belmonte Encina, Mr. Javier López-Belmonte Encina and Mr. Iván López-Belmonte Encina (the latter three being executive directors) for the four-year period stipulated in the Bylaws.

In this respect, following the approval by the General Meeting held on June 2021 of the re-election of the above directors, the Committee agreed on a favourable report to the Board of Directors on the re-election of Mr. Juan López-Belmonte Encina as CEO of the Company with all the powers of the Board of Directors which may be delegated by law or under the Bylaws, for the same period of four years stipulated in the Bylaws for which he was appointed member of the Company's Board of Directors.

- **Report to the Board of Directors on the proposed appointment of the Chairman of the Board of Directors**

Following the death of Mr. Juan López-Belmonte López, the former Chairman of the Board of Directors, the Committee agreed to submit a favourable report to the Board of Directors on the appointment of Mr. Juan López-Belmonte Encina as Chairman of the Board of Directors of ROVI, in compliance with the provisions of the Succession Plan for the Chairman, the CEO and Senior Management of ROVI, in relation to article 14.2 of the Board of Directors Regulations and article 8 of the Appointment and Remuneration Committee Regulations.

In view of the status of Juan López-Belmonte Encina as executive director, the Board of Directors took note of the activity on the Board of the independent director Mr. Marcos Peña Pinto as coordinating director of the Company, under article 529 *septies* 2 of the Corporate Enterprises Act.

- **Annual report on the directors' remuneration**

In compliance with article 14.2 of the Board of Directors Regulations, which reflects the provisions of article 529 *quindecies* g) of the Corporate Enterprises Act, in February 2021, the Appointment and Remuneration Committee approved the Annual Directors' Remuneration Report and subsequently submitted it to the Board for its approval, in accordance with article 541 of the Corporate Enterprises Act, whose form has been established by Circular 4/2013, of 12 June, of the National Securities Market Commission (Comisión Nacional del Mercado de Valores (the "CNMV")) as amended by CNMV Circular 1/2020 of 6 October.

- **Individual remuneration of directors (in particular, of executive directors)**

In compliance with article 14.2 of the Board of Directors Regulations and article 11.b) of the Appointment and Remuneration Committee Regulations, in 2021 the Appointment and Remuneration Committee has proposed to the Board of Directors for its approval the distribution of the total remuneration agreed by the General Meeting of Shareholders for the Board among the Company's directors, according to their dedication and the nature of their services, taking into account the functions and responsibilities assigned to each director, membership of the Board's committees and other objective circumstances which are considered relevant.

The Appointment and Remuneration Committee also proposed to the Board of Directors the distribution between the executive directors of (i) fixed remuneration, (ii) annual variable remuneration according to their executive duties corresponding to 2020, and (iii) vested variable remuneration for the executive directors with respect to 2020, all in accordance with the terms and conditions agreed between the executive directors and the Company in their corresponding employment and service provision contracts.

Finally, the Appointment and Remuneration Committee submitted to the Board of Directors for its approval and subsequent submission to the General Meeting of Shareholders, the award of an extraordinary bonus for executive directors, in view of

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milestones achieved in relation to the production of one of the vaccines against COVID-19, and in compliance with the provisions of Article 529 *novodecies* 5 of the Corporate Enterprises Act and the current Remuneration Policy. To prepare the latter, the Company was advised by PricewaterhouseCoopers Tax & Legal, S.L.

- **Directors' remuneration policy and long-term incentive plan for executive directors**

In addition, the Appointment and Remuneration Committee, in accordance with article 529 *novodecies* of the Corporate Enterprises Act, prepared a report on the reasoned proposal for a Remuneration Policy for ROVI Directors for the period 2021-2024, which the Board of Directors submitted for the approval of the General Meeting of Shareholders of ROVI on 17 June 2021. This policy will be applied from the date of its approval and for the three following fiscal years (2022, 2023 and 2024), unless the Company's General Meeting agrees to amend or replace it during this period. In drafting this policy, the Company was advised by PricewaterhouseCoopers Tax & Legal, S.L.

Finally, once the term of the long-term incentive plan 2019-2021 for the Company's executive directors concluded, the Ordinary General Meeting of Shareholders of ROVI in 2021, acting at the proposal of the Board of Directors and with a prior favourable report from the Appointment and Remuneration Committee, approved the new cycle of the long-term incentive plan for executive directors of ROVI for the period 2022-2024. The Company was advised by PricewaterhouseCoopers Tax & Legal, S.L.

- **Review of the classification of the directors**

As happens each year, the Appointment and Remuneration Committee submitted to the Company's Board of Directors the assessment of the classification of each of the directors. This information was incorporated into the Annual Corporate Governance Report corresponding to 2020.

The Committee analysed the professional and personal circumstances of each of the directors to determine whether they maintained the classification currently assigned to each of them. It concluded that there had been no significant variation in the circumstances of any of the directors of ROVI such that their respective classifications should be modified. The categories of all the directors were therefore maintained.

- **Assessment of the quality and efficiency of the performance of the Board of Directors**

In 2021, for the purpose of complying with the provisions of Recommendation 36 of the Code of Good Governance of listed companies, the annual assessment of the performance of the Board of Directors in 2020 was carried out with the support of Deloitte Legal, S.L.P. acting as external advisor. The aim was to make the process more objective and independent, thus following the recommendations established for good practices applicable to corporate governance by the Corporate Enterprises Act and the Code of Good Governance of listed companies, inter alia. This assessment demonstrated the efficiency and correct operation of the Board of Directors of ROVI without giving rise to significant changes in its internal organization or in the procedures applicable to its activities.

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assessment of the Board consisted in the analysis of: (i) the quality and efficiency of its performance; (ii) the size, composition and diversity of the Board and its committees; (iii) the performance of the Chairman of the Board and the Company's CEO; (iv) the performance and contribution of the directors, in particular those responsible for the different committees; (v) the frequency and duration of the meetings; (vi) the content of the Agenda and the amount of time considered sufficient to dedicate to the different items; (vii) the quality of the information received; (viii) the breadth and openness of the debates; and (ix) the decision-making process within the Board; all the above in accordance with Recommendation 36 of the Code of Good Governance, as implemented by section 7 of the Technical Guide 1/2019.

The Appointment and Remuneration Committee verified the independence of Deloitte Legal, S.L.P. and issued a favourable report to the Board of Directors on the proposed appointment of said external consultant to assist in the assessment of the Board of Directors in 2020.

- **Remuneration policy of ROVI Senior Management**

The Appointment and Remuneration Committee, in compliance with the provisions of article 14 of the Board of Directors Regulations and article 11.a) of the Appointment and Remuneration Committee Regulations, which reflect article 529 *quindecies* of the Corporate Enterprises Act, prepared an internal remuneration policy for senior managers in the Company corresponding to 2021, which was submitted to the Board of Directors for approval.

- **Monitoring of compliance with the economic and financial, non-financial and corporate information policy, communication policy, and policy on relations with shareholders, institutional investors and proxy advisors**

The Appointment and Remuneration Committee agreed to report on the compliance with the information policy on economic and financial, non-financial and corporate matters and on communication and shareholder relations, institutional investors and proxy advisors to the Board of Directors, in compliance with the provisions of recommendations 53 and 54 of the Code of Good Governance of listed companies and article 14.2 of the Board Regulations, in virtue of which, the Appointment and Remuneration Committee is responsible for supervising the communication and shareholder and investor relations strategy.

- **Environmental and corporate sustainability report**

In compliance with the functions under article 14.2 of the Board Regulations, in March 2021, the Appointment and Remuneration Committee agreed to issue a favourable report to the Board of Directors on the Environmental and Social Sustainability Report (formerly the Corporate Social Responsibility Report) corresponding to 2020, which is drafted in compliance with recommendation 55 of the Code of Good Governance.

- **Proposal relating to the modification of the Company's internal regulations**

In 2021 the Appointment and Remuneration Committee has issued proposals relating to amendments to the Company's internal regulations. Specifically, proposals were presented to the Board of Directors to modify the Board of Directors Regulations in

matters affecting this Committee's competences and the Appointment and Remuneration Committee Regulations. In particular, these modifications were carried out in order to (i) include the amendments to the law in the Corporate Enterprises Act following the approval of Spanish Law 5/2021 of 12 April, which amended the Corporate Enterprises Act and other financial regulations in order to foster long-term involvement by the shareholders of listed companies; and (ii) incorporate some improvements of a technical nature to clarify the meaning of some matters, perfect their drafting and ensure a better understanding of them.

- **Information given to the General Meeting of Shareholders on the Committee's activities**

In compliance with the CNMV Technical Guide on appointment and remuneration committees, this Committee (acting through its Chairman) has reported to the General Meeting of Shareholders on the Committee's activities and the relevant issues which took place during the year, related to matters within its competence, of which a summary is included in this report.

V. Meetings held by the Committee and their constitution in 2021

In ordinary cases, and in accordance with article 19 of the Appointment and Remuneration Committee Regulations, the Appointment and Remuneration Committee meets every quarter. It may also meet at the request of any of its members and whenever called to meet by its Chairman, who must do so whenever the Board or its Chairman requests the issue or drafting of a report or the adoption of proposals; and, in any other case which is appropriate for the correct performance of its functions.

The Appointment and Remuneration Committee met ten times in 2021, which allowed it to perform its functions correctly. All its members attended all the ten meetings of the Appointments and Remunerations Committee. The Committee has been assisted by the occasional participation of the members of senior management and of other managers at its meetings, when their presence was necessary or appropriate for them to inform the Committee on the materials within its competence, contributing with its vision in the decision-making process of the Committee members. The above persons attended the meetings when invited by the Committee. Their attendance was limited to dealing with the items on the agenda for which they had been called, and in no cases were they present at the decision-making part of the meetings.

The Appointment and Remuneration Committee will account for its activity and for the work carried out at the first full meeting of the Board of Directors after each of its own meetings, the minutes of which are copied to all members of the Board. The minutes of each of the Committee meetings have been included in a digital minute book, and signed in each case by the Committee's Chairman and Secretary.

The Appointment and Remuneration Committee shall be deemed quorate if those attending, either in person or represented by proxy, account for at least the majority of its members; and it shall adopt its resolutions by majority of its members, present or represented by proxy at the meeting. The Chairman has the casting vote in case of a tie.

VI.

Assessment of the operation and performance of the Appointment and Remuneration Committee Conclusions

The performance of the Appointment and Remuneration Committee was satisfactory in 2021. In particular, each of the members of the Board of Directors of ROVI and its committees was contacted for the purpose of their self-assessment and questionnaires. By this means, the members of the Committee and other directors assessed positively the current composition of the Committee, the level of preparation, knowledge, monitoring and execution of the work commissioned from the Committee by the Board of Directors; and the internal operation and formal aspects of this Committee.

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This report was drafted by the ROVI Appointment and Remuneration Committee on 22 February 2022 and approved by the Board of Directors at its meeting on the same date.