ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

THIS TRANSLATION IS FOR INFORMATION PURPOSES ONLY.

IN THE EVENT OF ANY DISCREPANCY BETWEEN THE SPANISH VERSION AND THE ENGLISH VERSION, THE SPANISH VERSION SHALL PREVAIL.

ISSUER IDENTIFICATION

Year-end date: 31/12/2020

Tax identification No: A-28041283

Company name:

LABORATORIOS FARMACEUTICOS ROVI, S.A.

Registered address:

JULIAN CAMARILLO, 35 MADRID

A. REMUNERATION POLICY OF THE COMPANY FOR THE PRESENT YEAR

A.1. Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the general shareholders' meeting, provided that these references are clear, specific and concrete.

The specific determinations for the year in progress carried out by the board should be described, regarding both the remuneration of directors in their status as such and as a result of their executive functions, pursuant to the contracts signed with executive directors and to the remuneration policy approved by the general shareholders' meeting.

At any event, at least the following aspects should be reported:

- Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.
- Indicate and, if applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- Information on whether any external advisors took part in this process and, if so, their identity.

To prepare the director remuneration policy, Laboratorios Farmaceuticos Rovi, S.A. (ROVI), through the Appointments and Remuneration Committee (A&RC), took into account the general consideration that director remuneration should be the necessary amount to attract, retain and motivate directors with suitable professional profiles to help reach the Company's strategic goals. The policy is based on the following principles:
- Moderation and alignment with the best market practice: ROVI strives for the remuneration of its directors to be moderate and in line with the trends and practices concerning remuneration followed in its sector of activity or in companies that, due to their size, activity or structure, are comparable, in such a way that it is aligned with the best market practices.
- Proportionality: the remuneration of external directors will be the necessary amount to remunerate the dedication, qualifications and responsibility that the position demands, but not so high as to jeopardise the independence of the non-executive directors' criteria.
- Compatibility: the remuneration received by directors for performing their functions on the Board will be compatible with and independent from the remuneration or compensation fixed for those directors who carry out executive duties in the Company or its Group.
- Involvement of the A&RC: The A&RC proposes the director remuneration policy to the Board of Directors, so that the latter can, in turn, submit it to the General Meeting.
- Approval of the maximum sum by the General Shareholders' Meeting and delegation to the Board: on the basis of the maximum annual amount fixed and approved by the General Meeting, the Board is responsible for distributing said sum among its members in accordance with the functions and responsibilities assigned to each director, membership of Board committees and any other objective circumstances deemed relevant, subsequent to a report from the A&RC. It is planned to propose to the General Meeting the sum of EUR 820 thousand as the global amount assigned to Board members for performing their duties as directors in the year 2021, in comparison with the sum approved in the preceding year (EUR 660 thousand). The goal of this is, among others, to update the remuneration of the Board of Directors and bring it into line with that of comparable companies, as announced in 2020, and the objective of giving the Company the necessary flexibility to undertake an eventual increase in the number of Board members.

It should be noted that the update of the remuneration of the members of the Board of Directors, although not applied in the first half of the financial year 2020 in view of the context of uncertainty resulting from the COVID-19 pandemic, was applied proportionally in the second half of the financial year 2020, once the Company's situation had been assessed following the impact of the pandemic and in the amounts described in Section B5 of this report.
- Likewise, with regard to the basic principles of the directors remuneration policy applied in the previous year, the Company plans to amend the current Remuneration Policy, among other aspects, to adapt it to the latest amendments introduced by the CNMV in the Good Governance Code in June 2020 and in relation to the maximum amount to be distributed among the members of the Board of Directors in their capacity as such, and it will therefore be proposed to the General Meeting that this limit be fixed at the end of the year at EUR 1,000 thousand, instead of the current EUR 780 thousand, as indicated before, in order to update the remuneration of the directors in their capacity as such and bring it into line with the sum received in comparable companies, attract and retain talent on the Board of Directors, and provide the Company with the necessary flexibility for a possible increase in the number of Board members.
(Continued in section D)

- Relative importance of variable remuneration items vs. fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to guarantee a suitable balance between the fixed and variable components of remuneration. In particular, specify the actions that the Company has adopted in relation to the director remuneration system in order to reduce its exposure to excessive risks and adapt it to the Company's long-term interest, which will include, as the case may be, a reference to measures envisaged to ensure that the remuneration policy takes into account the long-term performance of the company, measures taken in relation to categories of staff whose professional activities have a material impact on the risk profile of the company and measures envisaged to avoid conflicts of interest.

Furthermore, state whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or the delivery of accrued and vested financial instruments,
or if any clause exists reducing the deferred not vested remuneration or that obliges the director to return remuneration received when such remuneration has been based on certain figures that afterwards have clearly been shown to be inaccurate.

In respect of the weight of variable items of remuneration in comparison with fixed ones, the Company's remuneration policy has been and is for the fixed remuneration of the executive directors to represent a reasonable and balanced proportion of the total remuneration to which they are entitled. Thus, these past years (including the current year), the amount of the fixed remuneration component has been (and will be) proportionate in comparison with the variable component. Specifically, the overall annual bonus to be received by the executive directors in relation to the goals fixed for each year will be up to 50% of the fixed global remuneration received by the executive directors overall for performing their executive functions (this percentage may rise to 60% in the event that the objectives fixed are surpassed), depending on the objectives set for the Group and for each director at the beginning of the year.
In addition, the variable remuneration is intended exclusively for executive directors for the performance of their senior management duties during the year. In other words, the Company's director remuneration policy does not provide for external directors to receive any variable remuneration.
The measures or actions that the Company has adopted in relation to the director remuneration system in order to reduce its exposure to excessive risks and adapt it to the Company's long-term goals, values and interests are as follows:

- Proportion between fixed remuneration and variable remuneration: the fixed components of director remuneration represent a reasonable and balanced proportion in respect of the variable components, thus maintaining a suitable balance in the remuneration structure and favouring prudent management of risks. In particular, in 2021, the global variable remuneration to be received by the executive directors will be equal to approximately 50% of the fixed remuneration received.
- Restriction of the variable remuneration to executive directors: following corporate governance recommendations, the variable components of the remuneration are restricted to the executive directors since they form part of the most senior personnel whose professional activities have a material effect on the risk profile of the entity and the Group.
- Long-term performance of the Company: to determine the variable remuneration to which the executive directors are entitled, account is taken of both the Company's organic growth and its growth in value through, among other factors, obtaining strategic alliances or carrying out investment transactions during the year help to reinforce the Company's bases for present and future growth. Likewise, the development and capitalisation of investments made will be considered.
- Deferral of payment of 30% of the executive directors' annual variable remuneration over a period of two years, at a rate of 15% each year, in order to verify that the objectives set in order for it to accrue have been accomplished.
- In addition, the executive directors' contracts include clawback clauses that allow the Company to claim reimbursement of the sums paid as variable remuneration, whether annual or multi-year, in the event that within two years following such payment if the inaccuracy is proven of the accounts, results or financial or other data to the detriment of the Company on which the variable remuneration in question was granted, or when the payment was not in line with the performance conditions of the executive director, regardless of whether or not he was responsible for it, being obliged to reimburse the Company for the variable remuneration received in excess.
- Long-term incentive plan for the executive directors, likewise intended to remunerate the creation of value in the Group in order to align the shareholders' interests with prudent risk management in a multi-year framework. In order to verify the effective accomplishment of the director's objectives, payment of this incentive will be deferred with the following payment structure: (i) 70% will be paid, where appropriate, during the first quarter of the year following the conclusion of the plan, after the effective accomplishment of the director's objectives established in the plan has been verified; and (ii) the remaining 30% will be paid, where appropriate, in the first quarter of the second year commencing the conclusion of the pertinent plan, provided that certain circumstances are not shown to exist, such as a serious breach of ROVI's Code of Ethics by the beneficiary, or if there are qualifications in the statutory audit report that reduce the Company's results. In this case, the incentive shall be forfeited in proportion to the Director's serious breach of ROVI's Code of Ethics, or to the qualifications in the statutory auditor's report which reduce the Company's results and which have been taken into account for the accrual of the incentive.
- In relation to potential conflicts of interest, the Regulations of ROVI's Board of Directors regulate conflicts of interest and state that they will be reported to the Board by the persons affected themselves, who will refrain from participating in the deliberations and voting on the transaction to which the conflict refers.

- Amount and nature of fixed components that are expected to be accrued during the year by directors in their status as such.

A maximum fixed annual remuneration of EUR 820 thousand (EUR 660 thousand in 2020) assigned to the members of the Board of Directors for performing their functions as directors will be submitted for the approval of the Company's General Meeting for the year 2021. This amount allows, if appropriate, for the remuneration of Board members to be updated for the entire year of 2021 (in line with the update carried out in the second half of 2020) and brought into line with comparable companies and with the objective of achieving the necessary flexibility for the Company to increase the number of Board members and to attract and retain talent on the Board. This sum, which must be approved by the General Shareholders' Meeting in accordance with the Corporate Bylaws, refers to the overall remuneration of all the directors in their capacity as such. The Board of Directors shall distribute the sum among its members, taking into account the functions and responsibilities assigned to each director, membership of Board committees and any other objective circumstances it deems relevant. It is noted that higher remuneration has been fixed for the Chairman of the Board than for the other Board members due to his institutional functions and functions of representing the Company at the highest level, among other non-executive duties that the Chairman performs. Apart from the foregoing, the directors of ROVI do not receive per diem allowances for taking part in meetings of the board and its committees or any other fixed remuneration as directors.

- Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

The executive directors will receive the remuneration fixed in their contracts for performing their senior management duties in 2021, the global maximum amount of which is EUR 1,100 thousand and which includes fixed salary, life and disability insurance, pension plan contributions and other items that are established in general for part of the Company's personnel. The fixed remuneration of the executive directors, like that of the rest of ROVI's workforce, is revised taking into account the percentage that is fixed regularly in the General Collective Agreement of the Chemical Industry.

- Amount and nature of any component of remuneration in kind that are due to be accrued during the year, including, but not limited to, insurance premiums paid in favour of the director.

It is not planned for the directors to be beneficiaries of welfare systems, such as supplementary pensions, life insurance or similar items in 2021, except those corresponding to the executive directors for performing their senior management functions during the year. Specifically, in the case of the executive directors, their remuneration may be supplemented with other non-cash compensation (life insurance, annual health checks-ups, etc.) that are established in general for part of the Company's workforce.

Additionally, as remuneration in kind, the executive directors enjoy the private use of a company car that the Company holds under a full-service leasing system, which amounted to an aggregate sum of approximately EUR 30 thousand in 2020. This amount is expected to be similar in 2021.

Regarding payment of insurance premiums of which the executive directors are beneficiaries, they totalled an aggregate annual amount of approximately EUR 1.1 thousand in 2020. These insurances provide cover in the cases of natural death, accidental death and permanent total disability, due to any kind of illness or accident. Payments under this heading are expected to come to a similar amount in 2021.

- Amount and nature of variable components, differentiating between those established in the short and long term Financial and non-financial parameters, with the latter including social, environmental and climate change parameters selected to determine variable remuneration in the year in progress, explaining the extent to which these parameters are related to performance, both of the director and of the company, together with their risk profile, and the methodology, deadline necessary and techniques established to determine the degree of effective compliance with the parameters used in the design of the variable remuneration at the end of the year, with an explanation of the criteria and factors it applies with regard to required time and methods for verifying effective fulfilment of the performance or other conditions to which the accrual and vesting of each component of variable remuneration was tied.

  State the range, in monetary terms, of the different variable components according to the degree of compliance with the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

• Annual variable remuneration
Variable remuneration at ROVI is intended to remunerate the creation of value in the Group in order to align the shareholders' interests with prudent risk management and the long-term generation of value for the Company and its Group and is restricted solely to the executive directors. In this respect, the variable remuneration of the executive directors is determined in accordance with the degree to which a series of quantitative and qualitative objectives, fixed individually for each one of the executive directors, are met. The criteria for determining the variable annual remuneration (or bonus) for 2021 to be received solely by the executive directors will be based on the following parameters:
a) the evolution of the ROVI's Group's operating revenue in accordance with the budgeted targets fixed in the Business Plan and the attainment of the strategic goals determined in said Plan;
b) the contribution to both the Company's organic growth and its growth in value through, among other factors, obtaining strategic alliances or carrying out investment transactions during the year help to reinforce the Company's bases for present and future growth. Likewise, the development and capitalisation of investments made will be considered;
c) other qualitative elements that allow the amount of variable remuneration established to be adjusted will also be taken into consideration. Among other items, the Company's evolution in comparison with that of other comparable entities, the general market situation, any significant events that take place with a positive impact on the Company's results, or the global evaluation of the directors' performance of their functions, as well as non-financial indicators, such as social, environmental and climate-change indicators and indicators concerning compliance with corporate governance rules, codes of conduct and internal procedures (for example, control and risk management policies), will be evaluated;
d) lastly, personal goals may be established that take account of the strategy of the pertinent department or area, within the framework of the business objectives for the Company.
It is planned to assign objectives for 2021 to each executive director (between three and four objectives per year), seeking a balance between the common, group, departmental or area objectives and the individual objectives, which must be at least 80% accomplished in order the receive the variable remuneration and 120% of which, calculated on a straight-line basis, may be paid if the objectives are met. In order to encourage balanced accomplishment of all the objectives set in order to receive the variable remuneration, it will be necessary for all of them overall, considered on a weighted basis, to be 70% accomplished.
The A&RC will evaluate the degree of attainment of the objectives after the year has ended and the results are available. The Committee will then make a proposal to the Board of Directors.
In order to verify that the objectives fixed for it to accrue have been met, 30% of the annual variable remuneration of the executive directors will be deferred for a period of two years, at a rate of 15% per year. The annual variable remuneration that has accrued but payment of which has been deferred may be reduced or eliminated in the event that certain circumstances are shown to exist, such as a serious breach of ROVI's Code of Ethics by the beneficiary, or if there are qualifications in the statutory audit report that reduce the Company's results. In this case, the incentive shall be forfeited in proportion to the Director's serious breach of ROVI's Code of Ethics, or to the qualifications in the statutory auditor's report which reduce the Company's results and which have been taken into account for the accrual of the incentive.
Like the rest of senior managers, a variable incentive has been fixed for the executive directors for 2021. The variable remuneration is tied to the Company's results and the attainment of the objectives fixed, which must be aligned with the Company's interests and the professional performance of the beneficiaries, in such a way that it does not derive simply from the general evolution of the markets, the Company's sector of activity or other similar circumstances. The objective, as for other Group senior management, is to create competitive remuneration packages that allow professional talent to be attracted to and retained in the Group, while, at the same time, a link is established between the remuneration and the results and the attainment of objectives for the Company and the ROVI Group.
The A&RC has estimated the overall annual premium (or bonus) to be received by the executive directors in relation to the goals fixed for 2021 at up to 50% of the global fixed remuneration received by the executive directors overall for performing executive functions, depending on the accomplishment of the objectives established for the Group and for each director at the beginning of the year and the aforementioned criteria. It may be raised to 60% in the event of over-performance. The exact amount corresponding to each executive director will be determined by the Board of Directors.
Therefore, the absolute maximum amount to which the annual variable remuneration of the executive directors could give rise for the year 2021 would be EUR 550 thousand, which could reach EUR 660 thousand in the event of over-performance.
In short, the annual variable remuneration of the executive directors is configured to reward both the directors' individual contributions and the contributions of the teams to which the executive directors belong, as well as the contribution of all of them to the Group's results.
• Multi-year variable remuneration
The General Shareholders' Meeting held on 29 May 2018 approved a new long-term incentive plan (2019-2021) as a continuation of the 2016-2018 plan, restricted solely to ROVI's executive directors. It has a duration of three years and, subject to the relevant approvals by the General Meeting, it would be renewed following after this period has ended (consecutive cycles). One requirement for receiving this remuneration is that the beneficiary must remain with the service of the Company at the time it is paid, apart from special exceptions (e.g., death, disability or retirement).
The total amount that the director can receive, if he accomplishes 100% of the objectives set in the long-term incentive plan, is equivalent to one annual payment of his average annual salary during the three years the plan is in force. Settlement will be made, at the beneficiary's choice, fully in cash, fully in ROVI shares, or under a mixed system of 50% cash and 50% shares, with 70% paid at the end of the three-year accrual period and the remaining 30% a year later, as described below (the “Incentive”), except in special cases of early settlement in which the Incentive will be paid in cash unless, at the beneficiary’s request, and provided that the Board of Directors deems that it is not detrimental to the corporate interest, the Board determines that it may be settled in shares. Events of early settlement include a change of control in the Company, in which case the Director will receive the full amount corresponding to the plan, assuming 100% compliance with the objectives fixed, regardless of the percentage of the same as that which would have accrued on the date of occurrence or the timing of occurrence. In the event of early settlement due to (i) unilateral withdrawal by ROVI or disciplinary dismissal of the Director declared or recognised as improper by a final court ruling, or by agreement reached in judicial or extrajudicial conciliation before the competent bodies in each case; or (ii) termination of the employment relationship at the request of the Director and due to a serious and culpable breach by ROVI of its obligations as an employer under the provisions of the Workers' Statute, declared by a final court ruling, or in an agreement reached in a judicial or extrajudicial conciliation process before the competent bodies in each case, the amount of the Incentive accrued shall be prorated by the number of days elapsed between the start of the plan and the date on which the circumstance giving rise to the early settlement of the plan occurs.

However, if shares are chosen as partial or total settlement of the Incentive, the director may not transfer ownership or exercise them until a period of at least three years has elapsed. An exception is made where the director maintains, at the time of the transfer or exercise, a net economic exposure to share price changes of a market value equivalent to an amount of at least twice his annual fixed remuneration through share ownership. The foregoing shall not apply to shares which the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favourable assessment of the A&RC, to meet extraordinary circumstances requiring such disposal.
The criteria for establishing this long-term incentive plan takes the following parameters into account: a) the increase in the listed value of the Company's shares; b) the evolution of the ROVI's Group's business results, in which respect parameters such as EBITDA, margin or revenue will be taken into account; and c) qualitative parameters (social and environmental and corporate governance parameters) that promote the Company's sustainability and include non-financial criteria that are suitable for sustainable long-term value creation, such as compliance with the Company's internal rules and procedures and its risk control and management policies. Said objectives must be met to a degree of at least 80% in order for the Incentive relating to the objective to be received. Up to a maximum of 120% of the director's annual average fixed salary during the three years the plan is in force, calculated on a straight-line basis, may be paid if the objectives are accomplished at their maximum level. To achieve balanced attainment of all the objectives established, in order to receive the incentive, it will be necessary for 70% of the objectives overall, considered on a weighted basis, to be accomplished while the plan is in force. The A&RC will evaluate the degree to which the objectives have been attained after the three years to which the plan refers have ended and, when their results are available, after which the A&RC will make a proposal to the Board of Directors.
In order to verify the effective accomplishment of the director's objectives, payment of this incentive will be deferred with the following payment structure:
- El 70% of the Incentive will, if appropriate, be paid, after effective attainment of the director's objectives established in the plan has been verified, in the first quarter of the year following the conclusion of the plan.
- The remaining 30% will be paid, where appropriate, in the first quarter of the second year commencing the conclusion of the pertinent plan, provided that certain circumstances are not shown to exist, such as a serious breach of ROVI's Code of Ethics by the beneficiary, or if there are qualifications in the statutory audit report that reduce the Company's results. In this case, the incentive shall be forfeited in proportion to the Director's serious breach of ROVI's Code of Ethics, or to the qualifications in the statutory auditor's report which reduce the Company's results, and which have been taken into account for the accrual of the incentive.

- Main characteristics of long-term savings systems. Among other information, it shall state the contingencies covered by the system, whether through defined contributions or benefits, the annual contribution that needs to be made to the defined contribution system, the benefits directors are entitled to in the event of defined benefit systems, the conditions under which economic rights are vested for directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director.

  State if the accrual or vesting of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the short- or long-term performance of the director.

The Company makes annual contributions to the individual system defined-contribution Pension Plans held by the executive directors, with cover for contingencies such as retirement, disability, death and a high degree of dependence on others.
In relation to these defined-contribution plans, the Company makes pre-determined contributions to a separate entity and has no obligation to make additional contributions. The obligation is limited to the defined contribution to which the Company has committed. The fund participants may, individually, request that their vested and/or economic rights be moved to another Pension Plan or Insured Benefit Plans. The maximum term for moving them will be five days as of receipt by the original entity of the request with the relevant documentation. The vested rights are not available until one of the contingencies set out in the specifications of the Fund itself occurs or in the exceptional cases of liquidity (serious illness or long-term unemployment).
The Company, as it has been doing for many years, intends to make annual contributions in 2021 to the aforementioned individual defined-contribution pension plans in favour of the executive directors for a global amount that will not exceed EUR 60 thousand.
The Company does not have any sum that has been saved or accumulated for pension, retirement or similar benefits.

- Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the director to any type of remuneration.

At the date of this report, no golden parachute clauses or severance pay has been agreed by ROVI in the event of termination of the functions of the Company's directors, or any of the agreements referred to in this section for directors in their capacity as such.

- State the conditions that contracts should respect for those exercising senior management functions as executive directors. Among others, information should be provided on the duration, limits on amounts of severance pay, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to hiring bonuses, compensation and golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non- competition, exclusivity, permanence and loyalty, and post-contractual non- competition, unless these have been explained in the previous section.

The executive directors hold ordinary employment contracts or service contracts, depending on the case, with indefinite terms, in order to regulate the performance of their senior management functions. Regarding the causes of termination of the contracts and their consequences, the employment contracts apply the provisions of the Workers' Statute. With respect to the service agreements, a severance payment in favour of a director is envisaged in the event of termination of the contractual relationship of a gross amount equal to twice the arithmetic mean of the total annual remuneration earned during each of the last three full financial years immediately prior to the date of termination of the contract, excepting cases where (i) the director resigns for reasons other than those set out in his contract or (ii) the Company revokes the contract due to the director's failure to comply with his duties as established by law, by contract or in internal regulations, or the existence of a reason for fair dismissal in accordance with labour legislation (except for unilateral termination by the employer). Regarding the notice periods, in both types of contract -employment and service-, a term of 60 days' notice is fixed in order for the director to end the contract, although in the event that said notice period is not met, the director must indemnify the Company with a sum equivalent to the remuneration that would correspond to him for the unobserved notice period. Likewise, the contracts of all the executive directors include a non-compete clause under which the director may not compete with the Company during a period of two years after his contract ends, for which he will receive gross amount equal to the arithmetic mean of the total annual remuneration accrued in each of the three last complete years immediately prior to the termination of his contract. For the calculation of the non-competition compensation as well as the compensation for the termination of the service agreement, the following items are to be included in the total annual remuneration: Fixed Remuneration, Per Diem allowances, Salary, Short-term Variable Remuneration, Long-term Incentive, Remuneration for savings schemes, life insurance and other established compensation such as the annual contribution to the company vehicle that the Company leases. Termination or severance payments shall include any payments whose accrual or payment obligation arises as a result of or in connection with the termination of the contractual relationship between the director and the company, including amounts not previously vested in long-term savings schemes and amounts paid under post-contractual non-competition agreements. It should be noted that the terms of this provision are aligned with the latest amendments introduced by the CNMV in the Good Governance Code in June 2020 and which were introduced in the contracts of executive directors following the review carried out at the end of the 2020 financial year.

Lastly, all the contracts include a clawback clause that allows the Company to claim reimbursement of the sums paid as variable remuneration, whether annual or multi-year, in the event that within two years following such payment if the inaccuracy is proven of the accounts , results or financial or other data to the detriment of the Company on which the variable remuneration in question was granted, or when the payment was not in line with the performance conditions of the director, regardless of whether or not he was responsible for it, being obliged to reimburse the Company for the variable remuneration received in excess (clawback clause).

- The nature and estimated amount of any other supplementary remuneration accrued by directors in the year in progress in consideration for services rendered other than those inherent in the post.

At the date of this report, no supplementary remuneration accrues to the directors in consideration for services rendered other than those inherent to the post.

- Other remunerative items such as those derived, as the case may be, of the company granting the director advance payments, loans, guarantees or any other remuneration.

In the present year, no provision is made for any remuneration in the form of advance payments, loans or guarantees to any director.

- The nature and estimated amount of any other planned supplementary remuneration accrued by directors in the year in progress that are not included in the previous sections, whether payment is satisfied by the company or another group company.

No items of remuneration other than those described above exist, although related transactions exist with some of the directors, as described in the Company's Annual Corporate Governance Report, the annual financial statements and the half-yearly financial statements.

A.2. Explain any relevant changes in the remuneration policy applicable during the year in progress arising from:

- A new policy or a modification of the policy already approved by the General Meeting.
- Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.
- Proposals that the board of directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and which are proposed to be applicable to the current year.

The General Shareholders' Meeting held on 12 June 2019 approved the director remuneration policy that will be applied during the years 2020, 2021 and 2022. This policy, which replaces the policy approved by the General Meeting held on 31 May 2016, does not introduce any significant changes to the policy applied from 2016 to 2019. In any case, and as mentioned above, the Board of Directors intends to propose to the General Meeting the modification of the current Remuneration Policy, among other aspects, to adapt it to the latest modification introduced by the CNMV in the Good Governance Code in June 2020 and in relation to the maximum amount to be distributed among the members of the Board of Directors in their capacity as such, fixing this maximum amount to EUR 1,000 thousand instead of the current EUR 780 thousand, with the aim of updating the remuneration of directors in their capacity as such (in line with the modification introduced in the second half of the 2020 financial year) to align it with that perceived in comparable companies, to attract and retain talent on the Board and to provide the necessary flexibility to the Company for an eventual enlargement of the Board. Likewise, in relation to the Long-Term Incentive Plan for Executive Directors, which is due to be renewed at the end of 2021, subject to the corresponding approval by the General Meeting of the Company, it will be considered to include in the Remuneration Policy, the amendment of which will be submitted for approval at the Ordinary General Meeting to be held during the current financial year together with the new 2022-2024 plan, an increase in its amount in order to increase the weight of variable remuneration in the total remuneration of the executive directors, as well as to consider that the receipt of such remuneration, at least partially, can be in shares, in line with international market practices, the CNMV's good governance recommendations and the capitalisation acquired by the company in the last few years.

A.3. Identify the direct link to the document where the current company remuneration policy is posted, which must be available on the web page of the company.

The current Director Remuneration Policy Is available on the corporate website and may be accessed through the following link:
https://www.rovi.es/sites/default/files/5-Informe%20CNyR%20Pol%C3%ADtica%20de%20Remuneraciones%20JA%202019_1.pdf

A.4. Explain, in due consideration of the data supplied in section B.4, how account was taken of the voting of shareholders at the general meeting to which the annual remuneration report for the previous year was submitted to a vote on an advisory basis.

The Annual Remuneration Report for the preceding year was approved, on a consultative basis, by ROVI's Ordinary General Shareholders' Meeting with the vote in favour of 99.52% of the votes validly cast.

B. GLOBAL SUMMARY OF HOW THE REMUNERATION POLICY HAS BEEN APPLIED DURING THE YEAR ENDED

B.1. Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the board of directors and, as the case may be, the identity and the role of the external advisors whose services have been used in the process to apply the remuneration policy in the year ended.

ROVI's General Shareholders' Meeting held on 20 October 2020 passed a resolution to fix a maximum total annual remuneration of EUR 660 thousand for the members of the Board of Directors in their capacity as such for 2020.
The General Meeting delegated to the Board of Directors the distribution of said sum, taking into account the functions and responsibilities assigned to each director, membership of Board committees and other objective circumstances deemed relevant.
Consequently, the Board of Directors distributed EUR 585 thousand of the maximum sum of EUR 660 thousand approved by the General Meeting, in favour of the members of the Board of Directors as the annual fixed remuneration for 2020 for their performance of their functions as directors. It was allocated taking account of the functions and responsibilities assigned to each director, membership of Board committees and other objective circumstances deemed relevant, subsequent to a prior proposal from the A&RC.
In particular, in 2020, an update of the remuneration of the Board of Directors had been announced in order to align it with that of comparable companies. However, in view of the context of uncertainty resulting from the COVID-19 pandemic, this update did not take place from the beginning of the financial year but took effect in the second half of the financial year 2020, once the situation of the Company after the impact of the pandemic had been assessed. In particular, the good results in 2020, the progress of the Company and its growing size are some of the factors that have led to the remuneration update in the second half of the year.
Likewise, the Board decided to distribute global annual fixed remuneration of EUR 1,050 thousand among the executive directors as remuneration for their executive and senior management duties, in accordance with their executive contracts and the terms and conditions agreed with the Company, taking account of the functions and responsibilities exercised by each director, based on a proposal submitted by the A&RC. Once the relevant adjustments had been made in accordance with the conditions of their contracts, the executive directors received a total amount of EUR 834.55 thousand as global fixed remuneration.
Regarding the variable incentive for the executive directors, the Board distributed EUR 397 thousand, at the proposal of the A&RC, taking into account the Company's results for 2020 and the objectives set for each director. This amount, fully vested, corresponds to 70% of the annual variable remuneration accrued and vested during the financial year 2020, 15% of the remuneration accrued in the financial year 2019 and 15% of the remuneration accrued in the financial year 2018.
For the allocation of these amounts to the executive directors, in addition to criteria based on parameters such as the evolution of the ROVI Group's operating income in accordance with the objectives budgeted and established in the Business Plan and compliance with the strategic objectives determined in said Plan as well as the objectives established for each director, the results obtained by the different management areas for which each of the executive directors is responsible, the development and, where appropriate, execution of strategic projects for the ROVI Group, as well as the criteria fixed in the Directors' Remuneration Policy approved by Rovi's General Shareholders' Meeting held on 12 June 2019. It is hereby stated for the record that it is planned to propose to the next Ordinary General Shareholders' Meeting the modification of the aforementioned Remuneration Policy, for which the Company has, as stated above, the advice of Landwell-PricewaterhouseCoopers Tax & Legal Services, S.L.
Likewise, to fix the annual variable remuneration of the executive directors for 2020, individual non-financial objectives, related to social, environmental and climate change parameters and compliance with corporate governance rules, the codes of conduct and internal procedures were taken into account (for example, risk management and control policies).

B.2. Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adapting it to the long-term objectives, values and interests of the company, including a reference to the measures that have been adopted to guarantee that the long-term results of the company are taken into account in the remuneration and have achieved an appropriate balance between fixed and variable components in relation to categories of staff whose professional activities have a material impact on the risk profile of the company and what measures have been taken to avoid conflicts of interest, as the case may be.

The measures or actions that the Company has adopted in relation to the director remuneration system in order to reduce its exposure to excessive risks and adapt it to the Company's long-term goals, values and interests are as follows:
- Proportion between fixed remuneration and variable remuneration: the fixed components of director remuneration represent a reasonable and balanced proportion in respect of the variable components, thus maintaining a suitable balance in the remuneration structure and favouring prudent management of risks. In particular, in 2020, the global variable remuneration received by the executive directors was equal to approximately 47.57% of the fixed remuneration received.
- Restriction of the variable remuneration to executive directors: following corporate governance recommendations, the variable components of the remuneration are restricted to the executive directors inasmuch as the form part of the most senior personnel whose professional activities have a material effect on the risk profile of the entity and the Group.
- Long-term performance of the Company: to determine the variable remuneration to which the executive directors are entitled, account is taken of both the Company's organic growth and its growth in value through, among other factors, obtaining strategic alliances or carrying out investment transactions during the year help to reinforce the Company's bases for present and future growth.
- Deferral of payment of 30% of the executive directors' annual variable remuneration over a period of two years, at a rate of 15% each year, in order to verify that the objectives set in order for it to accrue have been accomplished.

- In addition, the executive directors’ contracts include clawback clauses that allow the Company to claim reimbursement of the sums paid as variable remuneration, whether annual or multi-year, in the event that within two years following such payment if the inaccuracy is proven of the accounts, results or financial or other data to the detriment of the Company on which the variable remuneration in question was granted, or when the payment was not in line with the performance conditions of the director, regardless of whether or not he was responsible for it, being obliged to reimburse the Company for the variable remuneration received in excess.
- Long-term incentive plan for the executive directors, likewise intended to remunerate the creation of value in the Group in order to align the shareholders' interests with prudent risk management in a multi-year framework. In order to verify the effective accomplishment of the director's objectives, payment of this incentive will be deferred with the following payment structure: (i) 70% will be paid, where appropriate, during the first quarter of the year following the conclusion of the plan, after the effective accomplishment of the director's objectives established in the plan has been verified; and (ii) the remaining 30% will be paid, where appropriate, in the first quarter of the second year commencing the conclusion of the pertinent plan, provided that certain circumstances are not shown to exist, such as a serious breach of ROVI's Code of Ethics by the beneficiary, or if there are qualifications in the statutory audit report that reduce the Company's results. In this case, the incentive shall be forfeited in proportion to the Director's serious breach of ROVI's Code of Ethics, or to the qualifications in the statutory auditor's report which reduce the Company's results and which have been taken into account for the accrual of the incentive.
- In relation to potential conflicts of interest, the Regulations of ROVI's Board of Directors regulate conflicts of interest and state that they will be reported to the Board by the persons affected themselves, who will refrain from participating in the deliberations and voting on the transaction to which the conflict refers.

B.3. Explain how the remuneration accrued and vested over the year meets the provisions contained in the current remuneration policy.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, as the case may be, how the variations in the performance of the company have influenced changes in the remuneration of directors, including that accrued where payment has been deferred, and how the latter contribute to the short- and long-term results of the company.

The remuneration accrued by the directors of ROVI in 2020 complied with the Remuneration Policy insofar as the amounts accrued fall within the maximum annual limit approved by the General Shareholder's Meeting for 2020 and correspond to the distribution decided by the Board of Directors. Furthermore, the different items of remuneration provided for in said Remuneration Policy and the contracts signed with the executive directors were taken into consideration.

Likewise, taking into account the fact that the variable incentive is distributed taking into account the degree of accomplishment of certain objectives (which include, for example, the evolution of the ROVI Group's operating revenue), the annual remuneration of the executive directors is adjusted in accordance with any variations that may take place in the Company's performance. As stated above, ROVI's executive directors, as senior managers of the Company and its Group, have a short-term variable remuneration system that may represent a maximum of 50% of the fixed remuneration (60% in the event of over-performance) and is tied to the Company's results, among other qualitative and quantitative parameters, meaning that, in theory, there is a direct relationship between variations in the entity's performance and variations in the remuneration of said executive directors.

Notwithstanding the foregoing, even though there was 10% growth in the ROVI Group's operating revenue for 2020, the variable annual remuneration of the executive directors represented 0.09% of the Group's operating revenue for 2020, in line with the 0.10% and 0.13% of the operating revenue that it represented in 2019 and 2018, respectively.

Regarding the long-term incentive plan (2019-2021) of which the executive directors are also beneficiaries, as described in other sections of this report, the parameters taken into account when setting the objectives were the increase in the quoted value of the ROVI share and the evolution of the ROVI Group's business results, such as EBITDA, margin or revenue, during the period it was in force, meaning that the variations in the performance of the Company and its Group will have a determining influence on the amount of the remuneration to be received by the executive directors in relation to this plan, apart from other qualitative parameters.

Likewise, the ratio between the remuneration accrued by the executive directors and the vested net profit obtained by the ROVI Group in 2020 was 2.36%.

B.4. Report on the result of the consultative vote at the general shareholders' meeting on remuneration in the previous year, indicating the number of votes against that may have been cast:

	Number	% of total
Votes cast	45,630,916	81.38

	Number	% of votes cast
Votes against	217,926	0.48
Votes in favour	45,412,970	99.52
Abstentions	20	0.00

Remarks

B.5. Explain how the fixed components accrued and vested during the year by the directors in their capacity as such have been determined and how they have changed with respect to the previous year.

In 2020, the following fixed components were accrued by the directors in their capacity as such: Chairman of the Board:
EUR 165,000
Board member: EUR 70,000 for each director.

As stated in Section B.1., to determine these fixed components, the decision of ROVI's General Shareholders' Meeting held on 20 October 2020 to set a maximum total fixed remuneration for 2020 of EUR 660 thousand in favour of the members of the Board of Directors in their capacity as such was taken into consideration. On the basis of this figure, the Board of Directors, at the proposal of the A&RC, decided to distribute the aforementioned sum among its members, taking the functions and responsibilities of each director and whether or not they sat on Board committees into consideration.

In the preceding year (2019) the remuneration of the Chairman and other Board members, in their capacity as such, was as follows:

Chairman of the Board: EUR 150,000
Board member: EUR 60,000 for each director.

The increase with respect to the previous year has been agreed, as highlighted in Section A.1 and, in addition, as already announced in the Annual Remuneration Report of the previous year, with the aim of updating the remuneration of the directors in their capacity as such to align it with that received in comparable companies and to attract and retain talent on the Board, all in view of the good performance of the Group's results and business in recent years (and especially in 2020), the good performance of the Company and the size it has acquired.

B.6. Explain how the salaries accrued and vested by each one of the executive directors over the past financial year for the performance of management duties were determined, and how they have changed with respect to the previous year.

In accordance with the terms and conditions agreed between the executive directors and the Company in their respective employment and service contracts, in 2020 global fixed remuneration for the year of EUR 834,549 was distributed among the executive directors for their executive and senior management functions, taking the functions and responsibilities exercised by each director into account.
The fixed remuneration of the executive directors for the year includes their fixed salary, life and disability insurance, pension plan contributions and other remuneration established in general for part of the Company's personnel (e.g. a health check-up and private use of a company car that the Company holds under a full-service leasing system).

Specifically, the distribution was as follows:

- Mr Juan López-Belmonte Encina, EUR 337,607.
- Mr Javier López-Belmonte Encina, EUR 249,892.
- Mr Iván López-Belmonte Encina, EUR 247,050.

In the preceding year (2019), global fixed remuneration for the year of EUR 811,002 for exercising their executive and senior management functions was distributed among the executive directors, taking the functions and responsibilities exercised by each director into consideration. Specifically, the distribution was as follows:

- Mr Juan López-Belmonte Encina, EUR 327,915.
- Mr Javier López-Belmonte Encina, EUR 242,047.
- Mr Iván López-Belmonte Encina, EUR 241,040.

Therefore, the remuneration of the directors for executive functions in the year ended did not show any significant changes in comparison with the year 2019.

B.7. Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year ended.

In particular:

- Identify each one of the remuneration plans that have determined the different types of variable remuneration accrued by each of the directors in the year ended, including information on their scope, their date of approval, their date of incorporation, any conditions for vesting, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria used and the period necessary to be in a position to suitably measure all the conditions and criteria stipulated, with a detailed explanation of the criteria and factors applied with regard to required time and methods for verifying effective fulfilment of the performance or other conditions to which the accrual and vesting of each component of variable remuneration was tied.

  In the case of share options and other financial instruments, the general characteristics of each plan will include information on both the conditions to acquire unconditional ownership (vesting) and to exercise these options or financial instruments, including the price and term to exercise them.

- Each one of the directors, together with their category (executive directors, proprietary external directors, independent external directors and other external directors), that are beneficiaries of remuneration systems or plans that include variable remuneration.

- As the case may be, information is to be provided on periods for the accrual or deferment of payment applied and/or the periods for withholding/unavailability of shares or other financial instruments, if they should exist.

  Explain the short-term variable components of the remuneration system:

Annual variable remuneration
Variable remuneration at ROVI is intended to remunerate the creation of value in the Group in order to align the shareholders' interests with prudent risk management and the long-term generation of value for the Company and its Group and is restricted solely to the executive directors. In this respect, the variable remuneration of the executive directors is determined in accordance with the degree of accomplishment of a series of quantitative and qualitative objectives. The criteria for determining the variable remuneration (or bonus) for the year 2020 were based on the following parameters: a) the evolution of the ROVI's Group's operating revenue in accordance with the budgeted targets fixed in the Business Plan and the attainment of the strategic goals determined in said Plan; b) together with this quantitative criterion, the contribution to both the Company's organic growth and its growth in value through, among other factors, obtaining strategic alliances or carrying out investment transactions during the year help to reinforce the Company's bases for present and future growth was taken into account. Likewise, the development and capitalisation of investments made was considered; c) finally, other qualitative elements that adjust the amount of the variable remuneration established were considered, consisting of the Company's evolution in comparison with comparable companies, the general market situation, any significant events that took place with a positive impact on the Company's results and the global evaluation of the performance of their functions by the directors, as well as non-financial social, environmental and climate-change indicators. Likewise, in 2020, personal objectives were set considering each one of them individually and their overall importance, in accordance with the strategy of the relevant department or area and the Company's business goals. In particular, each executive director was assigned two financial goals, one for the Group and the other related to his management area, and another two individual qualitative goals based on the development and execution of strategic projects for the ROVI Group, and commitment to social and environmental and climate change causes and compliance with corporate governance rules, codes of conduct and internal procedures (such as risk management and control policies). These goals were attained in full, meaning that 100% of the target variable remuneration was paid.
The evaluation of the degree of accomplishment of the objectives was carried out by the A&RC on the basis of the year's results once the year had ended. Subsequently, the Committee submitted the relevant proposal to the Board of Directors.
In order to verify that the objectives fixed for it to accrue have been met, 30% of the annual variable remuneration of the executive directors will be deferred for a period of two years, at a rate of 15% per year. The annual variable remuneration that has accrued but payment of which has been deferred may be reduced or eliminated in the event that certain circumstances exist, such as the restatement of the Company's financial statements for reasons attributable to the executive directors, a breach of ROVI's Code of Ethics by the beneficiary, or if there are qualifications in the statutory audit report that reduce the Company's results. In this case, the incentive shall be forfeited in proportion to the Director's serious breach of ROVI's Code of Ethics, or to the qualifications in the statutory auditor's report which reduce the Company's results and which have been taken into account for the accrual of the incentive.
Therefore, the amount of the annual variable remuneration for the executive directors accrued in 2020 was EUR 403 thousand, with the following distribution among the executive directors, the exacts amounts of which were determined by the Board of Directors:

- Mr Juan López-Belmonte Encina, EUR 153,000.
- Mr Javier López-Belmonte Encina, EUR 125,000.
- Mr Iván López-Belmonte Encina, EUR 125,000.

However, given that, as indicated above, 30% of the annual variable remuneration is not vested as its payment is deferred for a period of two years, the amount of the annual variable remuneration of the executive directors vested in 2020 corresponds to 70% of the annual variable remuneration accrued and vested during the financial year 2020, 15% of the remuneration accrued in the financial year 2019 and 15% of the remuneration accrued in the financial year 2018, the total amount of which amounted to EUR 397 thousand, with the following distribution:

- Mr Juan López-Belmonte Encina, EUR 153,000.
- Mr Javier López-Belmonte Encina, EUR 122,000.
- Mr Iván López-Belmonte Encina, EUR 122,000.

Explain the long-term variable components of the remuneration system:

Multi-year variable remuneration (2019-2021) At present, a long-term incentive plan (2019-2021) is in force, restricted solely to ROVI's executive directors. It has a term of three years and, subject to the relevant approvals from the General Meeting, will be renewed after this period has ended (consecutive cycles). One of the requirements for receiving this remuneration is that the beneficiary must remain with the Company at the time it is paid, apart from special exceptions (e.g. death, disability or retirement). This plan was approved by the General Shareholders' Meeting held on 12 June 2019 at the proposal of the A&RC and the Board and was drawn up with the advice of Landwell-PricewaterhouseCoopers Tax & Legal Services, S.L.
The total amount that the director can receive, if he accomplishes 100% of the objectives set in the long-term incentive plan, is equivalent to one annual payment of his average annual salary during the three years the plan is in force. Settlement will be made, at the beneficiary's choice, fully in cash, fully in ROVI shares, or under a mixed system of 50% cash and 50% shares, fully paid at the end of the three-year accrual period (the “Incentive”), except in special cases of early settlement in which the Incentive will be paid in cash unless, at the beneficiary’s request, and provided that the Board of Directors deems that it is not detrimental to the corporate interest, the Board determines that it may be settled in shares. Events of early settlement include a change of control in the Company, in which case the Director will receive the full amount corresponding to the plan, assuming 100% compliance with the objectives fixed, regardless of the percentage accrued on the date of occurrence or the timing of occurrence.
In the event of early settlement due to (i) unilateral withdrawal by ROVI or disciplinary dismissal of the Director declared or recognised as improper by a final court ruling, or by agreement reached in judicial or extrajudicial conciliation before the competent bodies in each case or (ii) termination of the employment contract at the request of the director due to a serious and culpable breach by ROVI of its obligations as an employer under the provisions of the Workers' Statute, declared by a final court ruling, or in an agreement reached in a judicial or extrajudicial conciliation process before the competent bodies in each case, the amount of the Incentive accrued shall be prorated by the number of days elapsed between the start of the plan and the date on which the circumstance giving rise to the early settlement of the plan occurs.
However, if shares are chosen as partial or total settlement of the incentive, the director may not transfer ownership or exercise them until a period of at least three years has elapsed. An exception is made where the director maintains, at the time of the transfer or exercise, a net economic exposure to share price changes of a market value equivalent to an amount of at least twice his annual fixed remuneration through share ownership. The foregoing shall not apply to shares which the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favourable assessment of the A&RC, to meet extraordinary circumstances requiring such disposal.
The criteria for the establishment of this long-term incentive plan take into account the following parameters: (a) the increase in the listed value of the Company's shares; (b) the performance of the ROVI Group's business results, for which parameters such as EBITDA, margin or income will be taken into account; and (c) qualitative parameters (of a social, environmental and corporate governance nature), that promote the Company's sustainability and include non-financial criteria that are suitable for sustainable long-term value creation, such as compliance with the Company's internal rules and procedures and its risk control and management policies.
Said objectives must be met to a degree of at least 80% in order for the Incentive relating to the objective to be received. Up to a maximum of 120% of the director's annual average fixed salary during the three years the plan is in force, calculated on a straight-line basis, may be paid if the objectives are accomplished at their maximum level. To achieve balanced attainment of all the objectives established, in order to receive the incentive, it will be necessary for 70% of the objectives overall, considered on a weighted basis, to be accomplished while the plan is in force.

The A&RC will evaluate the degree to which the objectives have been attained after the three years to which the plan refers have ended, when their results are available, after which the A&RC will make a proposal to the Board of Directors.
In order to verify the effective accomplishment of the director's objectives, payment of this incentive will be deferred with the following payment structure:
- El 70% of the Incentive will, if appropriate, be paid, after effective attainment of the director's objectives established in the plan has been verified, in the first quarter of the year following the conclusion of the plan.
- The remaining 30% will be paid, where appropriate, in the first quarter of the second year commencing the conclusion of the pertinent plan, provided that certain circumstances are not shown to exist, such as a serious breach of ROVI's Code of Ethics by the beneficiary, or if there are qualifications in the statutory audit report that reduce the Company's results. In this case, the incentive shall be forfeited in proportion to the Director's serious breach of ROVI's Code of Ethics, or to the qualifications in the statutory auditor's report which reduce the Company's results and which have been taken into account for the accrual of the Incentive.

B.8. Indicate whether certain variable components accrued have been reduced or clawed back when, in the case of the former, payment of non-vested amounts has been deferred, or, in the case of the latter, vested and paid on the basis of data that have subsequently proved to be inaccurate. Describe the amounts reduced or clawed back through the application of the reduction (malus) or clawback clauses, why they were implemented and the years to which they refer.

In 2020, no variable components were reduced or clawed back and no amounts were reduced or returned through application of clawback clauses.

B.9. Explain the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit that are financed, totally or partially, by the company, whether through internal or external contributions, indicating the type of plan, whether it is a defined contribution or benefit, the contingencies covered, the conditions to vest economic rights for directors and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the company and the director.

The Company makes annual contributions to the individual system defined-contribution Pension Plans held by the executive directors, with cover for contingencies such as retirement, disability, death and a high degree of dependence on others.
In relation to these defined-contribution plans, the Company makes pre-determined contributions to a separate entity and has no obligation to make additional contributions. The obligation is limited to the defined contribution to which the Company has committed. The fund participants may, individually, request that their vested and/or economic rights be moved to another Pension Plan or Insured Benefit Plans. The maximum term for moving them will be five days as of receipt by the original entity of the request with the relevant documentation. The vested rights are not available until one of the contingencies set out in the specifications of the Fund itself occurs or in the exceptional cases of liquidity, serious illness or long-term unemployment.
In 2020, the Company made contributions to these individual defined-contribution pension plans in favour of the executive directors for a global amount of EUR 24 thousand. The Company does not have any sum that has been saved or accumulated for pension, retirement or similar benefits.
Since 2016, the Company has not made any contributions to the pension plan of Mr Juan López-Belmonte López, since he ceased to perform his executive functions in December 2015. Therefore, in respect of the accumulated funds of Mr Juan López-Belmonte López at the end of 2020, the amount stated is the same as in the years ended since 2015.

B.10. Explain, where appropriate, the severance pay or any other type of payment deriving from early dismissal or early resignation, or from the termination of the contract in the terms provided for therein, accrued and/or received by directors during the year ended.

In 2020, no amounts accrued or were settled to the directors for this item.

B.11. Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, where appropriate, explain such changes. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

During the financial year 2020 there were no significant modification to the contracts of the executive directors. In particular, the changes introduced were aimed exclusively at adapting certain aspects of variable remuneration of executive directors to the latest amendments introduced by the CNMV in the Good Governance Code in June 2020:
- So that in the event of delivery of shares, the Director may not transfer ownership or exercise his rights until a period of at least three years has elapsed. An exception is made where the Director maintains, at the time of the transfer or exercise, a net economic exposure to share price changes of a market value equivalent to an amount of at least twice his annual fixed remuneration through share ownership.
- With regard to the payment of the deferred part of the long-term variable remuneration or of the annual remuneration, the circumstances in which the Company may not pay it are extended; in particular, a serious breach of ROVI's Code of Ethics by the beneficiary is contemplated, or if there are qualifications in the external auditor's report that reduce the Company's results.
- The non-compete clause has been modified so that the director may not compete with the Company during a period of two years after his contract ends, for which he will receive gross amount equal to the arithmetic mean of the total annual remuneration accrued in each of the three last complete years immediately prior to the termination of his contract, with the items to be included expressly stated.
- The severance pay clause for the contractual termination of the service agreement has been amended to provide that the director shall receive compensation consisting of a gross amount equivalent to twice the arithmetic mean of the total annual remuneration accrued during each of the last three full financial years immediately prior to the date of termination of his contract, with the items to be included expressly stated.

B.12. Explain any supplementary remuneration accrued by directors as consideration for services rendered outside of their post.

In 2020, no supplementary remuneration was paid to any of the directors in consideration for services provided other than those inherent to their position.

B.13. Explain any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, their key characteristics and the amounts eventually returned, as well as the obligations taken on by way of guarantee or collateral.

In 2020, no remuneration in the form of advance payments, loans or guarantees granted entailing conditions other than normal market conditions was accrued or settled to any of the directors.

B.14. Itemise the remuneration in kind accrued by the directors over the year, briefly explaining the nature of the different salary components.

The executive directors receive non-monetary remuneration (life insurance, annual health check-up, etc.) that are established in general for part of the entity's personnel. Additionally, as remuneration in kind, the executive directors enjoy the private use of a company car that the Company holds under a full-service leasing system.

B.15. Explain the remuneration accrued by directors by virtue of payments settled by the listed company to a third company at which the director renders services when these payments seek to remunerate the director's services to the company.

No payments of this nature were made in 2020.

B.16. Explain any other items of remuneration other than those mentioned in the previous sections, whatever their nature or the group company that settles the payment, particularly when this is a related operation or its settlement distorts the true image of the total remuneration accrued by the director.

No items of remuneration other than those described above exist, although related transactions may exist with some of the executive directors, as described in the Company's Annual Corporate Governance Report, the annual financial statements and the half-yearly financial statements.

C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual 2020
Mr JUAN LÓPEZ-BELMONTE LÓPEZ	Proprietary Chairman	From 01/01/2020 to 31/12/2020
Mr JUAN LÓPEZ-BELMONTE ENCINA	Chief Executive Officer	From 01/01/2020 to 31/12/2020
Mr JAVIER LÓPEZ-BELMONTE ENCINA	Executive Director	From 01/01/2020 to 31/12/2020
Mr IVÁN JORGE LÓPEZ-BELMONTE ENCINA	Executive Director	From 01/01/2020 to 31/12/2020
Mr JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	Independent Director	From 01/01/2020 to 31/12/2020
Mr MARCOS PEÑA PINTO	Coordinating Director	From 01/01/2020 to 31/12/2020
Ms FÁTIMA BÁÑEZ GARCÍA	Independent Director	From 01/01/2020 to 31/12/2020

C.1. Complete the following tables regarding the individual remuneration of each director (including the salary received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration in cash (thousand €)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board committees	Salary	Short-term variable remuneratio n	Long-term variable remuneratio n	Severance pay	Other grounds	Total 2020	Total 2019
Mr JUAN LÓPEZ-BELMONTE LÓPEZ	165								165	150
Mr JUAN LÓPEZ-BELMONTE ENCINA	70			320	153				543	524
Mr JAVIER LÓPEZ-BELMONTE ENCINA	70			230	122				422	399
Mr IVÁN JORGE LÓPEZ-BELMONTE ENCINA	70			230	122				422	399
Mr JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	70								70	60

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total 2020	Total 2019
Mr MARCOS PEÑA PINTO	70								70	39
Ms FÁTIMA BÁÑEZ GARCÍA	70								70	2

Remarks

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Name of plan	Financial instruments at start of 2020		Financial instruments granted during 2020		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2020	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of the vested shares	Net profit from vested shares or financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr JUAN LÓPEZ-BELMONTE LÓPEZ	Plan							0.00				
Mr JUAN LÓPEZ-BELMONTE ENCINA	Plan							0.00				
Mr JAVIER LÓPEZ-BELMONTE ENCINA	Plan							0.00				
Mr IVÁN JORGE LÓPEZ-BELMONTE ENCINA	Plan							0.00				
Mr JOSÉ FERNANDO DE ALMANSA MORENO- BARREDA	Plan							0.00				

Name	Name of plan	Financial instruments at start of 2020		Financial instruments granted during 2020		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2020	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of the vested shares	Net profit from vested shares or financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr MARCOS PEÑA PINTO	Plan							0.00				
Ms FÁTIMA BÁÑEZ GARCÍA	Plan							0.00				

Remarks

iii) Long-term savings systems

Name	Remuneration from vested rights to savings systems
Mr JUAN LÓPEZ-BELMONTE LÓPEZ	
Mr JUAN LÓPEZ-BELMONTE ENCINA	8
Mr JAVIER LÓPEZ-BELMONTE ENCINA	8
Mr IVÁN JORGE LÓPEZ-BELMONTE ENCINA	8
Mr JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	
Mr MARCOS PEÑA PINTO	
Ms FÁTIMA BÁÑEZ GARCÍA	

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with vested economic rights		Savings systems with unvested economic rights		Savings systems with vested economic rights		Savings systems with unvested economic rights	
	Year 2020	Year 2019	Year 2020	Year 2019	Year 2020	Year 2019	Year 2020	Year 2019
Mr JUAN LÓPEZ-BELMONTE LÓPEZ					336	336		
Mr JUAN LÓPEZ-BELMONTE ENCINA	8	8			201	193		
Mr JAVIER LÓPEZ- BELMONTE ENCINA	8	8			149	144		
Mr IVÁN JORGE LÓPEZ-BELMONTE ENCINA	8	8			197	189		
Mr JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA								
Mr MARCOS PEÑA PINTO								
Ms FÁTIMA BÁÑEZ GARCÍA								

Remarks

iv) Details of other items

Name	Item	Amount remunerated
Mr JUAN LÓPEZ-BELMONTE LÓPEZ	Item	

Name	Item	Amount remunerated
Mr JUAN LÓPEZ-BELMONTE ENCINA	Life insurance and other remuneration established in general for part of the Company's personnel, such as the company car that the Company holds	10
Mr JAVIER LÓPEZ-BELMONTE ENCINA	Life insurance and other remuneration established in general for part of the Company's personnel, such as the company car that the Company holds	12
Mr IVÁN JORGE LÓPEZ-BELMONTE ENCINA	Life insurance and other remuneration established in general for part of the Company's personnel, such as the company car that the Company holds under a full-service leasing system.	9
Mr JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	Item	
Mr MARCOS PEÑA PINTO	Item	
Ms FÁTIMA BÁÑEZ GARCÍA	Item	

Remarks

b) Remuneration of company directors for seats on the boards of other group companies:

i) Remuneration in cash (thousand €)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total 2020	Total 2019
Mr JUAN LÓPEZ-BELMONTE LÓPEZ										
Mr JUAN LÓPEZ-BELMONTE ENCINA										
Mr JAVIER LÓPEZ-BELMONTE ENCINA										

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total 2020	Total 2019
Mr IVÁN JORGE LÓPEZ-BELMONTE ENCINA										
Mr JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA										
Mr MARCOS PEÑA PINTO										
Ms FÁTIMA BÁÑEZ GARCÍA										

Remarks

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Name of plan	Financial instruments at start of 2020		Financial instruments granted during 2020		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2020	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of the vested shares	Net profit from vested shares or financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr JUAN LÓPEZ-BELMONTE LÓPEZ	Plan							0.00				

Name	Name of plan	Financial instruments at start of 2020		Financial instruments granted during 2020		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2020	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of the vested shares	Net profit from vested shares or financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr JUAN LÓPEZ-BELMONTE ENCINA	Plan							0.00				
Mr JAVIER LÓPEZ-BELMONTE ENCINA	Plan							0.00				
Mr IVÁN JORGE LÓPEZ-BELMONTE ENCINA	Plan							0.00				
Mr JOSÉ FERNANDO DE ALMANSA MORENO- BARREDA	Plan							0.00				
Mr MARCOS PEÑA PINTO	Plan							0.00				
Ms FÁTIMA BÁÑEZ GARCÍA	Plan							0.00				

Remarks

iii) Long-term savings systems

Name	Remuneration from vested rights to savings systems
Mr JUAN LÓPEZ-BELMONTE LÓPEZ	
Mr JUAN LÓPEZ-BELMONTE ENCINA	
Mr JAVIER LÓPEZ-BELMONTE ENCINA	
Mr IVÁN JORGE LÓPEZ-BELMONTE ENCINA	
Mr JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	
Mr MARCOS PEÑA PINTO	
Ms FÁTIMA BÁÑEZ GARCÍA	

	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
Name	Savings systems with vested economic rights		Savings systems with unvested economic rights		Savings systems with vested economic rights		Savings systems with unvested economic rights	
	Year 2020	Year 2019	Year 2020	Year 2019	Year 2020	Year 2019	Year 2020	Year 2019
Mr JUAN LÓPEZ-BELMONTE LÓPEZ								
Mr JUAN LÓPEZ-BELMONTE ENCINA								

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with vested economic rights		Savings systems with unvested economic rights		Savings systems with vested economic rights		Savings systems with unvested economic rights	
	Year 2020	Year 2019	Year 2020	Year 2019	Year 2020	Year 2019	Year 2020	Year 2019
Mr JAVIER LÓPEZ- BELMONTE ENCINA								
Mr IVÁN JORGE LÓPEZ-BELMONTE ENCINA								
Mr JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA								
Mr MARCOS PEÑA PINTO								
Ms FÁTIMA BÁÑEZ GARCÍA								

Remarks

iv) Details of other items

Name	Item	Amount remunerated
Mr JUAN LÓPEZ-BELMONTE LÓPEZ	Item	
Mr JUAN LÓPEZ-BELMONTE ENCINA	Item	
Mr JAVIER LÓPEZ-BELMONTE ENCINA	Item	
Mr IVÁN JORGE LÓPEZ-BELMONTE ENCINA	Item	

Name	Item	Amount remunerated
Mr JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	Item	
Mr MARCOS PEÑA PINTO	Item	
Ms FÁTIMA BÁÑEZ GARCÍA	Item	

Remarks

c) Summary of remunerations (thousand €)

This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to each director (thousand Euro.):

	Remuneration accrued in company					Remuneration accrued in group companies					
Name	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from saving systems	Remuneration from other items	Total 2020 company	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from saving systems	Remuneration from other items	Total 2020 Group	Total 2020 company + group
Mr JUAN LÓPEZ-BELMONTE LÓPEZ	165				165						165
Mr JUAN LÓPEZ- BELMONTE ENCINA	543		8	10	561						561
Mr JAVIER LÓPEZ- BELMONTE ENCINA	422		8	12	442						442
Mr IVÁN JORGE LÓPEZ-BELMONTE ENCINA	422		8	9	439						439

	Remuneration accrued in company					Remuneration accrued in group companies					
Name	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from saving systems	Remuneration from other items	Total 2020 company	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from saving systems	Remuneration from other items	Total 2020 Group	Total 2020 company + group
Mr JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	70				70						70
Mr MARCOS PEÑA PINTO	70				70						70
Ms FÁTIMA BÁÑEZ GARCÍA	70				70						70
TOTAL	1,762		24	31	1,817						1,817

Remarks

D. OTHER INFORMATION OF INTEREST

If there are any relevant issues relating to directors' remuneration that you have not been able to address in the previous sections of this report, but which are necessary to provide more comprehensive and fully reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

Continuation of Section A.1-Point 1.
According to article 45 of the Corporate Bylaws, the members of the Board of Directors are entitled to be remunerated for performing their duties with a fixed annual sum in cash, the maximum annual amount of which for the Board overall will be determined by the General Meeting. The Board will distribute the remuneration decided by the General Meeting among its members, taking into account the functions and responsibilities assigned to each director, membership of Board committees and any other objective circumstances that the Board deems relevant. Likewise, for the executive directors, a variable incentive for 2021 tied to the Company's results and the attainment of specific goals will be fixed, which must be aligned with the Company's interests, as well as their professional performance, in such a way that it does not derive simply from the general evolution of the markets, the Company's sector of activity, or other similar circumstances.

Furthermore, the 2018 Ordinary General Shareholders' Meeting approved a long-term incentive plan (2019-2021) for the executive directors as a continuation of the 2016-2018 plan. This plan is intended to remunerate the creation of value, in order to align the interests of the shareholders with prudent risk management in a multi-year framework, and sustainable long-term generation of value for the Company and its Group. In relation to this Plan, which is due to be renewed at the end of 2021, subject to the corresponding approval by the General Meeting of the Company, it will be considered to include in the Remuneration Policy, the amendment of which will be submitted for approval at the Ordinary General Meeting to be held during the current financial year together with the new 2022-2024 plan, an increase in its amount in order to increase the weight of variable remuneration in the total remuneration of the executive directors, as well as to consider that the receipt of such remuneration, at least partially, can be in shares, in line with international market practices, the CNMV's good governance recommendations and the capitalisation acquired by the company in the last few years. Additionally, there is a possibility that the General Shareholders' Meeting establishes remuneration systems (i) tied to the quoted value of the shares; or (ii) that entail handing over shares of the Company or other group companies, stock options, or instruments tied to the share value. According to article 24 of the Regulations of the Board of Directors, remuneration via the handing over shares in the Company may also be included as remuneration for non-executive directors on the condition that they keep them until they cease to be directors.
The Appointments and Remuneration Committee has deemed it appropriate to seek the advice of specialised external experts to review the Company's Remuneration Policy. In this way, Landwell - PricewaterhouseCoopers Tax & Legal Services, S.L., an independent advisor specialising in the remuneration of Directors and Senior Executives, has advised ROVI on defining the current Remuneration Policy and on preparing the proposal for its modification, taking into account comparable companies in terms of size and sector of activity.
From among the Board committees that have been created, the A&RC is the body that assists the Board of Directors on remuneration matters, in accordance with the duties assigned to it in this respect in the Regulations of the Company's Board of Directors. The A&RC, complying with the provisions of article 14 of the Regulations of the Board of Directors, which incorporates recommendation 50 of the Good Governance Code of Listed Companies in Spain, drew up the director remuneration policy for the years 2020, 2021 and 2022, which was submitted to the Board of Directors and subsequently approved by ROVI's General Shareholders' Meeting held on 12 June, 2019. When drawing up said Director Remuneration Policy, the Company received the advice of Landwell-PricewaterhouseCoopers Tax & Legal Services, S.L. According to the aforementioned article 14 of the Regulations of the Board and article 11 of the Regulations of the A&RC, the A&RC will perform the following duties in relation to the remuneration policy:
- Propose to the Board of Directors: (i) the remuneration policy for the directors or general managers or those who perform senior management functions reporting directly to the board, executive committees or executive officers; and (ii) the individual remuneration of the executive directors and other conditions of their contracts, ensuring they are observed.
- Verify observance of the remuneration policy established by the Company, including periodic reviews of the remuneration policy applied to the directors and members of senior management, as well as the share-based remuneration systems and the application thereof, and to ensure that their individual remuneration is proportional to the remuneration paid to the Company's other directors and senior management.
- Ensure the transparency of the remuneration and verify the information on the remuneration of directors and senior managers contained in the various corporate documents, including the annual director remuneration report and the annual corporate governance report and, in this respect, submit all relevant information to the Board.

In compliance with article 24.1 of the Regulations of the Board of Directors of ROVI, the director remuneration described in this report is in reasonable proportion to the Company's importance, its present economic situation and market standards in comparable companies.

This annual remuneration report has been approved by the board of directors of the company on:

[23/02/2021]

State whether any director has voted against or abstained from approving this report.

[ ] Yes
[√] No