



**LISTED LIMITED COMPANIES  
ANNUAL CORPORATE GOVERNANCE REPORT**

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*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.*

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**ISSUER INFORMATION**

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End of the relevant reporting period date: [ 31/12/2021 ]

Tax Code: [ A-28041283 ]

Company name:

[ **LABORATORIOS FARMACÉUTICOS ROVI, S.A.** ]

Business address:

[ JULIAN CAMARILLO, 35 MADRID ]

**A. OWNERSHIP STRUCTURE**

A.1. Use the following table to provide details of share capital and the assigned voting rights at the end of the reporting period date, including rights in respect of shares subject to loyalty voting, where applicable:

State whether the company's articles of association permit double loyalty votes:

Yes  
 No

Date of last change	Share capital (€)	Number of shares	Number of voting rights
18/10/2018	3,364,137.90	56,068,965	56,068,965

State whether there are different classes of shares associated with different rights.

Yes  
 No

A.2. List the direct and indirect owners of significant interests in share capital at the end of the reporting period date, including directors holding significant interests:

Shareholder's name	% of voting rights assigned to shares		% voting rights held via financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
T. ROWE PRICE ASSOCIATES, INC.	0.00	3.00	0.00	0.00	3.00
NORBEL INVERSIONES, S.L.	60.17	0.00	0.00	0.00	60.17
INDUMENTA PUERI, S.L.	0.00	5.06	0.00	0.00	5.06

Information obtained from official CNMV records.

Details of indirect shareholdings:

Indirect shareholder's name	Direct shareholder's name	% of voting rights assigned to shares	% voting rights held via financial instruments	% total voting rights
T. ROWE PRICE ASSOCIATES, INC.	T. ROWE PRICE INTERNATIONAL DISCOVERY FUND	3.00	0.00	3.00

INDUMENTA PUERI, S.L.	GLOBAL PORTFOLIO INVESTMENTS, S.L.	5.06	0.00	5.06
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State any material changes in the shareholder structure arising during the year:

Material changes

The voting rights assigned to shares and financial instruments held by Wellington Management Group LLP exceeded 3% of the total on 29/01/2021.  
The voting rights assigned to shares and financial instruments held by Wellington Management Group LLP fell below 3% of the total on 06/04/2021.

A.3. Indicate all shareholdings owned by members of the board of directors holding voting rights assigned to the company's shares or via other financial instruments, excluding any directors mentioned in section A.2 above:

Director's name	% of voting rights assigned to shares		% voting rights held via financial instruments		% total voting rights	% total voting rights that can be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Not applicable							

% of total voting rights held by members of the board of directors

0,00

Detail of indirect shareholdings:

Director's name	Direct shareholder's name	% of voting rights assigned to shares	% voting rights held via financial instruments	% total voting rights	% total voting rights that can be transferred through financial instruments
Not applicable					

Percentage of total voting rights represented on the board of directors

% of total voting rights represented on the board	0.00
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A.4. Where applicable, indicate any familial, business, contractual or corporate relations between the holders of significant shareholdings insofar as they may be known to the company, unless immaterial or a consequence of ordinary trade or business activities, except for any relations reported in section A.6 below:

Name of related party	Nature of relations	Brief description
Not applicable		

A.5. Where applicable, indicate any business, contractual or corporate relations between the holders of significant shareholdings and the company and/or its group, unless immaterial or a consequence of ordinary trade or business activities:

Name of related party	Nature of relations	Brief description
Not applicable		

A.6. Describe any relations existing between significant shareholders or shareholders with seats on the board and the directors, or their representatives in the case of corporate directorships.

Where applicable, explain how significant shareholders are represented. In particular, list any directors appointed to represent significant shareholders or appointed at the behest of significant shareholders, and any who are in any way associated with significant shareholders and/or entities belonging to their groups, specifying the nature of the relationship in each case. Where applicable, the existence, identity and position of board members or directors' representatives in the listed company should be mentioned where such are, in turn, members of the board of directors, or directors' representatives, in companies holding significant holdings in the listed company or in entities belonging to the corporate groups of significant shareholders:

Name of the related director or representative	Name of the related significant shareholder	Name of the significant shareholder's group company	Description of relationship/office
MR. JUAN LÓPEZ-BELMONTE ENCINA	NORBEL INVERSIONES, S.L.	NORBEL INVERSIONES, S.L.	Director and Partner.

MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	NORBEL INVERSIONES, S.L.	NORBEL INVERSIONES, S.L.	Director and Partner.
MR. JAVIER LÓPEZ-BELMONTE ENCINA	NORBEL INVERSIONES, S.L.	NORBEL INVERSIONES, S.L.	Director and Partner.

Norbel Inversiones, S.L. owns 60.17% of the Company's share capital of the Company. It is owned by Messrs. Juan, Javier and Iván López-Belmonte Encina, neither of whom exercises any control over the entity. Mr. Javier López-Belmonte Encina has been Chairman and Chief Executive since 19 January 2022.

**A.7.** State whether any shareholder agreements affecting the company have been reported to the company pursuant to articles 530 and 531 of the Corporate Enterprises Act. Where applicable, describe such agreements briefly and list the shareholders bound by the same:

Yes  
 No

State whether the company is aware of the existence of any concerted action on the part of its shareholders. Provide a brief description where appropriate:

Yes  
 No

Indicate expressly any such pacts or agreements, or concerted action that may have been modified or terminated during the year:

**A.8.** State whether there are any persons or entities who exercise, or could exercise, control over the company within the meaning of Article 5 of the Spanish Securities Market Act. Identify such individuals or entities, where appropriate.

Yes  
 No

Company name
NORBEL INVERSIONES, S.L.

A.9. Complete the following tables with information on treasury shares held by the company.

At the end of the reporting period date:

Number of direct shares	Number of indirect shares (*)	% of total share capital
1,183,520		2.11

(\*) Via:

Name of the direct shareholder	Number of direct shares
Not applicable	

A.10. Describe the terms and conditions of the prevailing mandate granted by the general shareholders' meeting authorizing the board of directors to issue, buy back or transfer treasury shares:

At their General Shareholders' Meeting held on 17 June 2021, the shareholders authorized the Company's Board of Directors to proceed with the derivative acquisition of treasury shares, both directly by the Company itself and indirectly through its subsidiaries, subject to the limits and requirements established by law and the following terms and conditions:

a) Shares may be acquired by means of sale, swap or any other legal means of acquisition for valuable consideration of shares up to the ceiling permitted by law. b) The minimum purchase price or minimum consideration paid must be equal to the par value of the treasury shares acquired, and the maximum purchase price or maximum consideration must not be more than the higher of the price paid in the last transaction carried out in the market by unrelated persons and the highest price reflected in a purchase order contained in the order card. c) The term of the authorization will be 5 years from the date of approval of the resolution. d) The shares acquired, including any that the Company or a person or entity acting in their own name but on behalf of the Company may previously have acquired and hold its portfolio, may not reduce net equity below the amount of share capital plus restricted legal or statutory reserves, in accordance with the Corporate Enterprises Act.

The acquisition of shares of the Company by any of its subsidiaries is likewise authorized under the terms of the resolution, pursuant to the Corporate Enterprises Act.

The shares acquired under the terms of this authorization may either be sold or applied to the remuneration schemes mentioned in Article 146.1 a) of the Corporate Enterprises Act or used in the furtherance of programmes to encourage participation in the capital of the Company, such as dividend reinvestment plans, loyalty bonds and other similar instruments for example.

The aforementioned General Shareholders' Meeting held on 17 June 2021 also delegated the power to increase share capital to the Board of Directors, authorizing it discretionally to exclude preferential subscription rights, up to a maximum 20% of the share capital, subject to the limits and conditions established in the Corporate Enterprises Act and for a maximum period of five years as of the date of the Shareholders' resolution.

A.11. Estimated free float:

	%
Estimated free float	29.66

A.12. State whether there are any statutory, legal or other restrictions exist on the transferability of securities and/or any restrictions on voting rights. In particular, you should mention the existence of restrictions of any kind that could impede the acquisition of control of the company through the purchase of its shares in the market, as well as any requirements for prior authorization or reporting of acquisitions or transfers of the company's stock that may be applicable under industry regulations.

Yes  
 No

A.13. State whether the general shareholders' meeting has adopted any measures to block possible takeover bids pursuant to Law 6/2007.

Yes  
 No

Where applicable, explain the measures approved and the conditions under which the restrictions would be lifted.

A.14. State whether the company has issued any securities that are not negotiated in any regulated market in the European Union.

Yes  
 No

Where applicable, indicate the different classes of shares and the rights and obligations conferred by each class of shares:

#### **B. GENERAL SHAREHOLDERS' MEETING**

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B.1. State, and where applicable explain, whether there are any differences with regard to the minimum quorum required to convene the general shareholders' meeting in accordance with the Corporate Enterprises Act:

Yes  
 No

B.2. State, and where applicable explain, whether there are any differences with regard to the system provided for the adoption of corporate resolutions in the Corporate Enterprises Act:

Yes  
 No



- B.3.** Describe the conditions applicable to amendment of the company's articles of association. In particular, you should mention the majorities required for amendment of the articles of association and, where applicable, any rules applicable to safeguard shareholders' rights in the event of amendment of the articles of association.

In accordance with art. 27.2 of ROVI's Articles of Association and art. 5.g) of the General Shareholders' Meeting Regulations (the "RJGA"), the General Shareholders' Meeting shall adopt any amendments to the Articles of Association. Pursuant to said art. 27.2 of the Articles of Association and to art.15 of the RJGA, shareholders holding at least 50% of subscribed capital conferring voting rights must be present or represented by proxy at first call for these purposes. Twenty-five percent of subscribed capital will be sufficient at the second call. In accordance with Article 15 of the RJGA, however, when the shareholders attending represent less than fifty percent of voting capital, resolutions amending the Articles of Association may only be validly adopted with the votes in favour of two-thirds of the capital present or represented by proxy at the General Shareholders' Meeting. Notwithstanding the foregoing, if the capital present or represented exceeds 50% at either the first or the second call, the resolution may be adopted by absolute majority.

Furthermore, in accordance with art. 34, paras. 7 and 8 of the Articles of Association, the resolutions of the General Shareholders' Meeting will be adopted by a simple majority of the votes conferred upon the shareholders present or represented, so that a resolution will be deemed validly adopted when it receives more votes in favour than against out of those present or represented. An exception will be made where a qualified majority is required by law or by the Articles of Association. In particular, when the General Shareholders' Meeting is attended by shareholders representing less than fifty percent of the subscribed voting capital, the adoption of resolutions relating to any of the matters mentioned in Article 194 of the Corporate Enterprises Act will require the votes in favour of two thirds of the share capital present or represented at the Meeting. However, if the capital present or represented exceeds 50%, the resolution may be adopted by absolute majority.

- B.4.** Provide the figures for attendance at the general shareholders' meetings held in the reporting period and the two preceding years:

Date of General Shareholders' Meeting	Attendance figures				Total
	% physical attendance	% represented by proxy	% votes cast remotely		
			Electronic votes methods	Other	
12/06/2019	63.13	25.70	0.00	1.39	90.22
Of which, Free float	0.02	10.04	0.00	1.39	11.45
20/10/2020	63.11	16.68	0.00	1.60	81.39
Of which, Free float	0.00	16.68	0.00	1.60	18.28
17/06/2021	0.00	23.02	0.00	64.99	88.01
Of which, Free float	0.00	17.47	0.00	1.88	19.35

- B.5.** State whether any of the items on the agenda for the general shareholders' meetings held during the year were not approved by the shareholders for any reason:

Yes  
 No

- B.6.** State whether there are any statutory restrictions requiring a minimum number of shares to attend the general shareholders' meeting or to vote remotely:

Yes  
 No

B.7. State whether resolutions, other than those established by law, involving acquisition, disposal, or contribution of key assets to any other company or other similar corporate operations, must be submitted for approval by the general shareholders' meeting:

- Yes  
 No

B.8. State the address of the company's website and describe the conditions of access to corporate governance and other information relating to general shareholders' meetings that must be made available to shareholders online:

The address of the Company's website is [www.rovi.es](http://www.rovi.es). To access corporate governance content, click on the section headed "Shareholders and Investors" and then click the seventh tab ("Corporate Governance").

**C. MANAGEMENT STRUCTURE OF THE COMPANY**

**C.1. Board of directors**

C.1.1 Maximum and minimum number of directors established in the articles of association and number set by the general shareholders' meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the general shareholders' meeting	7

C.1.2 Complete the following table with information on the members of the board:

Director's name	Representative	Class of director	Board office	Date of first appointment	Date of last appointment	Election procedure
MR. JUAN LÓPEZ-BELMONTE ENCINA		Executive director	CHAIRMAN - CHIEF EXECUTIVE	27/07/2007	17/06/2021	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
MR. JAVIER LÓPEZ-BELMONTE ENCINA		Executive director	1 <sup>ST</sup> DEPUTY CHAIRMAN	27/07/2007	17/06/2021	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA		Executive director	2 <sup>ND</sup> DEPUTY CHAIRMAN	27/07/2007	17/06/2021	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
MR. JOSÉ FERNANDO DE ALMANSA MORENO-BARRERA		Independent director	DIRECTOR	09/06/2015	12/06/2019	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
MR. MARCOS PEÑA PINTO		Independent director	INDEPENDENT COORDINATING DIRECTOR	09/05/2019	12/06/2019	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING

Director's name	Representative	Class of director	Board office	Date of first appointment	Date of last appointment	Election procedure
MS. FÁTIMA BÁÑEZ GARCÍA		Independent director	DIRECTOR	20/12/2019	20/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING

Total directors	6
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State whether any directors have been removed from office either by resignation or by resolution of the general shareholders' meeting during the reporting period:

Director's name	Class of director upon removal	Date of last appointment	Date of removal	Membership of specialist committees	State whether removal occurred before the end of the term of office
MR. JUAN LÓPEZ-BELMONTE LÓPEZ	Proprietary director	17/06/2021	12/07/2021	The termination occurred as a result of the passing away of Juan López-Belmonte López on 12 July 2021.	Yes

Mr. Juan López-Belmonte López passed away on 12 July 2021.

C.1.3 Complete the following tables with information on the board members and classes of directors:

EXECUTIVE DIRECTORS		
Director's name	Position in the organization	Profile

<p>MR. JUAN LÓPEZ-BELMONTE ENCINA</p>	<p>Executive (Chief Executive Officer)</p>	<p>Mr. López-Belmonte Encina holds a degree in Economics and Business Science awarded by CEU San Pablo University in Madrid in 1993. He is a shareholder of Norbel Inversiones, S.L., in which he owns a 33.33% interest (making him the controlling shareholder of the Company) and is Chairman and Chief Executive Officer of ROVI. He has held office as Deputy Chairman of the Governing Board and Management Council of Farmaindustria. He also chaired the R&amp;D+i Committee of the Spanish Confederation of Employers' Organisations, CEOE, from March 2015 until late 2018. Mr. López-Belmonte began his career working in different areas of the pharmaceuticals business for international drug companies in the United States and the United Kingdom. Having worked for the Company since 1994, he was appointed Managing Director in October 2001, becoming Chief Executive Officer in October 2007. He was appointed as a director of the Company for the first time on 27 July 2007 when ROVI went public, and he was re-elected by the General Shareholders' Meeting in 2012, 2017 and 2021. In October 2020 he was appointed Chairman of the National Trade Association of the Spanish based pharmaceutical industry, Farmaindustria, and he remains currently in office. Mr. López-Belmonte Encina is currently a member of the Board of Directors of Norbel Inversiones, S.L., Alentia Biotech, S.L. and Glicopepton Biotech, S.L.</p>
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EXECUTIVE DIRECTORS		
Director's name	Position in the organization	Profile
MR. JAVIER LÓPEZ-BELMONTE ENCINA	Executive (Chief Financial Officer)	<p>Mr. López-Belmonte Encina holds a degree in Economics and Business Science from the University College of Financial Studies (CUNEF) in Madrid, with a major in Financing. He graduated in 1998. He also holds an Executive MBA awarded in the joint programme organized by Brown University and IE in Madrid in 2017. He is a shareholder of Norbel Inversiones, S.L., in which he owns a 33.33% interest (making him the controlling shareholder of the Company), and he is 1<sup>st</sup> Deputy Chairman of ROVI's Board of Directors. He began his career in banking as a UK-based analyst for Argentaria S.A. in 1998, later switching to the pharmaceutical industry after he joined Medeva Pharma, also based in the United Kingdom. He joined ROVI in 2000 and he has been the Company's CFO since 2001. He was appointed as a director of the Company for the first time on 27 July 2007 when ROVI went public, and he was re-elected by the General Shareholders' Meeting in 2012, 2017 and 2021. He has held office as Deputy Chairman of the Madrid Business Confederation, CEIM, and has been a member of its Management Board and Chairman of its Health Committee. He has also served as a member of the Social Council of the Universidad Autónoma de Madrid, representing CEIM, and as a member of the Board of Trustees of the Universidad Autónoma de Madrid Foundation, representing the University's Social Council. Mr. López-Belmonte Encina is currently Chairman of the Board of Directors and CEO of Norbel Inversiones, S.L. and the natural representative of the sole administrator (Norbel Inversiones) of Norbepa Inversiones, S.L. He is also Deputy Secretary and a director of Alentia Biotech, S.L., secretary of Enervit Nutrition, S.L. and member of Glicopepton Biotech, S.L.</p>
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	Executive (Chief Business Development Officer)	<p>Mr. López-Belmonte Encina holds a degree in Economics and Business Science with a major in Auditing awarded by CEU San Pablo University in Madrid in 1994. He is a shareholder of Norbel Inversiones, S.L., in which he owns a 33.33% interest (making him the controlling shareholder of the Company), and he is 2<sup>nd</sup> Deputy Chairman of ROVI's Board of Directors. The culmination of his postgraduate education was the Diploma of Advanced Studies awarded in 2008, which accredits him with research expertise in the field of Financial Economics and Accounting.</p> <p>He began his career in Germany working in companies such as Amersham, a leader in the field of nuclear medicine, and Hexal AG, which specializes in generic medicines. He has worked for the Company since 1995 and he became ROVI's Chief Business Development Officer (CBDO) in September 2007. He was appointed as a director of the Company for the first time on 27 July 2007 when ROVI went public, and he was re-elected by the General Shareholders' Meeting in 2012, 2017 and 2021. Mr. López-Belmonte Encina is currently a member of the Board of Directors of Norbel Inversiones, S.L., a director of Bertex Pharma GmbH, Chairman and attorney of Enervit Nutrition, S.L., Chairman of Alentia Biotech, S.L. and Chairman of Glicopepton Biotech, S.L.</p>

Total executive directors	3
% of total board members	50.00

EXTERNAL PROPRIETARY DIRECTORS		
Director's name	Name of the significant shareholder represented or who proposed the appointment	Profile
NOT APPLICABLE		

EXTERNAL INDEPENDENT DIRECTORS	
Director's name	Profile
MR. MARCOS PEÑA PINTO	<p>Mr. Peña Pinto holds a degree in Law from the Complutense University of Madrid, and he has passed the Spanish Civil Service examination qualifying him as an Employment and Social Security Inspector (<i>Inspector Técnico de Trabajo y de la Seguridad Social</i>). Between 1984 and 1989, Mr. Peña held the post of Employment Affairs Attaché at the Spanish Embassy in Italy. He then went on to serve as Secretary General of Health at the Spanish Ministry of Health and Consumer Affairs and Secretary General of Employment and Labour Relations at the Ministry of Labour between 1991 and 1996. Between 2005 and 2006, he served as Expert Adviser on the Economic and Social Council, a body he subsequently chaired until April 2020.</p> <p>As a consequence of his office as Chairman of the Economic and Social Council, Mr. Peña Pinto also automatically held a seat on the Spanish Council of State. In April 2020, Mr. Peña was appointed a trustee of the CEOE Foundation. Among his other professional activities carried out, Marcos Peña has specialized in the field of collective bargaining, serving as Chairman of the Negotiating Committee for numerous collective agreements (e.g., Telefónica, RENFE, Repsol, Alcatel, Endesa, Astilleros, among others). Mr. Peña Pinto has also acted as arbitrator and mediator in a number of labour disputes with national repercussions, and he is the author of countless publications and a regular newspaper columnist. He was co-opted to serve as an independent director of the Company and he formally accepted his appointment on 9 May 2019. He was re-elected at the General Shareholders' Meeting held on 12 June 2019.</p>
MR. JOSÉ FERNANDO DE ALMANSA MORENO- BARREDA	<p>Mr. Almansa Moreno-Barreda holds a degree in Law from the University of Deusto (Bilbao). He is a diplomat, having joined the Spanish Diplomatic Service on 2 December 1974. He held various positions between 1976 and 1992, Serving as Secretary of the Spanish Embassy in Brussels, Cultural Attaché at the Spanish Embassy in Mexico, Head of the Coordination Department in the Sub-Directorate General for Eastern Europe, Director of Atlantic Affairs at the Directorate General of Foreign Policy for Europe and Atlantic Affairs, Political Attaché at the Office of Spain's Permanent Representative to the North Atlantic Council in Brussels, Minister-Consul General at the Spanish Embassy in the Soviet Union, Secretary General of the Spanish National Committee for the Fifth Centenary of the Discovery of America, and Sub-Director General for Eastern Europe Office at the Directorate General for European Foreign Policy. He was appointed Head of the Royal Household with the rank of Minister by His Majesty the King Juan Carlos I, a post he held from 1993 until 2002, when he was made Privy Councillor to King Juan Carlos I in 2003, serving in this office until 2016. He was a director of Telefónica S.A. between 2003 and 2016, holding the presidency of the Board's International Affairs Committee serving on the boards of various Telefónica S.A. subsidiaries in Latin America. He has also held office as a director of the Mexican bank BBVA BANCOMER and TELEFÓNICA MÓVILES S.A. in Mexico. He became a director of ROVI on 9 June 2015 and he was reappointed at the 2019 General Shareholders'</p>

	Meeting.
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<p>MS. FÁTIMA BÁÑEZ GARCÍA</p>	<p>Ms Báñez García holds degrees in Law and in Economics and Business Studies awarded by the Pontifical University of Comillas—ICADE E-3. She concluded her academic education by earning a Postgraduate Degree in Business Administration from Harvard University, Boston, MA and completing the Public Management Leadership Program at IESE Business School. She was Minister of Employment and Social Security of the Government of Spain from December 2011 until June 2018, and Acting Minister of Health, Social Services and Equality between August and November 2016. She also held public office as Deputy for Huelva in the Spanish Parliament (2000-2019), where she has discharged important duties in the economic sphere for the Partido Popular parliamentary group, and she served as President of the Lower House Foreign Affairs Committee (2018-2019). Previously, she was a member of the board of directors of Radio Televisión de Andalucía, from November 1997 to June 2000. She began her professional career in private companies as head of Strategy and Business Development for a family business group (1993-1997), returning to the private sector in November 2019 as a consultant and business advisor. She has extensive international experience, representing Spain at EPSCO Council meetings, in the G-20, at Ibero-American Summits and at meetings of the OECD and the ILO, as well as other International Employment Forums. Ms Báñez is presently a director of Iberdrola México, S.A. and President of the CEOE Foundation. She was co-opted to serve as an independent director of the Company with effect from 20 December 2019, and she was re-elected at the General Shareholders' Meeting held on 20 October 2020.</p>
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Total independent directors	3
% of total board members	50.00

State whether any director classified as independent receives any moneys or benefits from the company or from its group in respect of any item other than director's remuneration or maintains or has maintained any business relationship with the company or with any company forming part its group, either in their own name or as a significant shareholder, director or senior executive of any other entity that maintains or has maintained such a relationship.

Where appropriate, include a reasoned statement from the board of directors explaining why it considers that the director concerned is able to duly discharge his/her duties as an independent director.

Director's name	Description of the relationship	Reasoned statement
Not applicable		

**OTHER EXTERNAL DIRECTORS**

Identify any other external directors, state the reasons why they are not considered proprietary or independent directors, and describe their relations with the company, its managers and its shareholders:

Director's name	Reasons	Company, executive or shareholder with whom relations exist	Profile
Not applicable			

Total external directors	N/A
% of total board members	N/A

Indicate any changes in the classification of each of the directors that may have occurred during the period:

Director's name	Date of change	Previous class	Current class
Not applicable			

C.1.4 Complete the following table with information on the number of female directors at the end of the last four financial years, as well as the classification of the female directors:

	Number of female directors				% of total directors in each class			
	2021	2020	2019	2018	2021	2020	2019	2018
Female directors					0.00	0.00	0.00	0.00

	Number of female directors				% of total directors in each class			
	2021	2020	2019	2018	2021	2020	2019	2018
Proprietary directors					0.00	0.00	0.00	0.00
Independent directors	1	1	1		33.33	33.33	33.33	0.00
Other external directors					0.00	0.00	0.00	0.00
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>		<b>16.67</b>	<b>14.29</b>	<b>14.29</b>	<b>0.00</b>

C.1.5 State whether the company has diversity policies in place covering matters relating to the board of directors such as age, gender, disability, or professional qualifications and experience. Small and medium-sized firms within the meaning of the Spanish Auditing Act are required to report at least the policy adopted in relation to gender diversity.

- Yes  
 No  
 Partial policies

If yes, describe the diversity policies in question, their objectives, the measures adopted, the manner in which they are applied, and the results obtained in the reporting period. You should also indicate any specific measures adopted by the board of directors and the appointments and remuneration committee to ensure a balanced and diverse mix of directors.

Explain the reasons for the absence of a diversity policy if the company has none in place.

Description of policies, objectives and measures, of their application and of the results obtained

ROVI is committed to developing and implementing policies to integrate equality of treatment and opportunity between women and men without discriminating directly or indirectly on grounds of gender, and to driving and fostering measures to ensure real equality in our organization, establishing equal opportunity as a strategic principle of our human resources policy.

ROVI has an Equality Plan, which establishes mechanisms in areas like selection and recruitment, internal promotion and professional development, training, remuneration, work/life conciliation, gender violence, the prevention of bullying and whistleblowing. ROVI reviews its Equality Plan on an annual basis.

ROVI commenced the process of aligning its Equality Plan with the new legislative framework arising from the publication in 2019 of Royal Decree Law 6/2019 of 1 March on urgent measures to ensure equality of treatment and opportunities between women and men in the workplace and in their occupations. An Equality Plan Negotiating Committee was set up, which has prepared a consensus diagnosis with the legal representations of the workers on matters related to the selection and recruitment processes, professional classification, training, professional promotion, working conditions (including audit of women's and men's salaries), co-responsibility for the exercise of rights relating to personal, family and work life, female underrepresentation, remuneration and prevention of sexual harassment. Since the entry into force of Royal Decree 901/2020 of 13 October, which regulates equality plans and their registration and amends Royal Decree 713/2010 of 28 May on the registration and deposit of collective bargaining agreements and other employment-related agreements, which regulates equality plans and equality diagnoses, including obligations relating to their registration, deposit and access, the Company has initiated a process of implementation of the regulatory provisions established therein in relation to negotiation processes, content and registration of the Equality Plan and alignment with the new regulatory framework. The new regulation has resulted in substantial changes to the methodology applicable to the drafting of equality plans and in the obligations incumbent upon the company, and this has made it necessary to undertake a new negotiation process with the legal representatives of the workers and the representatives of the trade unions. This process was carried out over the course of 2021, and the new plan is expected to be completed and published in accordance with the latest regulatory framework in the early months of 2022.

ROVI's commitment to equality and non-discrimination is also reflected in the Company's Code of Ethics and in the principles governing training programmes and activities. ROVI also has a Bullying and Sexual Harassment Prevention and Treatment Procedure in place in the workplace, which all employees are required to know and respect.

ROVI allocates significant resources to train and prepare its employees in order to further their career plans and drive professional development. The Company also has a Policy governing membership of the Board of Directors, which is intended (i) to ensure that proposals for the appointment and re-election of the Company's directors are based on a prior analysis of the Board's needs; and (ii) to promote diversity of knowledge, expertise, age and gender in the Board, so as to enrich decision-making and ensure the plurality in debates regarding the matters falling within the Board's purview.

The selection of candidates for directorships will be based on a needs analysis applied to the Company and its group, which will be carried out by the Board of Directors with the advice of the Appointments and Remuneration Committee ("ARC") and subject to its report. The ARC will assess the relevant competences, knowledge and expertise of candidates for appointment to the Board of Directors. In this connection, the ARC will define the necessary functions and skills for candidates to fill each vacancy arising and will assess the time and dedication needed so that they can discharge their duties effectively. The candidate selection process will eschew any kind of implicit bias that could result in discrimination and, in particular, that might impede the selection of people of either sex. In this regard, if there is a clear imbalance in the membership of the Board of Directors, potential candidates will include women who fulfil the relevant conditions and match the profile sought.

In addition, the Board Membership Policy requires that female directors make up at least 40% of the total members of the Board of Directors by the end of 2022 and that their number should not be less than 30% in the interim.

When selecting candidates for membership of the Board of Directors, the ARC will ensure that the candidates proposed are upstanding, suitable persons of recognized professional solvency, competence, experience, qualification, training, availability and commitment to their role, and that the Board's membership remains appropriately balanced.

With regard to professional qualifications, the Policy requires candidates to hold a university degree or to have at least five years' experience of administrative, management, control and/or advisory functions in public or private organizations of a comparable size and requirements to the Company. By way of recommendation, the Board considers that directors should not, in general, be older than eighty years of age.

- C.1.6 Explain any measures that may have been agreed by the appointments committee to ensure that selection procedures are free of implicit bias which could impede the selection of female directors, and that the company deliberately seeks and includes women who meet the professional profile required among the potential candidates shortlisted so as to achieve a balanced presence of women and men on the Board. State whether these measures include recruitment by the company of a significant number of women at the senior management level:

#### Explanation of measures

The Appointments and Remuneration Committee evaluates the skills, expertise and experience required of Board candidates, in accordance with the provisions of the Regulations of the Board of Directors and the Regulations of the Appointments and Remuneration Committee. Specifically, the ARC verifies, in accordance with the Board membership Policy, that selection procedures are free of any implicit bias that could result in discrimination and, in particular, that they do not impede the selection of female directors.

The Board of Directors of the Company is currently formed by the three senior executives of the Company and three independent directors of excellent standing, all of whom were appointed following professional criteria and regardless of gender.

The selection of candidates for appointment as directors of the Company is based on the merit shown by the candidates. In this regard, the Board of Directors, and the Appointments and Remuneration Committee, within its remit, will ensure that the candidates selected are upstanding, suitable and of recognized professional solvency, and that they have the requisite competences, experience, qualifications, training, availability and commitment to their duties. Potential candidates may include both men and women who meet these requirements. If there is a clear imbalance in the membership of the Board of Directors, however, potential candidates will necessarily include women who fulfil the relevant conditions and match the profile sought. In addition, the Company will endeavour to ensure that female directors make up at least 40% of the total members of the Board of Directors by the end of 2022 and that their number is not less than 30% in the interim.

These measures also apply to the appointment of ROVI's senior executives. In particular, four out of the 10 members of the senior management team (excluding executive directors) are women, underscoring ROVI's commitment to achieving a balanced presence of men and women at all levels.

Provide an explanation of the reasons where there may be very few or no female directors or senior managers, despite the measures adopted:

#### Explanation of reasons

No processes were launched in 2021 to select any new directors. As explained above, however, ROVI's senior management team reflects a balanced presence of men and women.

- C.1.7 Explain the findings of the Appointments Committee with regard to its verification of compliance with policy to ensure that the make-up of the Board of Directors is appropriate.

The Policy on the make-up of the Board of Directors did not need to be applied in 2021. However, both the latest appointment of a director and the make-up of ROVI's senior management team show that the Company complies with the aforementioned Policy, which is aimed at achieving balanced Board membership. Given that a vacancy appeared in the Board of Directors following the demise of Mr. Juan López-Belmonte López, however, the Company give consideration to female candidates to fill the vacant seat in the selection and appointment process in order to promote gender diversity in the Board of Directors.

- C.1.8 Where appropriate, explain the reasons for the appointment of proprietary directors at the behest of shareholders whose interests represent less than 3% of share capital:

Name of the significant shareholder	Reasons
Not applicable	

State whether the company has addressed formal requests for representation on the board made by shareholders owning interests equal to or greater than those held by other shareholders at whose behest proprietary directors have been appointed. Where applicable, explain the reasons why such requests were not addressed:

- [ ] Yes  
[ √ ] No

C.1.9 List the powers and prerogatives, if any, delegated by the board of directors to directors or board committees, including any powers allowing possible share issues or buybacks:

Name of the director or committee concerned	Brief description
JUAN LÓPEZ- BELMONTE ENCINA	Chief Executive Officer. Mr. López-Belmonte was granted all legally delegable powers and prerogatives in the deed formalizing corporate resolutions of 22 July 2021.

C.1.10 Where appropriate, identify any board members holding office as directors, representatives of directors or executives in other undertakings forming part of the listed company's group:

Director's name	Name of the group entity	Office	Executive functions?
MR. JUAN LÓPEZ- BELMONTE ENCINA	PAN QUÍMICA FARMACÉUTICA, S.A.	Representative of Laboratorios Farmacéuticos Rovi, S.A.	YES
MR. JUAN LÓPEZ- BELMONTE ENCINA	ROVI PHARMA INDUSTRIAL SERVICES, S.A.	Representative of Laboratorios Farmacéuticos Rovi, S.A.	YES
MR. JUAN LÓPEZ- BELMONTE ENCINA	GINELADIUS, S.L.	Representative of Laboratorios Farmacéuticos Rovi, S.A.	YES
MR. JUAN LÓPEZ- BELMONTE ENCINA	ROVI ESCÚZAR, S.L.	Representative of Laboratorios Farmacéuticos Rovi, S.A.	YES
MR. IVÁN JORGE LÓPEZ- BELMONTE ENCINA	BERTEX PHARMA GMBH	Sole Director	YES
MR. IVÁN JORGE LÓPEZ- BELMONTE ENCINA	ROVI BIOTECH LIMITED	Sole Director	YES
MR. IVÁN JORGE LÓPEZ- BELMONTE ENCINA	ROVI GMBH	Sole Director	YES
MR. JUAN LÓPEZ- BELMONTE ENCINA	ROVI BIOTECH SRL	Representative of Laboratorios Farmacéuticos Rovi, S.A.	YES
MR. JUAN LÓPEZ- BELMONTE ENCINA	ROVI S.A.S.	Representative of Laboratorios Farmacéuticos Rovi, S.A.	YES
MR. IVÁN JORGE LÓPEZ- BELMONTE ENCINA	ROVI S.A.S.	Representative of Laboratorios Farmacéuticos Rovi, S.A.	YES
MR. JAVIER LÓPEZ- BELMONTE ENCINA	ROVI S.A.S.	Representative of Laboratorios Farmacéuticos Rovi, S.A.	YES
MR. JUAN LÓPEZ- BELMONTE ENCINA	ROVI BIOTECH SP. ZO.O.	Chairman of the Board.	YES

MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH SP. ZO.O.	1 <sup>st</sup> Deputy Chairman of the Board.	YES
MR. JAVIER LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH SP. ZO.O.	2 <sup>nd</sup> Deputy Chairman of the Board.	YES
MR. JUAN LÓPEZ- BELMONTE ENCINA	ROVI BIOTECH GMBH	Member of the Board of Directors	YES
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH GMBH	Member of the Board of Directors	YES
MR. JAVIER LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH GMBH	Chairman of the Board.	YES

Laboratorios Farmacéuticos ROVI, S.A is Sole Director of the following ROVI Group subsidiaries: Gineladius, S.L., Pan Química Farmacéutica, S.A., Rovi Pharma Industrial Services S.A., Rovi Escúzar, S.L. y Rovi Biotech S.R.L. Mr. Juan López-Belmonte Encina has been appointed as ROVI's natural representative in these companies. Laboratorios Farmacéuticos Rovi, S.A. holds the office of "First President" in the ROVI Group subsidiary in France, ROVI, S.A.S. It is represented by Messrs. Juan, Javier and Iván López-Belmonte in the capacity of joint natural representatives.

C.1.11 List the positions of director, administrator or director's representative discharged by the members of the company's board of directors or their natural representatives in any other undertakings, whether or not listed companies:

Director's or representative's name	Entity's name, whether or not a listed company	Office
MR. JUAN LÓPEZ-BELMONTE ENCINA	NORBEL INVERSIONES, S.L.	DIRECTOR
MR. JUAN LÓPEZ-BELMONTE ENCINA	NORBEP A INVERSIONES, S.L.	DIRECTOR
MR. JUAN LÓPEZ-BELMONTE ENCINA	ALENTIA BIOTECH, S.L.	DIRECTOR
MR. JUAN LÓPEZ-BELMONTE ENCINA	FARMAINDUSTRIA-ASOCIACION NACIONAL EMPRESARIAL DE LA INDUSTRIA FARMACÉUTICA.	CHAIRMAN
MR. JAVIER LÓPEZ-BELMONTE ENCINA	NORBEL INVERSIONES, S.L.	DIRECTOR
MR. JAVIER LÓPEZ-BELMONTE ENCINA	NORBEP A INVERSIONES, S.L.	DIRECTOR
MR. JAVIER LÓPEZ-BELMONTE ENCINA	ALENTIA BIOTECH, S.L.	DEPUTY SECRETARY AND DIRECTOR
MR. JAVIER LÓPEZ-BELMONTE ENCINA	ENERVIT NUTRITION, S.L.	SECRETARY AND DIRECTOR
MR. JAVIER LÓPEZ-BELMONTE ENCINA	JANASOR INVERSIONES, S.L.U.	SOLE DIRECTOR
MR. JAVIER LÓPEZ-BELMONTE ENCINA	COVIROSME, S.L.U.	SOLE DIRECTOR
MR. JAVIER LÓPEZ-BELMONTE ENCINA	LOBELVIA INVERSIONES, S.L.	REPRESENTING A DIRECTOR
MR. JAVIER LÓPEZ-BELMONTE ENCINA	LOBELVIA INVERSIONES, S.L.	REPRESENTING A DIRECTOR
MR. JAVIER LÓPEZ-BELMONTE ENCINA	RESIDENCIA BURJA, S.L.	REPRESENTING A DIRECTOR
MR. IVÁN LÓPEZ-BELMONTE ENCINA	NORBEL INVERSIONES, S.L.	DIRECTOR

MR. IVÁN LÓPEZ-BELMONTE ENCINA	NORBEP A INVERSIONES, S.L.	DIRECTOR
MR. IVÁN LÓPEZ-BELMONTE ENCINA	ALENTIA BIOTECH, S.L.	CHAIRMAN
MR. IVÁN LÓPEZ-BELMONTE ENCINA	ENERVIT NUTRITION, S.L.	CHAIRMAN
MS. FÁTIMA BÁÑEZ GARCÍA	FUNDACIÓN DE LA CONFEDERACIÓN ESPAÑOLA DE ORGANIZACIONES EMPRESARIALES (CEO E)	PRESIDENT
MS. FÁTIMA BÁÑEZ GARCÍA	IBERDROLA MÉXICO S.A. DE C.V.	DIRECTOR

Ms. Fátima B áñez García receives remuneration for the performance of her duties as an independent Director of Iberdrola México, S.A. de C.V.

Mr. Juan López-Belmonte Encina holds the position of Deputy Secretary non-Director of Enervit Nutrition, S.L., for which he does not receive any remuneration.

Where appropriate, state any other remunerated activities undertaken by the directors or their natural representatives, whatever the nature thereof, other than the activities reflected in the above table:

Director's or representative's name	Other remunerated activities
MS. FÁTIMA BÁÑEZ GARCÍA	Adviser to the President of Confederación Española de Organizaciones Empresariales (CEO E) President of EY-Sagardoy de Talento e Innovación External adviser to Industrias Cárnicas Oriente Piqueras, S.A. (Incarlopsa)

C.1.12 State, and where appropriate explain, whether the company has established any rules governing the maximum number of directorships in other companies that may be held by its directors, indicating where appropriate the document containing this regulation:

Yes  
 No

Explanation of the rules and identification of the document containing the regulation

Article 17 of the ROVI Board Regulations, which transposes Recommendation 25 of the Good Governance Code, establishes a maximum of ten directorships in other companies for its directors (with a limit of eight in the case of companies whose shares are listed on the Spanish or foreign stock exchanges), excluding any positions that the directors may hold in certain cases and allowing the Appointments and Remuneration Committee to otherwise authorize a director in view of the specific circumstances of the case.

C.1.13 State the amounts paid in respect of the following general board remuneration items:

Remuneration earned by the members of the board of directors in the reporting period (thousands of euros)	5,695
Total funds accumulated by the current directors in long-term savings schemes with vested rights (thousands of euros)	890
Total funds accumulated by the current directors in long-term savings schemes with non-vested rights (thousands of euros)	
Total funds accumulated by former directors in long-term savings schemes with vested rights (thousands of euros)	

The shareholders of ROVI at their General Meeting held on 17 June 2021 agreed on maximum annual remuneration for 2021 of €1,000,000 to be paid to the members of the Board of Directors in their capacity as such (i.e., excluding the remuneration of executive directors for the discharge of executive and senior management

functions). Furthermore, the General Shareholders' Meeting delegated to the Board the distribution of the aforesaid amount to its members in view of the duties and responsibilities discharged by each director, membership of Board Committees and other objectively relevant circumstances.

C.1.14 List all members of senior management who are not executive directors and state the total remuneration earned by them in the reporting period:

Name	Position(s)
MR. PEDRO CARRETERO TRILLO	Hospital Network Manager
MS. ARÁNZAZU LOZANO PIRRONGELLI	Internal Audit
MR. FERNANDO MARTÍNEZ GARIJO	Sales Effectiveness Manager
MR. MIGUEL ÁNGEL CASTILLO SAN ROMÁN	International and Business Development Manager
MR. FRANCISCO JAVIER ANGULO GARCÍA	Human Resources Manager
MS. MERCEDES BENÍTEZ DEL CASTILLO SÁNCHEZ	Chief Legal Officer
MR. MIGUEL ÁNGEL ORTEGA SÁNCHEZ	Chief Industrial Officer
MR. IBÓN GUTIERRO ADÚRIZ	Preclinical Research Manager
MS. ROSARIO PERUCHA PÉREZ	Marketing Director
MS. BEATRIZ ÁVILA ALCALDE	Sales Director

Total number of women in senior management positions	4
Percentage of total members of the senior management team	40.00

Total senior management remuneration (thousands of euros)	1,706
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C.1.15 State whether the Board regulations have been amended during the reporting period:

- Yes  
 No

Description of changes
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At its meeting held on May 12, 2021, the Board of Directors resolved to amend the Board Regulations at the proposal of the Audit Committee and the Appointments and Remuneration Committee (as regard the matters falling within their purview) in order to bring the same into line with the new provisions inserted in the Corporate Enterprises Act and to improve the wording of certain articles. All of these changes fall within the framework of the review of the Company's internal regulations (Articles of Association and General Shareholders' Meeting Regulations).

The main purpose and objectives of the amendments made were as follows:

- (i) To include the regulatory changes made in the Corporate Enterprises Act following the approval of Spanish Law 5/2021 of 12 April, which modified the consolidated text of the Companies Act and other financial regulations in order to foster long-term involvement by the shareholders of listed companies; and
- (ii) To make certain technical improvements, in order to clarify the meaning of certain provisions, perfect their wording and facilitate understanding.

As part of the process of updating the Company's internal corporate governance regulations, meanwhile, the Appointments and Remuneration Committee Regulations and the Audit Committee Regulations were also modified.

C.1.16 Indicate any procedures undertaken with a view to the selection, appointment, re-election or removal of directors. List the competent bodies, the processes involved, and the criteria applied in each such procedure.



The appointment and removal of directors is regulated in Chapter VI of the Regulations of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A. (Articles 17 to 21, inclusive), as follows: a) **Appointment:** Directors will be appointed and re-elected (i) at the proposal of the Appointments and Remuneration Committee, in the case of independent directors; and (ii) by the General Shareholders' Meeting or by the Board of Directors subject to a report from the Appointments and Remuneration Committee in the case of other directors, in accordance with the provisions of applicable legislation and with the director selection policies approved by the Board from time to time. Proposals must be supported by a report of the Board of Directors containing an appraisal of the competence, experience and merits of the proposed candidate. This report will be attached to the minutes of the General Shareholders' Meeting and the Board meeting. The Board and the Appointments and Remuneration Committee will ensure that director selection procedures favour diversity of gender, experience, age and expertise, and that they are free of any implicit bias that could impede the selection of female directors.

Any director may request that the ARC take into consideration potential candidates to cover board vacancies, where they understand the same to be suitable. The Board of Directors and the ARC will ensure, within their respective remits, that the candidates elected are persons of recognized solvency, competence and experience, taking especial care with regard to the election of persons to fill independent directorships.

b) **Term of office:** Directors will hold office for a period of four years, at the end of which they may be re-elected for one or more additional terms with the same maximum duration. The appointment of directors will lapse upon expiration of their term of office when the next General Shareholders' Meeting of the shareholders is held to approve the Company's accounts for the prior financial year, or when the legal period allowed for said General Shareholders' Meeting to be held comes to an end. Directors appointed by co-option will be ratified at the first General Shareholders' Meeting held after their date of their appointment to office. Any director reaching the end of their term of office or removed for any other reason shall not accept any directorship or discharge executive office in any other company having a similar object to that of the Company for a period of two years. Where considered appropriate, the Board of Directors may release an outgoing director from this obligation or reduce the period in which it will apply.

c) **Re-election:** Before proposing the re-election of directors to the General Shareholders' Meeting, the Appointments and Remuneration Committee and the Board of Directors will appraise the quality of work and dedication of the directors proposed during their preceding terms of office.

d) **Appraisal:** The ARC appraises the competences, expertise, age and experience needed by the Board and in light thereof defines the functions and skills required of candidates to fill each vacancy arising, as well as assessing the time and dedication needed for the proper discharge of the directors' duties. The Board of Directors in full session also appraises: (i) the quality and efficiency of its functioning; (ii) the performance of the Chairman of the Board and of the Company's Chief Executive Officer based on the reports submitted by the ARC; (iii) the functioning and membership of Committees, based on the reports submitted; and (iv) the diversity of the Board's own membership and competences, and the performance and contribution of each director, paying special attention to Committee chairs.

e) **Removal of directors:** Directors will be removed from office at the end of the term for which they were appointed, when the General Shareholders' Meeting so decides in the exercise of its legal and statutory prerogatives, or when they resign or otherwise step down. The directors shall offer their resignation to the Board of Directors and formally step down where considered appropriate under various circumstances outlined in the Board Regulations. In particular, the independent directors shall not remain in office uninterruptedly for more than 12 years and they will therefore be required to present their resignation at the end of said period.

Where any director may be removed from office before the end of their mandate, whether due to resignation or dismissal by the General Shareholders' Meeting, such director shall duly explain their reasons for resigning or, in the case of non-executive directors, their position with regard to the grounds for dismissal by the General Shareholders' Meeting in a letter addressed to all of the Board members. The Board of Directors will only propose the removal of an independent director before the end of their statutory term of office with good cause, as agreed by the Board subject to a prior report from the Appointments and Remuneration Committee. In particular, good cause will be deemed to exist where the director takes up any new office or contracts new obligations which would prevent him/her from dedicating the time necessary to discharge the functions proper to the office of director, or fails to discharge the duties inherent in his/her office, or is affected by any circumstances in view of which he/she might lose the condition of independence within the meaning of applicable legislation.

C.1.17 Explain the extent to which the annual board performance appraisal may have resulted in significant changes in its internal organization or in the procedures applicable to its activities:

#### Description of changes

The Board of Directors has assessed the quality and efficiency of its functioning at a full session, based on the report prepared by the Appointments and Remuneration Committee, in accordance with Article 5.7 of the Board Regulations. Said appraisal did not result in any material changes either in the internal organization of the Board or in the procedures applicable to its activities.

Describe the appraisal process and the areas appraised by the board of directors with the support of any external consultants, as regards the functioning and membership of the board and its committees or any other areas or issues subject to appraisal.

#### Description of the assessment process and areas assessed

ROVI's Board of Directors has carried out internal appraisals of (i) the quality and efficiency of its functioning; (ii) the performance by the Chairman of the Board and Chief Executive of the Company of their functions, based on a report submitted by the Appointments and Remuneration Committee; (iii) the functioning of its Committees, based on the information provided by the same; and (iv) the diversity of the Board's membership and competences, and the performance and contribution of each Director, paying special attention to the Committee chairs. To this end, the directors individually completed a questionnaire prepared for the purpose, and the chairs of each of the committees held meetings with the other committee members. Meanwhile, the Chair of the Appointments and Remuneration Committee held discussions with all of the board members to learn their opinions with respect to the performance by the Chairman of the Board and Chief Executive of ROVI (in his capacity as such) in relation to the discharge of his duties in 2021. Finally, the diversity of membership and competences in the Board are in compliance both with the relevant provisions of the Corporate Enterprises Act and with the recommendations set forth in the Good Governance Code for listed companies approved by the CNMV, notwithstanding the process undertaken by the Company to progressively increase the Board's gender diversity.

An appraisal of the Board of Directors was carried out with the support of the external consultant Deloitte Legal, S.L.P. as described in the 2020 Annual Corporate Governance Report pursuant to Recommendation 36 of the Good Governance Code for Listed Companies.

C.1.18 Provide a breakdown of the business relations maintained by the external consultant assisting with the Board appraisal in any year or any of its group entities group with the company and the undertakings forming part of its group.

Not applicable, given that the Board of Directors conducted the appraisal procedure without the support of any external consultant.

C.1.19 Indicate the cases in which directors are obliged to resign.

In accordance with Article 21 of the Board Regulations, the directors are required to offer their resignation to the Board of Directors and formally step down where considered appropriate under the following circumstances:

- a) Upon removal from any executive positions associated with their appointment to the directorship.
- b) Where they may be subject to any of the incompatibilities or prohibitions established by law.
- c) When they may be severely reprimanded by the Board of Directors for breach of their obligations as directors.
- d) When they lose the good professional standing required to hold office as a director of the Company, or when the reasons for which they were appointed are removed (e.g., when a proprietary director disposes of the interest held in the Company).
- e) The independent directors may not remain in office uninterruptedly for a period of more than 12 years, and at the end of that period they must formally resign.
- f) In the case of proprietary directors (i) when the shareholder they represent sells the whole of the interest held in the Company; and (ii) the appropriate number of propriety directors will likewise be removed where the shareholder reduces its interest in the Company to a level that would require a reduction in the number of its proprietary directors.

All of the directors must inform the Company and resign where appropriate if they are personally affected by any situations, whether or not related with their activities in the Company, which could adversely affect its good standing or reputation, and in particular if they are the subject of any criminal investigation or are arraigned on criminal charges.

C.1.20 Are qualified majorities required for any decisions other than as required by law?

Yes

No

Describe any differences, where applicable.

C.1.21 Explain whether there are any specific requirements for appointment to the chair of the board of directors other than those applicable to directorships:

- Yes  
 No

C.1.22 State whether the articles of association or the board regulations establish any age limits for the office of director:

- Yes  
 No

The Policy applicable to membership of the Board provides that directors should not in general be older than eighty years of age.

C.1.23 State whether the articles of association or the board regulations provide for limited terms of office or any stricter requirements in addition to those established by law for independent directors:

- Yes  
 No

C.1.24 State whether the articles of association or the board regulations establish any special conditions for proxy voting at meetings of the board of directors and explain the method applicable and the maximum number of proxy votes that may be cast by a single director, indicating any other limitations with regard to the nature of the votes that may be delegated above and beyond the restrictions established by law. Where applicable, provide a brief description of any such rules.

In accordance with Article 16 of the Board Regulations, the directors shall grant a proxy in writing to another member of the Board when they are unable to attend Board meetings in person (whether physically or remotely), stipulating the pertinent instructions and notifying the Chairman of the Board. Notwithstanding the foregoing, the non-executive directors shall only confer proxies on another non-executive director.

C.1.25 State the number of meetings held by the board of directors in the reporting period. Also, indicate the number of times the board met without the presence of the chairman. This tally should include attendance by proxies acting subject to specific instructions.

Number of board meetings	13
Number of board meetings not attended by the chairman	0

State the number of meetings held by the coordinating director with the other directors in the absence of any executive director or representative of the same:

Number of meetings	18
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State the number of meetings held by the different board committees in the reporting period:

Number of Audit Committee meetings	8
Number of meetings of the Appointments and Remuneration Committee	10

Marcos Peña Pinto, coordinating director of ROVI in 2021, discharged the office of Chairman of the Audit Committee and member of the Appointments and Remuneration Committee. Both of these committees are made up solely of independent directors.

Accordingly, the coordinating director held 18 meetings with the independent directors of ROVI over the course of 2021 as a result of these Committee meetings.

C.1.26 State the number of meetings held by the board of directors in the reporting period and provide data on attendance by the directors:

Number of meetings attended physically by at least 80% of the directors	13
% of total votes cast by directors attending meetings physically in the reporting period	96.34
Number of meetings attended physically, or proxies granted with specific instructions, by all of the directors	13
% of total votes cast in the reporting period issued by directors attending meetings physically or by proxy with specific instructions	100.00

C.1.27 State whether the individual and consolidated financial statements presented to the board for preparation are previously certified:

- Yes  
 No

Where applicable, identify the person(s) responsible for certifying the individual and/or consolidated financial statements of the company with a view to preparation by the board:

C.1.28 Explain the mechanisms, if any, established by the board of directors to ensure that the annual financial statements presented to the shareholders at their general meetings are prepared in accordance with applicable accounting legislation.

In accordance with Article 40 of the Board Regulations, the Audit Committee shall take steps to ensure that the annual financial statements presented by the Board to the General Shareholders' Meeting are prepared in accordance with applicable accounting legislation. In those exceptional cases where the auditor may issue a qualified audit report, the Chairman of the Audit Committee will provide with a clear explanation of the Audit Committee's position with regard to the content and scope of such report at the General Shareholders' Meeting and will place a summary explanation at the disposal of the shareholders upon publication of the call for the General Shareholders' Meeting together with the other proposals and reports issued by the Board of Directors. However, any Director who considers that they must maintain their own personal position will be required publicly to explain the contents and scope of such minority report.

In accordance with art. 13 of the Board Regulations and art. 6 of the Audit Committee Regulations, prior to the preparation of the financial statements, the Audit Committee shall: -Review the Company's financial statements; -Oversee compliance with legal requirements and the proper application of generally accepted accounting standards; -Review the periodic financial information reported by the Board to the markets and the supervisory authorities; -Oversee and assess the process of preparation and presentation, as well as the integrity of the financial and non-financial information and the financial and non-financial control and risk management systems applicable in the Company and the Group, (including operational, technological, legal, corporate, environmental, political and reputational risks and exposure to corrupt practices), reviewing compliance with all legal requirements, due definition of the scope of consolidation and the proper application of accounting policies, and presenting recommendations and proposals to the board of directors with a view to safeguarding the integrity of the financial statements; and -Review and oversee internal control and risk management systems on a periodic basis, assessing their effectiveness as an appropriate means of identifying, managing and understanding risks.

C.1.29 Is the secretary of the board a director?

- Yes  
 No

Complete the following table if the secretary is not a director:

Secretary's name	Representative
GABRIEL NÚÑEZ FERNÁNDEZ	

C.1.30 Explain the specific mechanisms established by the company to safeguard the external auditor's independence and, where applicable, any mechanisms designed to protect the independence of financial analysts, investment banks and rating agencies, including the practical implementation of legal provisions.

The Board Regulations establish that the Audit Committee is responsible for submitting proposals for the selection, appointment, re-election or replacement of auditors to the Board of Directors, taking responsibility for the selection process and the terms and conditions of engagement.

The Board Regulations also require the Audit Committee to ensure that the Company reports any change of auditor to the CNMV as a material event, providing an accompanying statement on the possible existence of disagreements with the outgoing auditor and, if so, nature of the issue in question. In order to protect the auditor's independence, meanwhile, Article 13 of the Board Regulations and art. 6 of the Audit Committee Regulations require the Audit Committee: (i) To establish the necessary relations with external auditors to receive information on any issues that might threaten their independence; (ii) To issue a report each year before the issue of the audit report, expressing an opinion as to the possibility that the independence of auditors or audit firms may have been compromised. This report must mention the provision of additional services by the auditors; (iii) To supervise compliance with the terms of the audit engagement, ensuring that the opinion issued on the financial statements and the key content of the audit report are clearly and precisely worded and assessing the results of each audit; (iv) To examine the circumstances and reasons in the event the external auditor should resign; (v) To ensure that the external auditor's fees for its work do not compromise quality or independence; (vi) To ensure that the external auditor holds an annual meeting with the whole of the Board of Directors to report on the audit work carried out and on the evolution of accounting matters and the risks to which the company is exposed; and (vii) To ensure that the company and the external auditor respect prevailing regulations governing the provision of non-audit services, the limits on the concentration of the auditor's business and the terms of other regulations governing auditor independence in general.

C.1.31 State whether the Company changed its external auditor in the reporting period. Where applicable, identify the incoming and outgoing auditors:

- Yes  
 No

Explain the issues concerned in any disagreements with the outgoing auditor:

- Yes  
 No

C.1.32 State whether the audit firm performs any other work for the company and/or its group aside from auditing, and in such case declare the amount of the fees paid for such work and the percentage of the total fees billed to the company and/or its group in respect of audit services represented by such amount:

- Yes  
 No

	Company	Group companies	Total
Cost of other non-audit services (thousands of euros)	32	0	32
Cost of non-audit services / Cost of audit services (%)	19.88	0,00	10.70

The following amounts have been taken into account for the calculation of the percentages shown in the table above:

- EUR 32 thousand corresponding to the fees accrued for non-audit services provided to Laboratorios Farmacéuticos Rovi, S.A by companies belonging to the network of firms to which KPMG Auditores, S.L. belongs. This amount corresponds to the review services of the non-financial information statement for the year 2021.
- EUR 299 thousand corresponding to the fees accrued for audit and other audit-related services provided by KPMG Auditores, S.L. and other companies belonging to the KPMG network to Laboratorios Farmacéuticos Rovi, S.A. and its subsidiaries during 2021. This total is split as follows:
  - Fees accrued for audit and other audit-related services provided to the Company by KPMG Auditores, S.L. during the financial year 2021, amounting to EUR 161 thousand. The audit-related services relate to the limited review of the interim financial statements as at 30 June 2021, the review of compliance with financial ratios for financing contracts and the issuance of an agreed-upon procedures report on the Internal Control over Financial Reporting System.
  - Fees accrued for audit and other audit-related services provided to the rest of the ROVI Group by KPMG Auditores, S.L. and other companies belonging to the KPMG network during financial year 2021, amounting to EUR 138 thousand. The audit-related services relate to the issuance of an agreed-upon procedures report required for the conversion of debt into equity in one of the Group's companies and the review of the packaging statement of another of the Group's companies.

Consequently, (i) the amount of fees accrued for non-audit services provided to the Company represents 19.88% of the amount of fees accrued for audit and other audit-related services provided to the Company; and (ii) the amount of fees accrued for non-audit services provided to the ROVI Group represents 10.70% of the amount of fees accrued for audit and other audit-related services provided to the ROVI Group.

C.1.33 State whether the auditor's report on the annual financial statements for the prior year was qualified. If so, state the reasons offered to the shareholders by the chairman of the audit committee at the General Shareholders' Meeting to explain the content and scope of the qualifications in question.

Yes  
 No

C.1.34 State the number of consecutive years for which the current audit firm has carried out the audit of the company's individual and/or consolidated financial statements. Also state the percentage of years audited by the current auditor out of the total number of years in which the annual financial statements have been audited:

	Individual	Consolidated
Number of consecutive years audited	5	5

	Individual	Consolidated
Number of years audited by the current auditor / Number of years in which the company and/or its group have been audited (%)	15.62	20.00

C.1.35 State whether any procedure exists to enable to the directors to obtain the necessary information to prepare meetings of the governing bodies with sufficient time in advance, and provide details where applicable:

Yes  
 No

Explanation of the procedure

In accordance with Article 15.4 of the Board Regulations, calls for meetings will be made at least three days in advance. Calls will include the agenda for the meeting and will be accompanied by the relevant information duly summarized and prepared. The agenda will clearly indicate the items on which the Board is required to adopt any decision or resolution. The Chairman is responsible for the effective functioning of the Board and is therefore required to ensure that the directors receive the proper information. In accordance with Article 22 of the Board Regulations, any director may contact the Secretary of the Board to request information regarding any matter falling within the Board's purview and, in this regard, examine its books, records, documents and other documentation. The right to receive information also covers subsidiaries wherever possible. The Secretary will forward such requests to the Chairman of the Board and to the appropriate interlocutor in the Company. The Secretary will advise the director concerned of the confidential nature of any information requested and received, underscoring the duty of confidentiality established by the Board Regulations.

C.1.36 State whether the company has established rules obliging the directors to report any situations affecting them and to resign where appropriate, whether or not such matters are related with their performance in the company or could adversely affect its good standing and reputation:

Yes  
 No

Explain the rules

In accordance with Articles 21.3 and 32 of the Board of Regulations, all directors shall inform the Company where they are personally affected by any situations and resign where appropriate, whether or not such matters are related with their activities in the Company if they could adversely affect its good standing or reputation, in particular if they are the subject of any criminal investigation or are arraigned on criminal charges.

Upon being informed of or otherwise becoming aware of any of situations of the kind mentioned in the preceding paragraph, the Board will examine the case as soon as possible and will decide in view of the circumstances and subject to a prior report from the ARC whether or not to take any action, e.g., opening an internal inquiry, seeking the resignation of the director concerned or proposing removal.

Additionally, the Director concerned shall offer his/her resignation to the Board and shall formally step down, where deemed appropriate, in the following cases mentioned in Article 21.2 of the Board Regulations:

- Upon removal from any executive positions associated with the appointment to the directorship.
- Where the director may be subject to any of the incompatibilities or prohibitions established by law.
- When the director may be severely reprimanded by the Board of Directors for breach of their obligations as directors.
- When the director may lose the good professional standing required to hold office as a director of the Company, or when the reasons for which he/she was appointed are removed (e.g., when a proprietary director disposes of the interest held in the Company).
- The independent directors may not remain in office uninterruptedly for a period of more than 12 years, and at the end of that period they must formally resign.
- In the case of proprietary directors (i) when the shareholder they represent sells the whole of the interest held in the Company; and (ii) the appropriate number of proprietary directors will likewise be removed where the shareholder reduces its interest in the Company to a level that would require a reduction in the number of its proprietary directors.

C.1.37 Except in special circumstances duly recorded in the minutes, state whether the board has been informed or has otherwise learned of any situation that might affect a director, whether or not related to his/her performance in the company itself, which could damage its good standing and reputation:

- [ ] Yes  
[ ✓ ] No

C.1.38 List any significant agreements entered into by the company that will enter into force, be amended or be terminated in the event of a change of control in the company following a takeover bid and state their effects.

There are no significant agreements of this nature. Given the large number of contracts, however, it cannot be ruled out that some of them may include clauses that provide for amendments or termination in the event of any corporate transactions involving a change of control in the Company.

C.1.39 Identify any agreements entered into by the company with managers or employees that may provide for the payment of compensation or establishing guarantees or golden parachutes in the event of resignation or unfair dismissal, or if contractual relations are terminated due to takeover or other corporate transactions, specifying each such agreement individually in the case of directors and providing aggregate details for other cases.

Number of beneficiaries	3
Type of beneficiary	Description of the agreement
MESSRS. JUAN LÓPEZ-BELMONTE ENCINA, JAVIER LÓPEZ-BELMONTE ENCINA AND IVÁN LÓPEZ-BELMONTE ENCINA	-Mr. Juan López-Belmonte Encina: The Company has entered into a service agreement with its chief executive officer. The grounds for termination of this agreement and their consequences are based on the amendments made by the CNMV to the Good Governance Code in June 2020, which were included in the agreements made with the executive directors as a result of the review carried out in late 2020. Accordingly, the agreement provides for the payment of gross compensation to the director in the event of termination of contractual relations equal to twice the arithmetic average of total gross remuneration earned in each of the last three full years prior to the termination date of the agreement, unless (i) the chief executive steps down for reasons unrelated with the agreement; or (ii) the agreement is terminated by the Company on grounds of failure by the chief executive duly to discharge his legal or contractual duties, or the duties established in internal regulations, or for reasons of compliance with employment legislation (except in the case of waiver by the employer).



Type of beneficiary	Description of the agreement
	-Messrs. Javier López-Belmonte Encina and Iván López-Belmonte Encina: The Company has entered into two contracts of employment with both of these executive directors. Specifically, the grounds for and consequences of termination under these contracts refer to the provisions of the Spanish Workers Statute.

State whether these contracts must be reported to and/or approved by the governing bodies of the company or its group in accordance with the applicable legislation. If so, specify the procedures concerned, the applicable cases and the nature of the notifiable governing bodies responsible for approval.

	Board of Directors	General Shareholders' Meeting
Authorization of clauses	√	

	Yes	No
Reporting of clauses to the general shareholders' meeting?	√	

Pursuant to Article 249 of the Corporate Enterprises Act, the above-mentioned contracts with executive directors (and the amendments made to the same) were approved by the Board of Directors before they were made with the votes in favour of two thirds of the board members (unanimously) in the absence of the interested parties from the debate in each case, who abstained from voting.

## C.2. Board Committees

C.2.1 List the Board Committees and their members, and indicate the proportion of executive, proprietary, independent and other external directors holding seats:

Audit Committee		
Name	Position	Director Class
MR. MARCOS PEÑA PINTO	CHAIRMAN	Independent director
MR. JOSÉ FERNANDO DE ALMANSA MORENO- BARREDA	COMMITTEE MEMBER	Independent director
MR. FÁTIMA BÁÑEZ GARCÍA	COMMITTEE MEMBER	Independent director

% executive directors	0.00
% proprietary directors	0.00
% independent directors	100.00
% other external directors	0.00

Explain the functions of the committee, including where applicable any additional functions over and above those established by law, and describe procedures and the rules governing organization and activity. Indicate the key actions taken during the reporting period for each function and the manner in which the functions assigned, whether by law, in the articles of association or under the terms of other corporate resolutions, were discharged.

The rules of organization and functioning of the Audit Committee ("AC") are set out in art. 47 of the Articles of Association and art. 13 of the Board Regulations, as well as the AC Regulations approved in 2017 and amended for the last time in May 2021. The CA will consist of a minimum of three and a maximum of five directors appointed from among the non-executive directors, all of whom, including especially the Committee Chair, will be appointed in view of their knowledge and expertise in accounting, auditing and management of financial and non-financial risks. At least a majority of the AC members will be independent directors. Taken together, the members of the AC will have the requisite technical expertise in relation to the industry in which the Company operates. Steps will likewise be taken to ensure that at least one committee member has expertise in the field of information technology.

The AC Chair will necessarily be filled by an independent director, who will be replaced every four years. The AC meets quarterly to review the periodic financial information reported to the CNMV for publication, as well as information requiring approval by the Board of Directors for inclusion in the annual published documentation. The CA will also meet at the request of any of its member and each time it is convened by the Chair, who will call meetings wherever the Board or the Chairman of the Board may request the issue of a report or the adoption of proposals. The AC may also be convened whenever necessary for the proper discharge of its functions. Meetings may be attended by (i) members of the management team and other employees of the Company where deemed appropriate by the AC members; (ii) the internal auditors whenever financial information is to be published; and (iii) the external auditor whenever the same is ready to issue its report on the examination of the interim or annual financial statements, i.e., twice each year. The AC may seek the advice of other external experts wherever deemed necessary. The AC will account for its activity and the work carried out at the first full session of the Board of Directors after each of its own meetings, the minutes of which are copied to all members of the Board. It will also prepare an annual report on its activity. Key functions: (i) To report to the General Shareholders' Meeting of the Shareholders on any issues arising in relation to the matters falling within the purview of the AC, including in particular the results of audits, explaining how the procedures carried out contributed to the integrity of the financial information and the functions discharged by the AC in the audit process; (ii) To make proposals to the Board of Directors for the selection, appointment, re-election or replacement of the external auditor, leading the selection process, and with regard to the terms and conditions of audit engagements, and to obtain information and report to the Board on a regular basis on the progress of the audit plan, in addition to ensuring the independent discharge of audit functions; (iii) To supervise internal audit systems; (iv) To review the Company's accounts and to oversee compliance with legal requirements and the proper application of generally accepted accounting principles; (v) To supervise control and risk management policy; (vi) To supervise compliance with the terms of the audit engagement, ensuring that the opinion issued on the financial statements and the key content of the audit report are clearly and precisely worded, assessing the results of each audit; (vii) To obtain information on all transactions involving structural or corporate changes which the Company plans to carry out for examination and the preparation of a prior report for submission to the board of directors on the financial terms and accounting impact of such transactions, and in particular on the exchange ratio proposed, if any; (viii) To examine and oversee compliance with the Company's governance rules, to ensure a proper alignment between the corporate culture and its purpose and values, and to make the necessary proposals for improvement, including periodic assessment and review of the corporate governance system and its environmental and social responsibility policy, in order to further the fulfilment of its mission to act in the public interest, where appropriate taking into account the legitimate interests of all stakeholders; (ix) To oversee the Company's environmental and social practices, ensuring alignment with the strategy and policies established; (x) To supervise and assess processes relating to different stakeholder groups; (xi) To obtain information and report, where appropriate, on any disciplinary measures proposed for adoption against members of the Company's senior management team; and (xii) To report to the General Shareholders' Meeting and the Board in advance of any related-party transactions requiring their approval, to ensure that such transactions are duly reported to the market, and to supervise the internal procedures established by the Company in the case of related-party transactions subject to delegated approval. A summary of the most important activities carried out by the AC in 2021 is provided in the Annual AC Report, which will be published online for the information of all shareholders on the ROVI website. The Company represents that this report was prepared in conformity with CNMV Technical Guide 3/2017 on audit committees in public companies.

Identify the directors holding seats on the audit committee appointed for their knowledge and expertise in accounting and audit matters, and state the date of appointment of the committee chair.

Names of directors with expertise	MR. MARCOS PEÑA PINTO
Date of appointment of the committee chair	12/06/2019

Appointments and Remuneration Committee		
Name	Position	Director Class
MR. JOSÉ FERNANDO DE ALMANSA MORENO- BARREDA	CHAIRMAN	Independent director
MR. MARCOS PEÑA PINTO	COMMITTEE MEMBER	Independent director
MS. FÁTIMA BÁÑEZ GARCÍA	COMMITTEE MEMBER	Independent director

% executive directors	0.00
% proprietary directors	0.00
% independent directors	100.00
% other external directors	0.00

Explain the functions of the committee, including where applicable any additional functions over and above those established by law, and describe procedures and the rules governing organization and activity. Indicate the key actions taken during the reporting period for each function and the manner in which the functions assigned, whether by law, in the articles of association or under the terms of other corporate resolutions, were discharged.

The rules of organization and functioning of the Appointments and Remuneration Committee (ARC) are set out in Article 14 of the Board Regulations and in the ARC Regulations approved in 2019 and amended for the last time in May 2021. The ARC will be formed by a minimum of three and a maximum of five directors appointed from among the non-executive directors, at least the majority of whom will be independent directors. The committee members will be appointed by the Board of Directors in view of their knowledge, skills and experience in relation to the matters falling within their purview and, in particular, of corporate governance, strategic analysis and appraisal of human resources, director and executive selection, the discharge of senior management functions and the design of director and executive remuneration policies and plans. Taken together, the members of the ARC will have the requisite technical expertise in relation to the industry in which the Company operates.

The ARC Chair will necessarily be filled by an independent director, who will be replaced every four years.

The ARC meets quarterly and will also meet when convened by the Chair, who will call meetings wherever the Board or the Chairman of the Board may request the issue of a report or the adoption of proposals. The ARC may also be convened whenever necessary for the proper discharge of its functions.

The Committee may seek the advice of external experts where deemed necessary.

The ARC will account for its activity at the first full session of the Board of Directors held after each of its meetings, the minutes of which will be copied to all of the directors.

The ARC will prepare an annual report on the discharge of his functions by the Chairman and Chief Executive Officer of the Company and a report on the functioning of the Committee itself during the year, in both cases for submission to the Board of Directors.

An annual report on the remuneration of directors will also be prepared and submitted to the Board for approval and subsequent presentation for a consultative vote of the shareholders at their General Meeting.

Key functions: (i) To assess the competences, knowledge and expertise required on the Board of Directors; (ii) To submit proposals to the Board for the appointment of independent directors by co-option, or for presentation for approval by the shareholders at their General Meeting; (iii) To submit proposals to the Board for the appointment of other directors by co-option, or for presentation for approval by the shareholders at their General Meeting; (iv) To report the Board on proposals for the appointment or removal of senior executives, and on the basic terms of their contracts; (v) To report to the Board on gender diversity issues and on the qualification of directors, for which purposes, the ARC will establish a target for the least represented gender on the Board of Directors and will prepare guidelines on its attainment; (vi) To propose the following to the Board of Directors: (a) the policy applicable to remuneration of the directors, and senior executives and any other persons discharging senior management duties and reporting directly to the Board, the executive committees or the chief executive officers; (b) the individual executive director remuneration packages and other terms included in their contracts; (vii) To oversee compliance with the remuneration policy established by the Company; (viii) To arrange the succession of the Chairman and Chief Executive Officer; (ix) To ensure the transparency of remuneration and to verify the information on directors' and senior executives' remuneration contained in corporate documents; (x) To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the Committee; (xi) To oversee policy regarding the communication of financial, non-financial and corporate information, and communication and contact with shareholders, institutional investors and proxy advisers, and to oversee the Company's communications and relations with small and medium-sized shareholders; and (xii) To review the sustainability policy applicable to environment and social matters, ensuring that it is oriented towards value creation.

A summary of the most important activities carried out by the ARC in 2021 is provided in the Annual ARC Report, which will be published online for the information of all shareholders on the ROVI website. The Company represents that this report was prepared in conformity with CNMV Technical Guide 1/2019 on appointments and remuneration committees.

C.2.2 Complete the following table with information on the number of female directors holding seats on the board committees at the end of the reporting period dates for each of the last four years:

	Number of female directors							
	2021		2020		2019		2018	
	Number	%	Number	%	Number	%	Number	%
Audit Committee	1	33.33	1	33.33	1	33.33	0	0.00
Appointments and Remuneration Committee	1	33.33	1	33.33	1	33.33	0	0.00

C.2.3 Where applicable, state whether there are any specific regulations for the board committees and where they are kept available for consultation, indicating any amendments made in the reporting period. Also state whether each of the committees voluntarily prepared an annual report on its activities.

Committee Name

AUDIT COMMITTEE

Brief description

The rules governing the organization and functioning of the Audit Committee are established in the Articles of Association and in the Board Regulations, both of which are available for consultation online at the Company's website ([www.rovi.es](http://www.rovi.es)). The Company also adopted Audit Committee Regulations in November 2017 as recommended by CNMV Technical Guide 3/2017, which is also posted online for consultation on the Company's website. The Regulations were amended for the last time on 12 May 2021 with the unanimous agreement of the Board of Directors in order to bring them into line with the new provisions adopted by Spanish Law 5/2021 of 12 April, by which the consolidated text of the Corporate Enterprises Act and certain other financial legislation were amended in order to foster long-term shareholder involvement in listed companies. The Audit Committee prepares an annual report (published online on the Company's website for consultation by the shareholders at the same time as the call for the General Shareholders' Meeting), which describes and explains key activities and any matters falling within the Committee's purview that may have arisen during the year. Where considered appropriate, the Audit Committee may also include proposals to improve the Company's rules of governance in its annual report.

Committee Name

APPOINTMENTS AND REMUNERATION COMMITTEE

Brief description

The rules governing the organization and functioning of the Appointments and Remuneration Committee are established in the Board Regulations, which are available for consultation online at the Company's website ([www.rovi.es](http://www.rovi.es)). The Company also adopted Appointments and Remuneration Committee Regulations in November 2019 as recommended by CNMV Technical Guide 1/2019, which is also posted online for consultation on the Company's website. The Regulations were amended for the last time on 12 May 2021 with the unanimous agreement of the Board of Directors in order to bring them into line with the new provisions adopted by Spanish Law 5/2021 of 12 April, by which the consolidated text of the Corporate Enterprises Act and certain other financial legislation were amended in order to foster long-term shareholder involvement in listed companies. The Appointments and Remuneration Committee prepares an annual report (published online on the Company's website for consultation by the shareholders at the same time as the call for the General Shareholders' Meeting), which describes and explains key activities and any matters falling within the Committee's purview that may have arisen during the year. Where considered appropriate, the Appointments and Remuneration Committee may also include proposals to improve the Company's rules of governance in its annual report.

**D. RELATED-PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS**

D.1. Where applicable, explain the procedure and indicate the bodies competent for the approval of related-party and intragroup transactions, setting out the applicable internal criteria and general rules regulating the obligation of any directors or shareholders affected to abstain from voting and describing the internal procedures applicable to reporting and periodic controls established by the company in relation to related-party transactions where approval is delegated by the board of directors.

In accordance with art. 47 of the Articles of Association, art. 13 of the Board Regulations and art. 10 of the Audit Committee Regulations, the Audit Committee is responsible for supervising compliance with applicable legislation governing related-party transactions and for ensuring mandatory reporting to the market and prior reporting to the General Meeting and the Board of Directors when approval of any related-party transactions is required. Furthermore, art. 33 of the Board Regulations establishes that the approval of Related-Party Transactions (within the meaning of said art. 33) involving an amount or value equal to 10% or more of total assets carried in the latest balance sheet approved by the Company will be a matter for the shareholders at their General Meeting.

Where the General Meeting may be called upon to approve a Related-Party Transaction, the shareholder affected will not be permitted to vote, unless the proposed resolution was approved by the Board without dissenting votes from the majority of the independent directors. Competence to approve other Related-Party Transactions will lie with the Board of Directors, which shall not delegate this responsibility. Any director affected, or any representative or director linked to the director affected, shall absent him/herself from the debate and abstain from voting on the resolution. Related-Party Transactions will be approved by the General Meeting or the Board of Directors subject to a prior report in favour from the Audit Committee. In this report, the Committee will consider whether the transaction is fair and reasonable from the standpoint of the Company and, where applicable, of shareholders other than the related party, providing a full explanation of the assumptions on which its assessment is based and of the methods applied. Any directors affected, or any representatives or directors linked to the shareholders affected, shall absent themselves from the debate and abstain from voting on the resolution.

The Board may delegate approval of the following Related-Party Transactions. (i) transactions between companies forming part of the Company's group where they are carried out at arm's length in the ordinary course of the business; and (ii) transactions entered into under the terms of standard form contracts applicable to large numbers of individual customers at prices or rates established in general by the provider of the goods or services concerned, provided the amount of such contracts does not exceed 0.5% of the Company's net revenues. Approval of Related-Party Transactions of this kind will not require a prior report from the Audit Committee, although the Board may establish internal reporting and periodic reporting procedures, requiring the Audit Committee to verify the fairness and transparency of the transactions in question and compliance with the applicable legal conditions in relation to these Related-Party Transactions. Such procedures will consist of control and detection of transactions by the Company's Finance Department, which will report directly to the Internal Audit Department. The Internal Audit Department will in turn report to the Audit Committee at least quarterly on all Related-Party Transactions reported to it by the Finance Department. The Company adopted a Related-Party and Intragroup Transactions Policy in 2021, which sets out the rules that must be observed in transactions entered into by the Company or any subsidiary of the Group with the members of the Board of Directors, significant shareholders, members of the Company's senior management team or other related parties, in accordance with the Corporate Enterprises Act.

D.2. Individually list all material transactions (in terms of amount or object) entered into between the company or its subsidiaries and shareholders owning 10% or more of voting rights or represented on the company's board of directors, indicating the body responsible for their approval and whether any shareholders or directors affected abstained. Where approved by the General Meeting, state whether the proposed resolution was approved by the board of directors without dissenting votes from the majority of the independent directors:

Name of the shareholder or of any of its affiliates	% ownership	Name of the shareholder or the affiliate	Amount (thousands of euros)	Body responsible for approval	Identity of any significant shareholder or director abstaining	Where applicable, the proposed resolution to the General Meeting has been approved by the board of directors without dissenting votes from the majority of the independent directors
Not applicable						

Name of the shareholder or of any of its affiliates	Nature of the relationship	Type of transactions and other information required for evaluation
Not applicable		

D.3. Individually list all material transactions (in terms of amount or object) entered into between the company or its subsidiaries and directors or senior executives of the Company, including transactions carried out with undertakings controlled or jointly controlled by the director or senior executive concerned, indicating the body responsible for approval and whether any shareholders or directors affected abstained. Where approved by the General Meeting, state whether the proposed resolution was approved by the board of directors without dissenting votes from the majority of the independent directors:

	Names of the directors or senior executives, or of the entities controlled or jointly controlled by them	Name of the company or the affiliate	Relationship	Amount (thousands of euros)	Body responsible for approval	Identity of any significant shareholder or director abstaining	Where applicable, the proposed resolution to the General Meeting has been approved by the board of directors without dissenting votes from the majority of the independent directors
(1)	MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	LABORATORIOS FARMACÉUTICOS ROVI, S.A. –REPRESENTAÇÃO EM PORTUGAL	Operating lease agreement	25	Board of Directors	MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	YES
(2)	MR. JUAN LÓPEZ-BELMONTE LÓPEZ	LABORATORIOS FARMACÉUTICOS ROVI, S.A.	Operating lease agreement	1,109	Board of Directors	MR. JUAN LÓPEZ-BELMONTE LÓPEZ	YES
(3)	MR. JUAN LÓPEZ-BELMONTE LÓPEZ	PAN QUÍMICA FARMACÉUTICA, S.A.	Operating lease agreement	55	Board of Directors	MR. JUAN LÓPEZ-BELMONTE LÓPEZ	YES
(4)	MR. JUAN LÓPEZ-BELMONTE LÓPEZ	ROVI PHARMA INDUSTRIAL SERVICES	Operating lease agreement	866	Board of Directors	MR. JUAN LÓPEZ-BELMONTE LÓPEZ	YES

	Names of the directors or senior executives, or of the entities controlled or jointly controlled by them	Type of transactions and other information required for evaluation
(1)	MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	Comercial
(2)	MR. JUAN LÓPEZ-BELMONTE LÓPEZ	Comercial
(3)	MR. JUAN LÓPEZ-BELMONTE LÓPEZ	Comercial
(4)	MR. JUAN LÓPEZ-BELMONTE LÓPEZ	Comercial

The Company and the ROVI Group company Rovi Pharma Industrial Services, S.A. have entered into nine non-residential property leases with Inversiones Borbollón, S.L., a company in which Mr. Juan López-Belmonte López, Chairman of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A., owned a direct majority shareholding until his death on 12 July 2021. The Company has also entered into three non-residential property leases with Norba Inversiones, S.L., a company in which Mr. Juan López-Belmonte López, Chairman of the Board of Laboratorios Farmacéuticos

Rovi, S.A. indirectly owned a majority shareholding until 12 July 2021.

Pan Química Farmacéutica, S.A., a ROVI Group company, has entered into a non-residential property lease with Lobel y Losa Development, S.L., a company in which Mr. Juan López-Belmonte López, Chairman of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A., owned a direct majority shareholding until 12 July 2021. The premises used by the commercial branch operated by ROVI in Portugal is the property of Mr. Iván López-Belmonte Encina, who leases it to Laboratorios Farmacéuticos Rovi, S.A. – Representação em Portugal. Since the death of Juan López-Belmonte López, the executive directors of Laboratorios Farmacéuticos Rovi, S.A. Mr. Juan, Mr. Iván and Mr. Javier López-Belmonte Encina have held direct interests allowing them to jointly exercise significant influence over Inversiones Borbollón, S.L. and Lobel y Losa Development, S.L., respectively. They also own an indirect shareholding in Norba Inversiones, S.L. that allows them to jointly exercise significant influence over this company.

- D.4. Individually report any material intragroup transactions (in terms of amount or object) entered into by the company with its parent or with other companies belonging to the parent's group, including subsidiaries of the listed company, unless no other related parties of the listed company hold interests in said subsidiaries or the same are wholly owned, whether directly or indirectly, by the listed company.

You should in any event report any intragroup transactions entered into with companies registered in countries or territories considered to be tax havens:

Name of the group company	Brief description of the transaction and other information required for evaluation	Amount (thousands of euros)
Not applicable		

- D.5. Individually list any material transactions (in terms of amount or object) entered into by the company or its subsidiaries with other related parties within the meaning of the International Financial Reporting Standards adopted by the EU, unless reported in the preceding sections.

Name of the related party	Brief description of the transaction and other information required for evaluation	Amount (thousands of euros)
ALENTIA BIOTECH S.L.	Laboratorios Farmacéuticos Rovi, S.A., the lender, has granted Alentia Biotech, S.L., the borrower, two loans with principal of fifty thousand euros (EUR50,000) and one million and fifty thousand euros (EUR1,050,000) respectively. Both loans bear annual interest at a rate of 2%, generating total interest income of twenty-two thousand euros (EUR22,000) in 2021.	22

Laboratorios Farmacéuticos ROVI, S.A. owns 50% of Alentia Biotech, S.L. and Messrs Juan, Iván and Javier López-Belmonte Encina hold seats on its Board of Directors.

- D.6. Explain the mechanisms established to detect, determine and resolve possible conflicts of interest between the company and/or group and its directors, executives, significant shareholders and other related parties.

In accordance with Articles 28 and 29 of the Board Regulations, the directors are required to report the existence of any conflicts of interest to the Board of Directors, whether affecting themselves or their related parties. For these purposes, related parties of a director comprise: a) the spouse or any person standing in a similar affective relationship; b) ancestors, descendants and siblings of the director or the director's spouse; c) spouses of ancestors, descendants and siblings of the director; d) companies or undertakings in which the director directly or indirectly owns any interest, including interests held through intermediaries, allowing him/her to exert significant influence or in which he/she holds a seat in a governing body or a senior management post or a seat or post in the parent of the undertaking concerned. For these purposes, it is assumed that significant influence can be exerted where the interest held is equal to 10% of more of share capital or voting rights, or where it confers a *de facto* or *de jure* right to representation on an undertaking's management body; and e) partners represented by the director in the board of directors.

A director must abstain from debate and voting on resolutions or decisions where he/she or any related party may be affected by any conflict of interest, whether direct or indirect. Any resolutions or decisions affecting a director in his/her capacity as such will be excluded from the above-mentioned obligation, such as appointment to or removal from office in the board of directors and other similar cases. The directors shall adopt the necessary measures to avoid

situations in which their personal interests or the interest of related parties may conflict with the corporate interest and with their duty towards the company. In particular, the duty to avoid situations involving conflicts of interest means that the directors must refrain from: (a) Transacting any business with the Company except for such immaterial transactions as may arise in the ordinary course of the business under standard terms and conditions for all customers, meaning those that do not need reporting to express a true and fair image of the equity, financial situation and results of the Company. In the case of transactions entered into in the ordinary course of the company's business on a habitual or recurring basis, the general authorization of the transaction and its term by the Board of Directors will be sufficient. (b) Using the Company's name or invoking their condition as directors in order improperly to influence the completion of private transactions. (c) Using corporate assets, including confidential information belonging to the Company, for private purposes. (d) Seeking to benefit from the Company's business opportunities. (e) Obtaining benefits or remuneration from third parties other than the Company associated with the discharge of their office, except in the case of merely complimentary gifts. (f) Conducting business on their own behalf or on behalf of third parties where such activity might involve actual or potential competition with the Company or might otherwise result in any permanent conflict of interest with the Company. The Company may release a director from this obligation under certain circumstance, authorizing the director or a related party of the same to enter into a transaction with the Company, use certain corporate assets, benefit from a specific business opportunity, or obtain benefits or receive gifts from a third party.

The authorization mentioned in the preceding paragraph will necessary require an express, separate resolution of the shareholders at their General meeting where it consists of a waiver of the prohibition to obtain benefits or receive remuneration from a third party, or where it affects a transaction involving value equal to more than 10% of corporate assets. The authorization may also be granted by the Board of Directors in all other cases, provided the members granting such waiver are able sufficiently to guarantee their independence with respect to the director benefiting from the same. In the latter case, it will also be necessary to seek guarantees that the transaction authorized will have no impact on the Company's equity and, where applicable, that it is entered into at arm's length in a fully transparent process.

The obligation not to compete may be waived in cases where the Company is not expected to incur any loss or damages, or where it is expected to be compensated for such out of the profits arising from the waiver. Waivers will be granted by express, separate resolution of the shareholders at the General Meeting.

- D.7. State whether the company is controlled by any other entity, whether listed or otherwise, within the meaning of Article 42 of the Spanish Commercial Code, and whether it maintains any business relations with such entity or any of its affiliates either directly or indirectly via any of its affiliates (other than the listed company) or conducts any activity related with either.

Yes  
 No

State whether the respective areas of activity and possible business relations between the listed company and/or its affiliates on one hand and the parent company and its affiliates on the other, have been precisely and publicly disclosed.

Yes  
 No

Indicate the respective areas of activity and possible business relations between the listed company and/or its affiliates on one hand and the parent company and its affiliates on the other, and state whether these have been publicly disclosed.

Norbel Inversiones, S.L. owns 60.17% of the Company's share capital of the Company. It is owned by Messrs. Juan, Javier and Iván López-Belmonte Encina, neither of whom exercises any control over the entity.

No business relations arose between ROVI and Norbel Inversiones in 2021, and all relations between ROVI and the companies forming part of its group with its majority shareholders (and affiliates) have been publicly disclosed in its Annual Corporate Governance Reports for recent years.

With regard to areas of activity, Norbel Inversiones is a family investment firm and its business therefor does not conflict with the business conducted by ROVI and its affiliates.

Identify the mechanisms established to resolve potential conflicts of interest between any other parent of the listed company and the other group companies:

Mechanisms to resolve possible conflicts of interest

The mechanisms applied to resolve any potential conflicts of interest that could arise between Norbel Inversiones and ROVI and/or the group companies are described in section D.6 above.



**E. RISK CONTROL AND MANAGEMENT SYSTEMS**

**E1. Explain the scope of the Risk Control and Management Systems applicable to financial and non-financial exposures, including tax risks**

ROVI considers the control and management of risk to be a key tool to enhance the efficiency and effectiveness of its operations, and for this reason it has implemented a Risk Control and Management System to identify, classify, assess and respond to the possible risks that could affect the attainment of its corporate goals.

The Risk Control and Management Policy sets out the key mechanisms and basic principles for adequate control of the key risks to which ROVI is exposed. Following this Policy, ROVI establishes the level of exposure considered acceptable, identifies the different types of risk, whether financial or non-financial, including tax risks, assesses the same, determines the measures required to address such risks and oversees their implementation.

ROVI's Risk Control and Management System functions on an all-round, continuous basis, unifying risk management at the corporate level by department or business unit or activity, affiliate, geographical area or back office function (human resources, finance and tax management, marketing, management control, etc.). ROVI's risk management model establishes three lines of defence:

- The first line of defence consists of the different operational department of the Group, which identify, classify, assess and monitor risks in view of the accepted exposure levels established by ROVI in the course of their daily operations.
- The second line of defence is formed by the risk control and management unit. This unit is responsible for implementing the risk control and management system, participating in the initial implementation work and thereafter contributing to improvements by monitoring the functioning of the measures in place and coordinating their application.
- The third line of defence is Internal Audit, which oversees the internal risk control and management systems in place.

The Company remains determined to contribute to the economic and social development of the different markets in which it operates and has materialized this commitment in fiscal terms through the definition of a Tax Strategy by the Board of Directors, the latest version of which was approved in November 2020. The objective of this strategy is to ensure that the Company complies duly with its tax obligations applying ethical and responsible practices, and it places special emphasis on the efficient functioning of tax risk control and management systems.

**E2. Identify the corporate bodies responsible for the preparation and implementation of the Risk Control and Management System applied to financial and non-financial risks, including tax risks:**

In accordance with article 5.3 of the latest version of the Regulations of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A. approved in May 2021, the Risk Control and Management Policy applicable to all financial and non-financial risks, including tax risks, must be approved by the Board of Directors in full session, and the Board is also responsible for periodic monitoring of internal information and control systems. In accordance with article 13.2 of the aforementioned Regulations, the Board's functions also include oversight of the Risk Control and Management Policy insofar as it may affect the attainment of corporate objectives. For these purposes, said art. 13.2 further requires the Audit Committee periodically to review and inspect internal control and management systems applicable to exposures, including tax risks, and to verify their effectiveness so as to ensure that the key risks are properly identified, managed and reported. In particular, article 13.2 of the Board Regulations entrusts the following functions, among others related with the risk control and management policy, to the Audit Committee.

- Identification of the different classes of financial and non-financial risk to which the Company is exposed (including operational, technological, legal, corporate, environmental, political and reputational risks, as well as corruption risks), including financial and businesses risks and exposures to contingent liabilities and other off-balance sheet risks.
- To establish a stratified risk control and management system.
- To identify and set the level of risk considered acceptable by the Company.
- To identify the measures in place to mitigate the impact of the risks identified, in the event they should materialize.
- To identify the information and internal control systems used to control and manage risks, including contingent liabilities and off-balance sheet risks.

The Audit Committee performs these functions through Management, which identifies, classifies, assesses and monitors risks based on the classes of risk and acceptable exposure levels set, and applies the measures adopted to mitigate the impact of any risks that may eventually materialize.

The Department responsible for the Risk Control and Management System is charged with the implementation of the Risk Control and Management System and thereafter for assisting with its improvement, monitoring its functioning in practice and coordinating development. It also reports to the Audit Committee on the proper functioning of the System and/or any risks materializing at each of its meetings.

In the case of tax risks, the Finance Department is directly responsible for overseeing the effective implementation of key aspects of the Tax Strategy defined by the Board of Directors, establishing and applying measures to ensure that tax exposures are duly considered in the Company's decision-making processes. Given the complexity of tax matters and the continuous legislative changes arising in this area, the Company and its group retain the services of external tax experts on an ongoing basis and have the option of forming multidisciplinary teams where required in relation to a given transaction to assure the reasonableness of the tax returns filed and fiscal decisions adopted as far as may be possible.

**E3.** State the key financial and non-financial risks, including tax risks and any material exposures to corruption (within the meaning of Spanish Royal Decree Law 18/2017) that could affect the attainment of business objectives:

The key risk factors to which the Group considers itself to be exposed in the attainment of its business objectives are as follows:

- Failure to complete the research and development projects undertaken by ROVI successfully or to achieve the expected outcomes.
- Changes in prescribing criteria or market regulations designed to hold down government pharmaceutical spending (price controls, reference pricing, preferential prescribing of generics, co-payment and procurement platforms).
- Negative impacts on ROVI's sales resulting from the activities of competitors.
- Risk of cyberattack.
- Concentration of business in certain geographical areas.
- Changes in the conditions applicable to procurements of raw and other materials required for the manufacture of ROVI's products.
- Tax risk inherent in the operations of concerns of the Group's size and complexity.

**E4.** State whether the company has established any zero-tolerance risks, including tax risks:

As part of the risk management process, the Audit Committee has defined both risk appetite (i.e. the level of Risk that ROVI is willing to accept in the pursuit of its strategic objectives) and zero tolerance (i.e. the level of variation in appetite considered acceptable in the pursuit of objectives).

ROVI has a low level of tolerance for risk, which means that it is generally unwilling to accept risks in order to achieve goals and objectives, and that it will only do so where the likelihood of an exposure's materializing is remote and any resulting impact would be minor. Tolerance is reviewed periodically and at least every time that any changes are made to the Group's strategy.

ROVI assesses the level of corporate risks identified periodically using risk assessment scales to evaluate probability and impact variables, which are updated annually by the Audit Committee as part of the process of updating the Company's risk map.

The Group subsequently assesses the level of risk to establish whether it exceeds the level it is willing to accept to achieve strategic objectives, defining response plans where considered necessary.

**E5.** State what financial and non-financial risks, including tax risks, have materialized during the reporting period:

The main risks to materialize over the reporting period were as follows:

ROVI requested a "timeout" from the European Medicines Agency (EMA) on day 181 of the authorization process for the drug Risperidone ISM®.

ROVI requested the European Medicines Agency (EMA) for a "timeout" on day 181 of the authorization process for Risperidone ISM® to allow time to repeat the comparative bioavailability study for multiple doses of Risperidone ISM® compared to oral risperidone, in response to the observation of the Committee for Medicinal Products for Human (CHMP) that the study should be conducted using the European benchmark product. The Doria® dossier already included clinical bioavailability trials using the oral risperidone drug marketed in the USA. ROVI had expected that trials using the US benchmark drug would be valid for Europe, as the two products (the oral risperidone drugs marketed in the European Union and the USA) may be considered bioequivalents in light of the *in vitro* and *in vivo* studies carried out and submitted by ROVI to the EMA. In fact, the therapeutic indication of oral risperidone to treat schizophrenia was supported by the same clinical efficacy trials in both regions.

Despite the "timeout" requested to complete the bioavailability study requested, which delayed the issue by the CHMP of a positive opinion of Risperidone ISM® as a treatment for schizophrenia for several months, the European Commission has finally granted marketing authorisation for Okedi® (Risperidone ISM®) in February 2022 for the treatment of schizophrenia in adults for whom tolerability and effectiveness with oral risperidone have been established.

Detection of particles in vials of the Moderna COVID-19 vaccine manufactured by ROVI and distributed in Japan

On 26 August 2021, the company responsible for distribution in Japan of the Moderna COVID-19 vaccine manufactured by ROVI, Takeda, suspended the use of three lots of the vaccine in Japan after the detection of particles in unused vials of one of the lots. Takeda commenced the withdrawal of these lots from the market on 2 September 2021.

On 28 August 2021, the Japanese Government reported the deaths of two people who had received vaccines from one of the suspended lots.

Analysis of the particles detected revealed that they consisted of grade 316 stainless steel, which is commonly used in food manufacturing and processing, and in heart valves, prosthetic joints, and metal sutures and staples. According to ROVI's investigation report, the most likely origin of the particles detected in the lot concerned was friction between metal parts installed in the capping line of the production line. This manufacturing incident only affected the lots withdrawn.

The investigation carried out by Moderna, Takeda, the Japanese health authorities and ROVI found that the presence of the particles did not entail any undue risk to patients or have any adverse effects on the risk/benefit profile of the product. Meanwhile, there was no evidence that the tragic deaths of the two Japanese patients after they received the Moderna COVID-19 vaccine were in any way related with the administration of the vaccine.

Following this event, however, ROVI has implemented a series of corrective measures to prevent future incidents, including among others improvements in standard

operating procedures for the replacement of the production line and the performance of a full inspection of the production line, as well as establishing alert thresholds for automatic visual inspections, among others.

The Company applied the supervisory and control systems and the response plans described in section E.6 below to the risks mentioned in this section, and it considers that the same functioned properly with regard to anticipation and detection of the incidents, and impact mitigation.

- E.6. Explain the supervisory and response plans established for the main risks to which the company is exposed, including tax risks, and the procedures applied to ensure that the board of directors responds to any new challenges arising:

ROVI remains constantly vigilant and alert to the possible risks that could adversely affect its business activities, applying appropriate principles and mechanisms to manage the same and continuously developing contingency plans to mitigate or offset possible impacts. The Group (i) continues with the diversification of suppliers of the raw and other materials it needs to manufacture its products; (ii) persists with its goal of continually opening up new markets through its international expansion plans; (iii) continues with the improvement of the processes and controls, including those related to manufacturing processes and those originated from the process of internationalization, among others; (iv) strives to maintain a broad, diversified portfolio of products and customers; (v) perseveres every year with internal savings plans, focusing mainly on improving the efficiency of internal and external operating processes; (vi) applies stringent credit controls and effective cashflow management measures to ensure that it generates and maintains sufficient working capital to conduct its day-to-day operations; (vii) has established an exhaustive tax risk control system involving external tax advisers to review the preparation and filing of tax returns and the tax decisions adopted by the Group; and (viii) has intensified its efforts to mitigate the risk of cyberattack, raising the awareness of employees and undertaking cybersecurity reviews.

**F. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS RELATED WITH THE ISSUE OF FINANCIAL INFORMATION (FIICS)**

Describe the mechanisms comprising the risk management and internal control systems applied by your company in relation to the issue of financial information (FIICS).

**F.1. Control environment.**

Explain at least the following, describing key characteristics:

F.1.1 What bodies and/or departments are responsible for: (i) the existence and preservation of an adequate and effective FIICS; (ii) implementation; and (iii) oversight.

ROVI's Financial Information Internal Control System (FIICS) is designed to ensure reasonable certainty with regard to the reliability of financial information. The responsible bodies are:

- The Board of Directors, which is the body responsible for the existence and preservation of an adequate and effective FIICS, in accordance with the latest version of the Board Regulations approved on 12 May 2021.

- Senior Management discharges functions related with the implementation and design of the FIICS.

- The Audit Committee is the body entrusted with supervising the FIICS in accordance with the Company's Articles of Association, the Board Regulations and the Audit Committee Regulations, the latest version of which was approved by the Board of Directors on 12 May 2021. This Regulation establishes the following duties for the Audit Committee:

o To oversee and assess the process of preparation and presentation, and the integrity of the Company's and, where applicable, the Group's financial and non-financial information, as well as the financial and non-financial risk control and management systems -including operational, technological, legal, social, environmental, political, reputational and corruption related ones- reviewing compliance with the legislative requirements, adequate definition of the scope of consolidation, and the appropriate application of accounting standards, and the submission to the Board of Directors of recommendations and proposals to safeguard integrity.

o Receive information on the structural and corporate restructuring (*modificación estructural*) that the Company plans to carry out for analysis and prior report to the Board of Directors on their economic conditions and accounting impact and, in particular, where appropriate on the proposed exchange ratio.

o To duly and adequately address, respond to and take into consideration any instructions issued in the current or prior years by the public authority responsible for the supervision of financial information, ensuring that no matters or weaknesses of the kind outlined in such instructions are found to affect the financial statements.

o To discuss any material weaknesses found in the internal control system in the course of audit procedures with individual auditors or audit firms concerned, without in any way comprising their independence. For these purposes, where appropriate, the Audit Committee may present recommendations or proposals to the Board of Directors, establishing the deadline for follow-up.

o Periodically to review and inspect the applicable internal control and risk management systems in order to ensure that the main exposures are properly identified, managed and reported.

o To review the clarity and integrity of all financial and non-financial information published by the Company, including the financial statements, management reports, risk management and control reports and the corporate governance report, establishing the cases in which the external auditors should be involved in the review of information other than that relating to the financial statements.

F.1.2 State whether any of the following exist, especially in relation to the process of preparing financial information:

- Departments and/or mechanisms for: (i) the design and review of the organizational structure; (ii) defining clear lines of responsibility and authority, ensuring an adequate distribution of tasks and duties; and (iii) the existence of sufficient procedures to ensure due transmission throughout the company:

(i) design and review of the organizational structure;

The design and review of the organizational structure are developed by the Human Resources Management and Department. Various specific organization charts exist for each financial department to provide an appropriate level of detail with respect to the lines of responsibility and authority established.

(ii) Definition of clear lines of responsibility and authority, ensuring an adequate distribution of tasks and duties;

Tasks and responsibilities relating to the preparation and supervision of financial information are defined for each job. Lines of authority and responsibility are detailed in the departmental organization charts and are defined by Management. Procedures related with the preparation of financial information set out the responsibilities assigned to the Company's different divisions.

and (iii) Existence of sufficient procedures to ensure due transmission throughout the company, in particular with regard to the preparation of financial information.

Procedures relating to the preparation of financial information are communicated to the officers responsible for financial functions.

Codes of conduct, body responsible for approval, distribution and training, principles and values included (indicating any specific mentions concerning the recognition of transactions and preparation of financial information), and body responsible for examining breaches and proposing corrective actions and sanctions:

ROVI has a Code of Conduct (the "Code of Ethics"), the latest version of which was approved by the Board of Directors on 19 February 2018. This Code sets out the basic ethical principles of the Company and its Group. This Code is applicable to all employees, to whom it has been duly communicated. It is intended basically to provide a framework rules and recommendations to transmit the good work performed by ROVI's employees on a daily basis to its stakeholders (employees, shareholders, suppliers, customers, patients, professionals, government and society in general) and at the same time to serve as an everyday guide for decision-making. ROVI sees its Code of Ethics as an opportunity to apply in practice the values that mark the company out, such as mutual respect, the pursuant of innovation, teamwork, efficiency and competitiveness as the fruit of scientific excellence.

The Code of Ethics must be signed by all employees on their induction into any ROVI Group company. The document is available to all employees in the form of a mobile telephone app, and on ROVI intranets.

ROVI's Code of Ethics includes a specific section on financial integrity and protection of the Company's assets, establishing a commitment to apply the highest standards of ethics and transparency in all communications, filings and reports referring to its products and activities. Accordingly, ROVI undertakes to comply with all relevant legal requirements and duly to apply prevailing accounting standards in preparing its accounts, financial statements, books, ledgers and records, in order to accurately to present the activities of it's the Group's business and financial situation.

Furthermore, ROVI has implemented an Anti-Bribery and Anti-Corruption Policy, the latest version of which was approved by the Board of Directors on 10 September 2020, to spell out one of the key principles of the Code of Ethics, namely the explicit rejection of any practices involving bribery or corruption. The Anti-Bribery and Anti-Corruption Policy is also applicable to all ROVI employees and establishes the duty to keep and conserve books, ledgers and accounts that precisely reflect the assets and transactions of the Group in detail, and to maintain an adequate internal control system for the Group's financial information. Accordingly, all financial transactions must be recognized in the official accounting ledgers. No accounts may be kept off these books, as such practices could facilitate or cover up improper payments. This document is available to all employees in the form of a mobile telephone app, and on other ROVI intranets.

The body responsible for overseeing compliance with the Code of Ethics is the Compliance Unit, which was assigned this function in the "Regulatory Compliance Statute" approved by the Audit Committee on 25 July 2017. The Compliance Unit consists of a Compliance Committee (a permanent internal collegiate body reporting directly to the Audit Committee, being said committee's advisory body in matters of compliance) and the Compliance Department (which is responsible for coordinating day-to-day compliance activities, supporting the Compliance Committee and reporting on relevant issues).

In 2021, all the employees of ROVI with access to ROVI's e-mail account, including ROVI's affiliates e-mail accounts, have received online training in the Code of Ethics using an online program designed by the Compliance Unit. This training included a final test in order to assure the proper understanding of the training. This training in the Code of Ethics is aimed to train the staff with the following objectives:

firstly, to reinforce the idea that all of ROVI's employees and the members of its governing bodies are equally subject to and required to comply with the Code of Ethics; and second, to provide training in all of the principles governing activities enshrined in the Code of Ethics, as well as their possible applications and interpretations.

On 7 November 2017, meanwhile, the Compliance Committee approved the "Suppliers' Code of Ethics", as subsequently modified on 27 July 2020. The main objective of this Code is to ensure that suppliers and other links in the value chain abide not only with prevailing legislation, but also with the values of ROVI's corporate governance system, the principles set forth in its Corporate Social Responsibility Policy and other internal regulations approved by ROVI. The implementation and use of this Code is currently under way in various departments involved in the management of suppliers. As part of this work, ROVI Group's general contractual terms and conditions and, where possible, the special terms of other negotiated contracts include the obligation to comply with the provisions of the Suppliers' Code of Ethics.

ROVI has also adopted an "Employees' and Suppliers' Ethics Channel Regulation", the latest version of which was approved by the Board of Directors on 6 October 2021 as proposed by the Audit Committee. This Regulation assigns responsibility for the management of ROVI ethics channels (for employees and suppliers) to the Ethics Channel Management Committee, which is also required to ensure that all complaints filed are dealt with and handled appropriately, fully and confidentially. This body is responsible for examining breaches and proposing corrective action. The Human Resources Department is responsible for sanctions in the event of breach.

ROVI also has an Internal Code of Conduct in the Securities Markets, the latest version of which was approved by the Board of Directors on 2 November 2021. The purpose of this Code is to align the activities of the Company, its management bodies, its employees and other persons subject to the standards of conduct it enshrines with legislation governing the securities markets.

- Whistleblower channels established to allow the communication of financial and accounting irregularities to the audit committee, as well as possible breaches of the code of conduct and irregular activities in the organization. Where appropriate, state whether these channels are confidential and if it allows for anonymous communications while respecting the rights of the complainant and the reported.:

As established in the Regulations of the Audit Committee, this body shall be responsible for:

- Establishing and supervising a mechanism that allows employees -and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors- to report any potentially significant irregularities, including financial, accounting or any other type of irregularities, related to the Company that they notice within the Company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which communications may be made anonymously, respecting the rights of the whistleblower and the reported party.

- Supervising the aforementioned mechanism, receiving information on its operation on a regular basis. This information will include, at least, the number of complaints received, their origin, typology, the results of the investigations and proposals for action. Once the foregoing has been analysed, the Audit Committee may, if it deems it necessary, propose appropriate actions to improve its functioning and to reduce the risk of irregularities in the future.

In compliance with the above, ROVI has set up a whistleblower channel (the "Ethics Channel") for its employees, suppliers, trade partners, agents and other associates. Its purpose is to guarantee fluid, effective communication with the bodies responsible for overseeing compliance, ethics and transparency in the organization.

This channel is designed to enable reporting of irregularities of all kinds, whether of a financial, contractual, legal or ethical nature, and to allow queries in connection with the interpretation of ROVI's Code of Ethics, the Suppliers' Code of Ethics and any other policies and procedures approved by the Group, in general.

The Ethics Channel is regulated in the "Employees' and Suppliers' Ethics Channel Regulation", in accordance with which all employees of the ROVI Group and suppliers subject to the Suppliers' Code of Ethics are required to report:

- Any cases of legal non-compliance that may come to their attention, including non-compliance with any standards voluntarily adhered to by ROVI, such as the Pharmaceutical Industry's Code of Good Practices.

- Any conduct that could constitute an offence or non-compliance with the Group's Crime Prevention System.

- Any conduct that could be defined as unethical or contrary to ROVI's Code of Ethics or the Suppliers' Code of Ethics.

- Any financial, accounting or other irregularities that could potentially be significant in view of the activities and operations of the Group companies.

- Any cases of non-compliance with internal policies or procedures that may come to their attention.

Complaints may be filed:

- By post at the address provided in the "Employees' and Suppliers' Ethics Channel Regulation".

- By email at the address provided in the "Employees' and Suppliers' Ethics Channel Regulation".

- By telephone.

- Via ROVI's internal mobile app.

All of these alternatives guarantee the confidentiality of complaints by restricting access to the telephone, postal address or email address (where complaints sent via the mobile app are also received) solely to the authorized addressees listed in the "Employees' and Suppliers' Ethics Channel Regulation".

The body in charge of managing the complaints channel is the Ethics Channel Management Committee. No complaints relating to financial information were received during the financial year.

- Training programmes and periodic refresher courses covering at least accounting standards and audit, internal control and risk management issues for staff involved in the preparation and review of financial information and FICS assessment processes:

The Company has a very stable staff involved in the preparation of financial information, and employees working in this area have the appropriate expertise to perform their duties. It is the Finance Department Management's responsibility to ensure that staff involved in the preparation of financial information have the necessary and up-to-date training to perform this function. Specific training programmes are organized in coordination with the Human Resources Department in the event of changes in applicable legislation or in the functions assigned to the employees involved in these activities.

The Company is also assisted by external advisers, who support employees carrying out financial functions in relation to tax, legal and accounting matters. Regular contacts are maintained with these advisers.

## **F2. Risk assessment in relation to financial information.**

Explain at least:

F.2.1 What are the main features of the process applied to identify risks, including the risk of error or fraud related with:

- Existence of a documented process:

The Company has established a system to identify risks, including risks related with error or fraud in financial information. This system is described in the "Risk Control and Management Policy", the latest version of which was approved by the Board of Directors in December 2020.

Key processes and subprocesses have been determined in each area with material financial impact in quantitative or qualitative terms. Meanwhile, the risks that could result in errors affecting the financial information or fraud in the Company's operations have been identified, and appropriate controls are carried out to mitigate these risks.

- State whether the process covers all financial reporting objectives (existence and occurrence, integrity, assessment, presentation, detailed disclosure and comparability, and rights and obligations), and whether it is updated and, if so, how often.

The risks that could result in material error in financial information have been identified for each of the significant processes established, covering the objectives of existence and occurrence, integrity, assessment, presentation, detailed disclosure and comparability, and rights and obligations. The processes identified and documented are reviewed and updated annually in the event of changes in the management of the processes concerned or where so required by changes in the applicable legislation.

- Existence of a process to identify the scope of consolidation, taking into consideration the possible existence of complex corporate structures or special or instrumental vehicles, among other matters.

The Company's head of consolidation reviews and updates the scope of consolidation on a monthly basis under the quarterly supervision of the Audit Committee, which is the body responsible for reviewing the appropriateness of the scope of consolidation defined and the proper application of the relevant accounting principles.

Given the absence of complex corporate structures and the infrequency of changes in the scope of consolidation, any variations arising are duly disclosed in the annual and semi-annual financial information published by the Company.

- State whether the process takes into consideration the effects of other classes of risk (e.g., operational, technological, financial, legal, tax, reputational, environmental risks, etc.), insofar as they affect the financial statements.

The process takes into consideration other classes of risk, including operational, technological, legal, reputational, environmental risks, etc. that could have a material impact on the financial information. Where any of these risks could affect the financial information, the Company determines how it might mitigate the impact.

These risks are managed and assessed in accordance with the Risk Control and Management Policy. This Policy identifies four types of risk:

- Strategic risks: those affecting high level objectives directly related with ROVI's strategic plan.
- Operational risks: those affecting objectives related with the efficiency and effectiveness of operations, including objectives related with performance and returns.
- Reporting risks: those affecting the reliability of the information supplied (including financial information) both internally and externally.
- Compliance risks: those affecting objectives related with legislative and regulatory compliance (laws and regulations governing bookkeeping, audit, internal control and risk management).

- What is the governing body responsible for supervising the process?

Key risks, whether financial or of any other nature, are reported to the Audit Committee, which in turn reports to the Board of Directors. The Audit Committee is the body responsible for supervising the Risk Control and Management Policy governing the risks, including those of a financial or tax nature, which could impact the attainment of corporate objectives. The Audit Committee also reviews and supervises the applicable internal control and risk management systems, as well as their effectiveness on a periodic basis in order to ensure that the main risks are properly identified, managed and reported.

### F.3. Control activities.

Explain at least the following, describing key characteristics:

F.3.1 Procedures involved in the review and authorization of the financial information to be published in the stock market and description of the FIICS, indicating the officers responsible, and of the documentation describing workflows and controls (including controls relating to the risk of fraud) involved in the different types of transactions which could materially affect the financial statements, including the procedures applied in the accounting close and in specific reviews of the use of judgement, estimates, valuations and projections.

ROVI reviews the financial information prepared regularly on different levels:

- The departments involved in the accounting close and the corporate accounting department review the financial information prepared at each reporting date, performing the pertinent verification procedures to assure the reliability of accounts.
- Upon completion of the consolidation process, the Finance Department reviews the financial information, seeking to identify any possible issues.
- Where the financial information must be published in accordance with securities market legislation:

1. The Audit Committee proceeds with a review of the financial information. Prior to this review, the Committee is informed at least of:

- o The appropriateness of the scope of consolidation.
- o The use of judgment, criteria, valuations or estimates that could have a material impact on the financial statements and related non-financial information.
- o Changes in any significant criteria applied.
- o Any alternative performance measures ("APMs") considered.
- o Material internal control weaknesses.
- o Where applicable, any material adjustments made by the auditor or arising as a result of internal audit review procedures, and management's position with regard to the same.
- o Where applicable, any requirements established by the public supervisor of financial information.
- o Any other relevant information.

2. The Board of Directors approves the financial information to be published.

The description of the FIICS is reviewed both by the Finance and Internal Audit Departments and by the above-mentioned governing bodies as part of the periodic information reported by ROVI to the markets.

ROVI has descriptions of the workflows involved in the principal processes impacting the financial information, including inter alia the procedures applicable in the accounting close and in the preparation of reports, specifying the review process applicable to any material use of judgment, estimates or projections. The key controls applicable in each of these procedures have been identified, as have the transactions that could materially affect the financial statements. The documentation of each of these processes is updated in cases where changes in applicable regulations or processes so require. This documentation consists of the following:

- Details of the structure/company concerned.
- Description of subprocesses associated with each process.
- Flowcharts of the key subprocesses.
- Details of material risks affecting the financial information.
- Description of (key and other) controls applied to reduce the likelihood of the risks identified. In each case, information is provided with regard to the type of controls, the level of automation, supporting evidence and the department or officer responsible.

F.3.2 Internal control policies and procedures relating to the information systems supporting relevant corporate processes involved in the preparation and publication of financial information (e.g., access security, change tracking, system operation, operational continuity and segregation of functions).

ROVI's Corporate Information Technology and Communications (ITC) Department promotes and supports the implementation of technical, organizational and control measures to assure the integrity, availability, reliability and confidentiality of information.



The Information Security Management System (ISMS) Risk Manager supervises the effective and efficient management of risks and issues arising in relation to the security of confidential information, promoting appropriate plans and policies to safeguard it.

Access to information systems is centrally managed for all of the Group's offices and facilities, whether in Spain or internationally. Appropriate protocols have been established to ensure that ROVI's users are only able to access the permitted data and programs for their jobs or functions, so as to prevent any unauthorized access. User access to functionalities is defined based on roles and profiles, requiring the use of personal and untransferable passwords to access both systems (operating system and shared folders), and databases and systems. ROVI also has data loss prevention (DLP) systems in place to flag any malicious or suspicious use of information and prevent possible Cryptolocker-type malware attacks. Our Active Directory also monitors and flags suspected attacks, such as password theft, lateral movements, untoward use of certificates or application of authorizations, abuse of privileges, etc. Similarly, networks and their communications are monitored for anomalies by specialised probes, also applying to internet communications

As an additional security measure, all of the Company's servers are protected by a virtual patching system. Specific firewalls are applied daily to each of the Company's systems to block any attacks that might use security breaches not yet patched in monthly Operating System updates.

The segregation of functions is determined in systems based on the above-mentioned distribution of roles and profiles. The Internal Audit Department analyses systems annually in order to verify the absence of any transactions carried out by a single user that might be incompatible with the segregation of functions.

The general security policy does not allow the installation, uninstallation or modification of software in the Company's systems without specific authorization, in order to prevent users who are not administrators from making any material changes to client devices without authorization from an ITC administrator. Users are also barred from using external storage devices unless approved and inventoried by the IT Department.

ROVI has implemented a change management methodology based on Good Manufacturing Practices ("GMP"), which establishes the pertinent red flags and validations to mitigate risks related with such processes. This methodology is mandatory for any change made to the Company's ITC Systems.

A 24x7 Help Desk assists end users with any incidents affecting their workstations and systems.

The Company has a Data Processing Centre (DPC) in the Autonomous Community of Madrid, which is operated and managed by an external service provider and is protected by all relevant measures required to ensure secure access and service availability. Only authorized personnel are permitted to enter the facility, and access is recorded at all times. All systems and data links are monitored to verify proper functioning and response. The operations and management of the DPC and the systems ROVI hosts are audited annually by a third party.

ROVI's communications and systems are protected by network elements including firewalls at various levels and antivirus software to internally reinforce controls against threats such as virus and other kinds of malware.

Most systems provide high levels of local availability, and redundant servers and data cabinets are kept at the DPC to ensure availability in the event of incidents.

Security copies of data and systems are made periodically and are kept at different secure sites. The system and financial data recovery is executed at least once each year to verify that it is reliable and runs properly.

ROVI's virtual ERP system (SAP) offers enhanced disaster tolerance, maintaining a mirror system in a DPC situated at a different geographical location to the main centre, which would begin operating in the event of a major disaster.

F.3.3 Internal control policies and procedures relating to supervision of the management of activities subcontracted to third parties, as well as assessments, calculations and evaluations entrusted to independent experts, where the same could materially affect the financial statements.

The only outsourced operation with a material impact on the financial information is currently the payroll process. The payroll management process is overseen by the Human Resources Department. The supervisory activities carried out are explained in the documentation describing the Company's workflows.

#### **F.4. Information and communication.**

Explain at least the following, describing key characteristics:

- F.4.1 Specific department responsible for defining accounting policies and keeping them up to date (accounting policy unit or department), and for the resolution of concerns or conflicts arising in relation to their interpretation, maintaining fluid communication with the organization's operational managers, as well as a current manual of accounting policies duly issued to all of the entity's business units.

The Company's Finance Department has a specific officer responsible for the definition and updating of accounting policies, and for the resolution of any concerns or conflicts arising in relation to their interpretation.

The Company has a manual of accounting policies, which includes the key accounting policies applicable in the preparation of financial information. This manual is periodically updated by ROVI's Finance Department. The last update was completed in December 2017, and a review is currently in progress to include the new accounting standards applicable.

- F.4.2 Mechanisms for the collection and preparation of applicable standard format financial information for use by all of the company's departments and by the group to support the financial statements and the explanatory notes thereto, as well as the FIICS information.

All of the Group companies use SAP as the sole system for the capture and preparation of financial information. Data is uploaded to the application using a standard procedure that is the same for all consolidated subsidiaries.

Since financial functions are highly centralized in the Group, the key procedures involved in the preparation of financial information are carried out by the same team of employees for all of the Group companies, which guarantees the harmoniousness of the information.

As regards the FIICS, the officer responsible for the preparation of the information contacts the departments involved in the process to obtain the necessary financial and non-financial documentation to comply with the applicable legal requirements.

#### **F.5. Supervision of the system's functioning.**

Explain at least the following, describing key characteristics:

- F.5.1 Supervisory activities undertaken in relation to the FIICS by the audit committee, and whether the entity has an internal audit unit whose functions include supporting said committee in its supervision of the internal control system including the FIICS. Also, explain the scope of the FIICS evaluation carried out in the year and the procedure by which the party responsible for such evaluation reports its findings, whether the entity has an action plan establishing eventual corrective measures, and the consideration given to the possible impact on the financial information.

The Audit Committee meets quarterly to review the periodic financial information submitted to the Spanish National Securities Market Commission. The Committee supervised the preparation and integrity of the quarterly and six-monthly individual and consolidated financial information. Specifically, prior to its submission, it reviewed compliance with all regulatory requirements, the appropriate delimitation of the scope of consolidation, and the proper application of the relevant accounting principles in the periodic information, which was reported in all cases within the legal deadlines.

The Audit Committee was periodically informed of FIICS activities by Internal Audit. In this regard, the Internal Audit Department prepared an annual internal audit working plan for 2021, which was examined and approved by the Audit Committee and contained, inter alia, the FIICS procedures planned for 2021. The Audit Committee has received the Annual Audit Report for 2021, which detailed the status of internal audit procedures in relation to the FIICS, among other work, reporting findings and describing any issues that could have a material impact on the financial information, where applicable.

In order to ensure that the individual and consolidated financial statements presented at the General Meeting will not be accompanied by a qualified audit report, the Audit Committee carried out the following tasks, among others, before the formal preparation thereof: review of the annual financial statements, verification of compliance with the applicable legal requirements and proper application of generally accepted accounting principles, examination of the financial reporting process, and scrutiny of the Company's internal controls in order to verify their adequacy and integrity.

The Audit Committee reported favourably to the Board of Directors before the preparation of the annual financial statements.

The Company has an internal audit department, which supports the Audit Committee's supervision of internal controls over financial information.

The internal audit department oversees the proper functioning of internal information and control systems with the supervision of the Audit Committee. The Internal Audit function is regulated in the "Internal Audit Statute", the latest version of which was approved by the Board of Directors at the proposal of the Audit Committee in December 2020. The head of the internal audit unit submits an annual working plan to the Audit Committee and reports directly on any matters arising in the course of the procedures carried out, as well as presenting a report on activities to the Committee at the end of each financial year.

As part of its Annual Working Plan, the Internal Audit Department reviewed the effectiveness of the key controls designed and implemented to verify processes with a significant impact on ROVI's financial statements in 2021. Specifically, the design of controls was assessed and the proper functioning of the following processes was verified:

- Fixed assets
- Sales
- Procurements
- Payroll
- Taxes
- Accounting close

Corrective measures identified as having a material impact on the financial information are described in the Annual Internal Audit Report submitted to the Audit Committee at the end of each financial year.

Audits to oversee the proper functioning of key FIICS processes will continue in 2022.

F.5.2 State whether the entity has a discussion procedure allowing the auditor (in accordance with technical audit standards or NTA in the Spanish acronym), the internal audit department and other experts to communicate with senior management and the audit committee or the directors to report any material internal control weaknesses observed in the course of their review procedures carried out in relation to the annual financial statements and any other matters required of them. Also, report whether there is any action plan in place to correct or mitigate the weaknesses observed.

The Audit Committee maintains ongoing, stable relations with the external auditor. The Audit Committee's Annual Working Plan establishes the minimum number of annual meetings to be held with the auditors to guarantee fluid communications and discuss any significant internal control weaknesses identified.

In 2021, the Audit Committee met with the auditor on three occasions, obtaining information both on the planning of audit procedures and on their results and findings (including significant control weaknesses). Before the formal preparation of the annual financial statements, the auditor also met with the Board of Directors to report on the work performed.

The Audit Committee also holds periodic meetings with ROVI's Internal Audit Department, which reports quarterly on any significant internal control weaknesses observed, among other matters and where applicable.

Aside from such scheduled meetings, either the auditor or the Internal Audit Department may immediately report any material weakness observed to the Audit Committee.

Action plans are drawn up to mitigate or remove any significant internal weaknesses that may come to light.

## F.6. Other relevant information.

There are no other relevant matters not discussed above.

**F.7. External auditor's report.**

State:

F.7.1 Whether the FICCS information published in the markets was subjected to a review by the external auditor, in which case the entity should include the pertinent report in an annex. If not, explain the reasons.

The information regarding internal controls applied to the financial information contained in the Annual Corporate Governance Report was reviewed by the external auditor. A copy is included below.

## G. LEVEL OF APPLICATION OF CORPORATE GOVERNANCE RECOMMENDATIONS

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Indicate the company's level of application of the recommendations contained in the Good Governance Code for listed companies.

If any recommendations are not applied or are applied only partially, you should include a detailed explanation of the reasons in order to ensure that shareholders, investors and the market in general have a sufficient basis of information on which to appraise the company's approach. General explanations will not be considered acceptable.

1. The articles of association of listed companies should not limit the maximum number of votes that may be cast by a single shareholder or establish any other restrictions that might impede a takeover of the company by means of the acquisition of shares in the market.

In compliance  Explain

2. Where the company is controlled by any other entity, whether listed or otherwise, within the meaning of Article 42 of the Spanish Commercial Code, and maintains business relations with such entity either directly or indirectly via any of its affiliates (other than the listed company) or conducts any activity related with either, the following matters should be precisely and publicly disclosed:

- a) The respective areas of activity and possible business relations between the listed company and/or its affiliates on one hand and the parent company and its affiliates on the other.
- b) The mechanisms in place to resolve any possible conflicts of interest that might arise.

In compliance  Partial compliance  Explain  Not applicable

3. The chairman of the board of directors should report verbally and in sufficient detail to the shareholders on key aspects of corporate governance affecting the company at the general shareholder's meeting in order to supplement the written information published in the annual corporate governance report, highlighting in particular the following issues:

- a) Any changes arising since the last general shareholder's meeting.
- b) The specific reasons why the company does not follow any of the recommendations enshrined in the Good Governance Code and the alternative rules applicable, if any.

In compliance  Partial compliance  Explain

4. The company should define and promote a policy regarding communication and contact with shareholders and institutional investors in the context of their involvement with the company, and with proxy advisers. This policy must fully respect market abuse rules and treat all shareholders whose position is similar on an equal footing. The company must also publish its policy online in its website, including information about the manner in which it is implemented in practice and identifying the relevant interlocutors and the officers responsible for implementation.

Notwithstanding the legal obligations to publish privileged and other regulated information, the company should also establish a general policy with regard to the publication of financial, non-financial and corporate information via any channels it considers appropriate (media, social networks or others), thereby maximizing the dissemination and quality of the information made available to the market, to investors and to other stakeholders.

In compliance

Partial compliance

Explain

5. The board of directors should not propose the delegation of powers to issue shares of convertible securities and to exclude preferential rights of acquisition to the shareholders at their general meeting where the amount concerned exceeds 20% of issued share capital at the moment of delegation.

Where the board of directors may approve any issue of shares of convertible securities with exclusion of preferential subscription rights, the company should immediately publish the reports concerning such exclusion mentioned in the applicable company's legislation on its website.

In compliance

Partial compliance

Explain

6. Listed companies issuing the reports mentioned below, whether on a mandatory or voluntary basis, should publish the same online on the corporate website sufficiently in advance of the general shareholder's meeting, even where such publication is not obligatory:

a) Report on auditor independence

b) Reports on the activities of the audit committee and the appointments and remuneration committee

c) Audit committee report on related-party transactions

In compliance

Partial compliance

Explain

7. The company should webcast its general shareholders' meetings live on the corporate website.

The company should establish mechanisms to allow proxy voting and remote digital voting, and if it has a high capitalization, it should even take reasonable steps to permit online attendance and active participation at general shareholders' meetings.

In compliance  Partial compliance  Explain

8. The audit committee should take steps to ensure that the annual financial statements presented by the board of directors at the general shareholder's meeting are prepared in accordance with applicable accounting legislation, and that in those cases where the auditor may issue a qualified audit report, the Chairman of the Audit Committee provides a clear explanation of the Audit Committee's position with regard to the content and scope of such report at the general meeting, placing a summary explanation at the disposal of the shareholders upon publication of the call for the general meeting together with the other proposals and reports issued by the board of directors.

In compliance  Partial compliance  Explain

9. The company should publish the conditions and procedures required to establish title to ownership of the shares, the right to attend general meetings of the shareholders and the right to vote either in person or by proxy online on its website on a permanent basis.

Such conditions and procedures should be designed to foster attendance and the exercise of their rights by the shareholders, and they must not be applied with discriminatory intent.

In compliance  Partial compliance  Explain

10. Where any shareholder may lawfully have exercised the right to supplement the items on the agenda or present any additional motions before a general meeting is held, the company should:

- a) Immediately publish such supplementary items or additional motions;
- b) Publish the model attendance card, the proxy voting form and the remote voting form with the necessary changes to allow the shareholders to vote on the new items on the agenda and alternative motions presented under the same terms and conditions as the items and motions proposed by the board of directors.
- c) Put all such alternative items and motions to the vote, applying to them the same voting rules as formulated by the board of directors including, in particular, assumptions or deductions with regard to the nature of the votes cast.
- d) Report the tally of votes cast on the alternative items and motions proposed after the conclusion of the general shareholders' meeting.

In compliance  Partial compliance  Explain  Not applicable

11. Where the company may opt to pay a premium for attendance at the general shareholders' meeting, it should establish a general policy with regard to such premiums in advance, which should remain firm and unvarying.

In compliance [ X ]      Partial compliance [ ]      Explain [ ]      Not applicable [ ]

12. The board of directors should discharge its functions on a collegial and independent basis, affording equal treatment to all shareholders in the same circumstances and guided by the corporate interest, meaning the conduct of a profitable business that is sustainable over the long term so as to foster the continuity of the company and maximize the creation of shareholder value.

Furthermore, the corporate interest should entail not only on respect for the law and applicable regulations and conduct based on the principle of good faith, ethical conduct and abidance by business custom and general accepted best practice, and the board should therefore seek to reconcile the corporate interest of the company with the legitimate interests of its employees, suppliers, customers and other stakeholder groups affected, and with the potential impact of the company's activities on the wider community and the environment.

In compliance [ X ]      Partial compliance [ ]      Explain [ ]

13. The board of directors should be of the right size to ensure effective functioning and participation. In this light, between five and fifteen members is advisable.

In compliance [ X ]      Explain [ ]

14. The board of directors should establish and approve a policy to foster an appropriate make-up for the board of directors, which

- a) is specific and verifiable;
- b) ensures that proposals for appointments or reselection are based on a prior analysis of the competences needed by the board of directors; and
- c) favours diversity of knowledge, experience, age and gender. For these purposes, measures designed to foster the presence in the company of a significant number of female executives are considered to favour gender diversity.

The findings from the prior analysis of the competences needed by the board of directors should be set out in a reasoned report issued by the appointments committee, which will be published upon the call for the general shareholders' meeting at which the appointment or re-election of each director is submitted for ratification.

The appointments committee will verify compliance with the aforesaid policy on an annual basis and will report thereon in the annual corporate governance report.

In compliance [ X ]      Partial compliance [ ]      Explain [ ]



15. The proprietary and independent directors should constitute a significant majority on the board of directors and the number of executive directors should be the minimum necessary taking into consideration the complexity of the corporate group and the percentage interests held by the executive directors in the company's share capital.

Female directors should make up at least 40% of the members of the board of directors by the end of 2022 and thereafter and should not be less than 30% in the interim.

In compliance [  ]

Partial compliance [  ]

Explain [  ]

The Company is in compliance with the recommendation insofar as the number of executive directors is the minimum necessary taking into consideration the percentage interests held by the executive directors in the Company's share capital. External directors (three of them independent directors) make up 50% of the Board members (six members). The Company intends to submit the appointment of a new director to cover the vacancy left by the demise of Juan López-Belmonte López in July 2021, thereby contributing to an increase in the diversity of the Board's membership.

16. The percentage of proprietary directors out of the total Board should not be greater than the proportion of interests in share capital represented by said directors compared to the rest of the company's share capital.

This criterion may be eased:

- a) In high capitalization companies where there are very few shareholdings that would be deemed legally "significant."
- b) In the case of companies where various unrelated shareholders are represented on the board of directors.

In compliance [  ]

Explain [  ]

17. Independent directors should make up at least half of all board members.

Where a company is not highly capitalized, however, or where it is but one or more shareholders acting in concert control more than 30% of share capital, independent directors should make up at least one third of the total board members.

In compliance [  ]

Explain [  ]

18. Companies should publish the following information online on their websites, keeping it up to date at all times:

- a) Professional profile and biographical background
- b) Other company boards on which directors may sit, whether or not they are listed companies, and any other remunerated activities in which they may engage, whatever the nature thereof.
- c) The class of directorship held by each board member, indicating the shareholders represented or with whom they have links in the case of proprietary directors.
- d) Date of first appointment as a director of the company, and the dates of re-election where applicable.
- e) Shares and stock options held by the directors.

In compliance  [ X ]

Partial compliance  [ ]

Explain  [ ]

19. Subject to prior verification by the appointments committee, the annual corporate governance report should outline the reasons for the appointment of any proprietary directors at the behest of shareholders holding interests equal to less than 3% of share capital. Likewise, it should explain the reasons for turning down any formal requests for a presence on the board made by shareholders owning interests of the same size or greater than those held by other shareholders at whose behest proprietary directors were appointed.

In compliance  [ ]

Partial compliance  [ ]

Explain  [ ]

Not applicable  [ X ]

20. Proprietary directors should tender their resignation if and when the shareholder they represent transfers the whole of its shareholding. The appropriate number of proprietary directors should also resign when the shareholder concerned reduces its shareholding to a level that would also require a reduction in the number of its seats on the board.

In compliance  [ ]

Partial compliance  [ ]

Explain  [ ]

Not applicable  [ X ]

21. The board of directors should not propose the removal of any independent director before the end of the statutory term for which they were appointed without good cause substantiated by the board subject to a report from the appointment committee. In particular, good cause will be deemed to exist where a director takes up any new office or contracts new obligations which would prevent him/her from dedicating the time necessary to discharge the functions proper to the office of director, or fails to discharge the duties inherent in his/her office, or is affected by any circumstances in view of which he/she might lose the condition of independence within the meaning of applicable legislation.

The removal of independent directors may also be proposed as a consequence of any takeover bid, merger or other similar corporate transactions that would result in a change in the ownership structure of the company, resulting in changes in the structure of the board of directors driven by the principle of proportionality established in recommendation 16.

In compliance  ]

Explain  ]

22. Rules should be established to oblige all directors to inform the company and resign where appropriate if they are personally affected by any situations, whether or not related with their activities in the company, that could adversely affect its good standing or reputation, and in particular obliging them to inform the board if they are the subject of any criminal investigation or are arraigned on criminal charges.

Upon being informed of or otherwise becoming aware of any of situations of the kind mentioned in the preceding paragraph, the board should examine the case as soon as possible and decide in view of the circumstances and subject to a prior report from the appointments and remuneration committee whether or not to take any action, e.g., opening an internal inquiry, seeking the resignation of the director concerned or proposing removal. The matter should be duly disclosed in the annual corporate governance report, except where justified by any special circumstances, which should be duly recorded in the minutes to the relevant board meetings, notwithstanding the information that the company may be required to disclose, where appropriate, upon the adoption of the suitable measures.

In compliance  ]

Partial compliance  ]

Explain  ]

23. All of the directors should clearly express their dissent when they consider that any proposal submitted to the board of directors could be contrary to the corporate interest. Likewise, the independent and other directors who are not affected by any potential conflict of interests should dissent in particular from any decisions that could adversely affect shareholders who are not represented on the board of directors.

Where the board of directors may adopt significant or recurring decisions with respect to which any director may have expressed serious reservations, the director concerned should draw the appropriate conclusions and should explain his/her reasons in the letter mentioned in the next recommendation, if he/she opts to resign.

This recommendation will also apply to the secretary to the board of directors, even if he/she is not a director.

In compliance  ]

Partial compliance  ]

Explain  ]

Not applicable  ]

24. Where any director may be removed from office before the end of their mandate, whether due to resignation or dismissal by the general meeting, such director shall duly explain their reasons for resigning or, in the case of non-executive directors, their position with regard to the grounds for their dismissal by the general meeting in a letter addressed to all of the Board members.

Notwithstanding the explanation of these matters in the annual corporate governance report, the company should make the removal of a director public as soon as possible together with a sufficient summary the reasoning and circumstances indicated by the outgoing director.

In compliance  Partial compliance  Explain  Not applicable

25. The appointments committee should ensure that the non-executive directors dedicate sufficient time to the proper discharge of their duties.

The board regulations should establish the maximum number of directorships in other companies that may be held by the members of its board.

In compliance  Partial compliance  Explain

26. The board of directors should meet often enough to discharge its duties effectively and at least eight times each year, following the schedule of dates and agendas established at the beginning of the year. Each director should also be able individually to propose any additional agenda items that may not initially have been foreseen.

In compliance  Partial compliance  Explain

27. Non-attendance by the directors should be restricted to imperative cases and should be quantified in the annual corporate governance report. Where non-attendance is unavoidable, a proxy should be granted with instructions.

In compliance  Partial compliance  Explain

28. Where the directors or the secretary to the board may express concerns with regard to any proposal which are not resolved at the board meeting, said concerns should be duly recorded in the minutes at the request of the director expressing the same.

In compliance  Partial compliance  Explain  Not applicable

29. The company should establish adequate channels to ensure that the directors are able to obtain the requisite advice to discharge their duties, including external advice at the cost of the company where circumstances so require.

In compliance  Partial compliance  Explain

30. Regardless of the expertise required of the directors in the discharge of their duties, companies should offer their directors additional learning programmes where required.

In compliance [ X ]                      Explain [   ]                      Not applicable [   ]

31. The agenda for board meetings should clearly state the points on which the board of directors is required to adopt a decision or resolution, so that the directors can obtain and study the pertinent information before any decision is adopted.

Exceptionally, if the chairman wishes to submit any decision or resolutions that were not included in the agenda for reasons of urgency, the express prior consent of the majority of the directors attending the meeting will be required and the matter will be duly recorded in the minutes.

In compliance [ X ]                      Partial compliance [   ]                      Explain [   ]

32. The directors should be informed periodically with regard to changes in the shareholder structure and the opinion of the company and its group held significant shareholders, investors and rating agencies.

In compliance [ X ]                      Partial compliance [   ]                      Explain [   ]

33. In addition to the discharge of his/her legal and statutory duties, the chairman/woman, as the officer responsible for the effective functioning of the board of directors, should prepare and submit to the board a schedule of dates and an agenda; organize and coordinate periodic appraisals of the company's board and chief executive, where applicable; direct the board and oversee its effectiveness; ensure that sufficient time is dedicated to the discussion of strategic issues; and agree and review continuous learning programmes for each director, where required in the circumstances.

In compliance [ X ]                      Partial compliance [   ]                      Explain [   ]

34. Where a company has a coordinating director, the articles of association and/or board regulations should assign the same powers, in addition to those conferred by law, to chair the board of directors in the absence of the chairman/woman and the deputy chairs, if any, to address the concerns of the non-executive directors; to maintain contacts with investors and shareholders in order to learn their points of view and form an opinion with regard to their attitude to corporate governance and other matters affecting the company, and to coordinate the plan for the succession of the chairman/woman.

In compliance [ X ]                      Partial compliance [   ]                      Explain [   ]                      Not applicable [   ]

35. The secretary of the board of directors should take special care to ensure that the board of directors is guided in its activities and decisions by the recommendations set forth in this Good Governance Code as applicable to the company.

In compliance [ X ]                      Explain [   ]

36. The full session of the board of directors should consider and adopt an annual action plan to correct weaknesses observed in relation to the following matters:

- a) Quality and activity of the board of directors
- b) Activity and membership of committees
- c) Diversity and powers of the board of directors
- d) Performance of the chairman/woman of the board of directors and the chief executive officer
- e) Performance and contribution made by each of the directors, with special attention to directors holding the chairs of each of the board committees

The appraisals of each of the different committees will be based on the reports submitted by the same to the board of directors, and the appraisal of the board on report submitted by the appointments committee.

Every three years, the board of directors will seek the assistance of an external consultant to carry out the appraisal, whose independence will be confirmed by the appointments committee.

Business relations maintained by the consultant or any other firm forming part of its group with the company and any of its group companies will be disclosed in the annual corporate governance report.

The appraisal process and the areas addressed will be described in the annual corporate governance report.

In compliance  Partial compliance  Explain

37. If there is an executive committee, at least two of its members should be non-executive directors and at least one of these an independent director. The committee secretary should be the secretary to the board of directors.

In compliance  Partial compliance  Explain  Not applicable

38. The board of directors should be kept abreast of the matters raised and decisions adopted by the executive committee at all times, and all members of the board of directors should be furnished with a copy of the minutes to executive committee meetings.

In compliance  Partial compliance  Explain  Not applicable

39. All members of the audit committee and in particular its chair should be appointed in view of their knowledge and expertise in the fields of accountancy, audit and the management of both financial and non-financial risks.

In compliance  Partial compliance  Explain

40. A department should be set up under the supervision of the audit committee to perform internal audit functions, oversee the due functioning of information and internal control systems. This department should report functionally to the non-executive chairman of the board or to the audit committee.

In compliance [ X ]      Partial compliance [ ]      Explain [ ]

41. The head of the department assuming responsibility for the internal audit function should submit an annual working plan to the audit committee for approval by the same or by the board of directors, and inform it directly of the progress, including any possible matters arising or limitations in the scope of implementation, the results obtained and the compliance with recommendations. A departmental activity report should also be submitted at the end of each year.

In compliance [ X ]      Partial compliance [ ]      Explain [ ]      Not applicable [ ]

42. In addition to those provided by law, the functions of the audit committee should be as follows:

1. In relation to information systems and internal control:

- a) To supervise and assess the process of preparation and the integrity of the financial information, and of risk control and management systems in relation to the company's, and where applicable the group's, financial and non-financial risk exposures, including operating, technological, legal, corporate, environmental, political and reputational or corruption risks, reviewing compliance with regulatory requirements, the proper delimitation of the scope of consolidation and appropriate application of accounting standards.
- b) To oversee the independence of the internal audit department; to propose the selection, appointment and removal of the head of the internal audit department; to propose the budget for the internal audit service; to approve or propose the approval by the board of directors of the annual internal audit guidelines and working plan, ensuring that activity is focused principally on key risks (including reputational risks); to receive periodic information on activities; and to verify that senior management takes into consideration and acts on the findings and recommendations contained in reports.
- c) To establish and oversee a mechanism to enable employees and other stakeholders of the company, such as directors, shareholders, suppliers, contractors and subcontractors to report any potentially significant irregularities, including financial, accounting and other issues that they may observe in the company or in its group. This mechanism should guarantee confidentiality and, in any event, provide for anonymous communications, respecting the rights of both the complainant and the subject of complaints.
- d) In general, to oversee effective application in practice of the policies and systems established in the internal control area.

2. In relation to the external auditor:

- a) To examine the circumstances underlying the resignation of the external auditor, where applicable;
- b) To ensure that the external auditor's fees for its work do not compromise quality or independence.
- c) To oversee the communication of any change of auditor via the CNMV (Spanish National Securities Market Commission), accompanying the announcement with a statement regarding any possible disagreement with the outgoing auditor and the contents thereof.
- d) To ensure that the external auditor holds an annual meeting with the full session of the board of directors to report on the audit procedures carried out and on the evolution of accounting matters and the company's risk exposures.
- e) To ensure that the company and the external auditor respect prevailing legislation governing the provision of non-audit services, limits on the concentration of the auditor's business and auditor independence in general.

In compliance [ X ]

Partial compliance [ ]

Explain [ ]



43. The audit committee should have the power to require the presence of any employee or manager of the company, even without the presence of any other executive.

In compliance [ X ]      Partial compliance [ ]      Explain [ ]

44. The audit committee should be provided with full information on all transactions involving structural or corporate changes which the company plans to carry out for examination and the preparation of a prior report to the board of directors on the financial terms and accounting impact of such transactions, and in particular on the exchange ratio proposed, if any.

In compliance [ ]      Partial compliance [ ]      Explain [ ]      Not applicable [ X ]

45. Risk control and management policy should identify and define at least the following:

- a) The different classes of financial and non-financial risk to which the company is exposed (including operational, technological, legal, corporate, environmental, political and reputational risks, as well as corruption risks, and risks related with contingent liabilities and other off-balance sheet risks in the area of financial and business risks).
- b) A risk control and management system based on different levels, which should include a special risk committee where so required by industry legislation or where considered necessary by the company.
- c) The level of risk considered acceptable by the company.
- d) The measures in place to mitigate the impact of the risks identified, in the event they should materialize.
- e) The information and internal control systems used to control and manage the above-mentioned risks, including contingent liabilities and off-balance sheet risks.

In compliance [ X ]      Partial compliance [ ]      Explain [ ]

46. An internal risk control and management unit or department should be established in the company under the direct supervision of the audit committee or, where applicable, of any other special committee created by the board of directors. This unit should be expressly assigned the following functions:

- a) To ensure the proper functioning of risk control and management systems and, in particular, to identify, manage and properly quantify all significant risks affecting the company.
- b) To participate actively in the preparation of risk strategy and in key risk management decisions.
- c) To oversee risk control and management systems, ensuring that they adequately mitigate risks within the policy framework defined by the board of directors.

In compliance [ X ]      Partial compliance [ ]      Explain [ ]

47. The members of the appointments and remuneration committee (or of the appointments committee and the remuneration committee, if separated) should have the appropriate knowledge, skills and expertise to discharge their functions, and the majority of the committee members appointed should be independent directors.

In compliance  Partial compliance  Explain

48. High capitalization companies should create a separate appointments committee and remuneration committee.

In compliance  Explain  Not applicable

The Board of Directors has to date opted not to split the Appointments and Remuneration Committee, because it understands that the presence in a single committee of competences relating to the appraisal of the directors and their remuneration ensures the existence of an objectives-oriented remuneration system. Furthermore, the Board of Directors considers that the decision to split the Committee would only result in the creation of two committees with the same members as the present Appointments and Remuneration Committee, given the current membership of the Board itself.

49. The appointments committee should consult with the chairman/woman of the company's board of directors and chief executive officer, especially with regard to matters affecting the executive directors.

Also, any director should be able to request that the appointments committee take into consideration potential candidates to cover board vacancies, where they understand the same to be suitable.

In compliance  Partial compliance  Explain

50. The remuneration committee should independently discharge the functions assigned to it by law, as well as the following:

- a) To propose the basic terms and conditions of senior management contracts to the board of directors.
- b) To verify compliance with the remuneration policy established by the company.
- c) To review the remuneration policy applicable to the directors and senior executives on a periodic basis, including the application of share-based remuneration systems, and to guarantee that individual remuneration is proportional to the earnings of the company's other directors and senior executives.
- d) To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the committee.
- e) To verify the information regarding the remuneration of directors and senior executives contained in corporate documents, including the annual report on directors' remuneration.

In compliance  Partial compliance  Explain

51. The remuneration committee should consult with the chairman/woman of the company's board of directors and chief executive officer, especially with regard to matters affecting the executive directors and senior managers.

In compliance  Partial compliance  Explain

52. The rules governing the membership and functioning of supervisory and control committees should be included in the board regulations and should be consistent with rules applicable to any mandatory committees required by law, in conformity with the above recommendations, including:

- a) The committees should be formed exclusively by non-executive directors with a majority of independent directors.
- b) The committee chairpersons should be independent directors.
- c) The board of directors should appoint the members of these committees in view of the directors' knowledge, skills and experience and the mission of each committee and should debate their proposals and reports. The committees should account for their activities and work at the first full session of the board of directors held after each of their meetings.
- d) The committees should seek the advice of external experts where deemed necessary for their discharge of their functions.
- e) Minutes should be taken of meetings and made available to all of the directors.

In compliance [ X ]      Partial compliance [ ]      Explain [ ]      Not applicable [ ]

53. The task of supervising compliance with the company's environmental, corporate and corporate governance policies, and with internal codes of conduct should be assigned to one or more board committees, which may be the audit committee, the appointments committee, a specialist sustainability or corporate social responsibility committee, or any other specialist committee created by the board of directors in the exercise of its power of self-organization. The committee concerned should be formed solely by non-executive directors, and the majority of its members should independent directors specifically assigned to the minimum functions indicated in the next recommendation.

In compliance [ X ]      Partial compliance [ ]      Explain [ ]

54. The minimum functions mentioned in the preceding recommendation are as follows:

- a) Supervision of compliance with the company's corporate governance regulations and internal codes of conduct, seeking to ensure that the corporate culture is in line with its object and values.
- b) Supervision of the application of general policy for the reporting of financial, non-financial and corporate information, and for communication with shareholders and investors, proxy advisers and other stakeholders. The manner in which the company communicates and handles relations with small and medium-sized shareholders should also be monitored.
- c) Periodic assessment and review of the company's corporate governance system and environmental and corporate policies in order to ensure that it fulfils its mission to foster the corporate interest while taking into consideration the legitimate interests of stakeholders.
- d) Oversight of the Company's environmental and social practices to ensure alignment with its strategy and policies.
- e) Supervision and assessment of processes relating to different stakeholder groups.

In compliance [ X ]      Partial compliance [ ]      Explain [ ]

55. The sustainability policies applicable to environmental and social matters should identify and include at least the following:

- a) Principles, commitments, objectives and strategy relating to shareholders, employees, customers, suppliers, social issues, environmental matters, diversity, fiscal responsibility, respect for human rights and prevention of corruption and other unlawful activities.
- b) The methods and systems utilized to monitor compliance with policies, associated risks and risk management.
- c) Supervisory mechanisms applicable to non-financial risks, including risks related with business ethics and conduct.
- d) Communication channels, participation and dialogue with stakeholders.
- e) Responsible communication practices to avoid the manipulation of information and protect the integrity and good standing of the company.

In compliance [ X ]      Partial compliance [ ]      Explain [ ]

56. The directors' remuneration should be appropriate, as necessary to attract and retain directors with the desired profiles and to reward the dedication, skills and responsibility required by the post, but it should not be so high as to compromise the independence of the non-executive directors.

In compliance [ X ]      Explain [ ]

57. Variable remuneration linked to the company's and each director's own personal performance should be restricted to the executive directors, as well as any share-based remuneration, stock options or rights over shares or other instruments indexed to the share price, and long-term savings systems such as pension plans, and retirement or other prudential schemes.

Shares may be assigned by way of remuneration of non-executive directors provided they are held by the beneficiaries until the moment of their removal. This condition will not apply to any shares which the director concerned may need to dispose of, where applicable, to settle acquisition costs.

In compliance [ X ]      Partial compliance [ ]      Explain [ ]

58. The policies applicable to variable remuneration should include the necessary limits and technical precautions to ensure that the amount of such earnings is directly related with the professional performance of beneficiaries and is not a result solely of general trends in the markets or in the company's industry, or of any other similar circumstances.

In particular, the variable remuneration items should:

- a) Be linked to predetermined, measurable performance criteria that take into consideration the risks assumed to obtain results.
- b) Foster the sustainability of the business and include appropriate non-financial criteria related with long-term value creation, such as compliance with the company's internal rules, procedures and policies applicable to the control and management of risks.
- c) Are structured based on a balance between the attainment of short, medium and long-term goals so as to ensure the remuneration of results based on ongoing performance over a sufficient period of time to reflect a contribution to sustainable value creation. In this regard, performance measures should not refer solely to one-off, occasional or extraordinary events.

In compliance [ ]      Partial compliance [ X ]      Explain [ ]      Not applicable [ ]

The short and long-term variable remuneration paid to Executive Directors is in line with the terms of this recommendation. At the General Meeting held on 17 June 2021, however, the shareholders agreed an extraordinary bonus payable in stock to the Executive Directors in view of the successes achieved in the year in relation to the production of one of the anti-COVID-19 vaccines, in accordance with Article 529 novodecies.5 of the Spanish Corporate Enterprises Act and the directors' remuneration policy, given the impossibility of establishing any predetermined objectives to be achieved within a given time span.

59. The payment of variable remuneration items should be subject to sufficient verification of the actual fulfilment of the performance and other conditions established. Companies shall explain the criteria applied in terms of verification times and methods based on the nature and characteristics of each variable remuneration item in the annual directors' remuneration report.

In addition, companies should consider the need to establish contractual bonus reduction ('malus') clauses based on a sufficient deferral period for the payment of a part of the variable remuneration items agreed, implying the loss of all or part of the same if any trigger events arise prior to the payment deadline.

In compliance [ ]      Partial compliance [ X ]      Explain [ ]      Not applicable [ ]

The short and long-term variable remuneration paid to Executive Directors is in line with the terms of this recommendation. At the General Shareholder's Meeting held on 17 June 2021, however, the shareholders agreed an extraordinary bonus payable in stock to the Executive Directors in view of the successes achieved in the year in relation to the production of one of the anti-COVID-19 vaccines, in accordance with Article 529 novodecies.5 of the Spanish Corporate Enterprises Act and the directors' remuneration policy, given that it would not have been possible to establish other performance conditions in advance.

60. Remuneration linked to the company's earnings should take into account any possible qualification of the auditor's report that might reduce such earnings.

In compliance [  ]      Partial compliance [  ]      Explain [  ]      Not applicable [  ]

61. A relevant percentage of the variable remuneration paid to executive directors should consist of shares or financial instruments indexed to the share price.

In compliance [  ]      Partial compliance [  ]      Explain [  ]      Not applicable [  ]

62. Once shares, stock options and financial instruments have been assigned in respect of executive directors' remuneration systems, the executive directors will not be permitted to transfer or exercise the same until a period of at least three years has elapsed.

However, an exception will be made in the event that the director concerned holds a net financial exposure to changes in the share price at the time of the transfer or in the years equal to a market value of at least twice his/her fixed annual remuneration resulting from the shares, stock options or other financial instruments received.

The above restriction will not apply to shares that a director may need to sell to cover the acquisition cost of the shares or, subject to a favourable report from the Appointments and Remuneration Committee, to resolve any unforeseen or extraordinary situations arising, where applicable.

In compliance [  ]      Partial compliance [  ]      Explain [  ]      Not applicable [  ]

63. Contractual agreements should include a clause allowing the company to claw back variable remuneration items where the applicable performance conditions are not met, or where the remuneration relates to figures shown subsequently to have been inaccurate.

In compliance [  ]      Partial compliance [  ]      Explain [  ]      Not applicable [  ]

64. Payments made in respect of the termination or extinction of contracts should not exceed an amount equivalent to two years of the total annual remuneration and such amounts should not be settled until the company has had the opportunity to verify compliance by the director concerned with the criteria and conditions established for receipt of the remuneration.

For the purposes of this recommendation, payments made on contractual termination or cancellation will include amounts accruing and payment obligations arising as a consequence or upon termination of the director's contractual relationship with the Company, including unvested amounts in long-term savings schemes and amounts payable under post-contractual non-compete agreements.

In compliance [ X ]      Partial compliance [ ]      Explain [ ]      Not applicable [ ]

## H. OTHER MATTERS OF INTEREST

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1. Briefly describe any other relevant corporate governance matters in the company or its group entities that are not considered in the preceding sections of this report and require inclusion to complete the reasoned information offered on the governance structure and practices of the entity and its group.
2. You may also include in this section any other information, clarification or qualification related with the preceding sections of this report, to the extent that such explanations are not repetitious.

Specifically, state whether the company is subject to any corporate governance legislation other than Spanish law and, where applicable, include any information that you are under the obligation to provide other than that required in this report.

3. The company may also state whether it has voluntarily adhered to any other international, industry or other ethical or best practice codes. Indicate the code in question and the date of adhesion, where applicable. In particular, you should mention whether the company has adhered to the Code of Best Tax Practice of 20 July 2010.

Section A.2.- Information included in official CNMV records.

Section C.1.2.- After the demise of the former Chairman of the Board, Mr. Juan López-Belmonte López on 12 July 2021, the Board of Directors resolved at its meeting held on 16 July 2021 to appoint Mr. Juan López-Belmonte Encina as the new Chairman at the Board meeting in accordance with the proposal of the Appointments and Remuneration Committee.

Section C.1.3.- It is hereby placed on record that the directors of the Company Messrs Juan, Iván and Javier López-Belmonte Encina were shareholders of Norbel Inversiones, S.L. (which is in turn the controlling shareholder of ROVI), each holding an interest of 30.12% in its capital. On 19 January 2022, each of the aforementioned directors increased their respective holdings to 33.33%, as explained in section C.1.3 above.

Likewise, Messrs Juan, Iván and Javier López-Belmonte Encina have been members of the board of directors of Glicopepton Biotech, S.L. since January 2022.

Section C.1.11.- Furthermore, Messrs Juan, Iván and Javier López-Belmonte Encina have been members of the board of directors of Glicopepton Biotech, S.L. since January 2022 and Mr. Iván is also the Chairman of the board.

Section C.1.32.- In addition, KPMG Auditores, S.L. and other companies belonging to the KPMG network have provided audit or audit-related services to entities related to the ROVI Group amounting to EUR 31 thousand and non-financial reporting review services amounting to EUR 2 thousand.

Notwithstanding the above, it should be noted that these amounts may differ from the amounts reported in the annual accounts for auditors' fees and with those reported in the auditors' independence report, as the amounts in the accounts incorporate auditors' services provided to the Group by entities not belonging to the KPMG Group and the criteria for computing the services provided to 2021 vary in the case of the auditors' independence letter (in accordance with the definition of "fees charged" therein). In any case, the difference in these amounts is not significant enough to change the Audit Committee's conclusion on auditor independence in 2021.

Section G. Recommendation 61

The long-term variable remuneration of the Executive Directors includes a settlement to be made at the discretion of the beneficiary either entirely in cash, entirely in shares of Rovi or by means of a mixed system comprising 50% cash and 50% shares. In addition, the long-term incentive plan (2022 - 2024), approved by the General Shareholders' Meeting held on 17 June 2021, provides that in the event of extraordinary overachievement of the targets (above the maximum target level - i.e. 120%-) in financial indicators, the executive directors will receive an extra amount equivalent to 200% of the average combined fixed salary of the three executive directors during the three years of the Plan, to be paid in full in ROVI shares. In any case, there is an alignment between the professional performance of the Executive Directors and the interests of the Company insofar as the same are in turn significant indirect shareholders of the Company through their interests in Norbel Inversiones, S.L.. Furthermore, at the General Shareholder's Meeting held on 17 June 2021 the shareholders approved an extraordinary bonus payable in shares to the Executive Directors in view of the successes achieved in the year in relation to the production of one of the anti-COVID-19 vaccines, in accordance with Article 529 novodecies.5 of the Spanish Corporate Enterprises Act and the directors' remuneration policy, resulting in the payment of a significant percentage of variable remuneration to the Executive Directors in the form of shares.

Section H.3.- It is hereby placed on record that the Company has adhered to the Spanish Pharmaceutical Industry Code of Best Practice, and the Standard Farmindustria Code governing the protection of personal data in the field of clinical and pharmacovigilance research.

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This annual corporate governance report was approved by the company's Board of directors at its meeting held on:

[ 22/02/2022 ]



State whether any directors voted against the approval of this Report or abstained.

- Yes
- No



# Auditor's Report on Laboratorios Farmacéuticos ROVI, S.A.

(Together with the Auditor's report referring to the "Information related to the Internal Control System over Financial Information (ICFR)" of Laboratorios Farmacéuticos ROVI, S.A. for the year ended 31.12.2021)

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*



KPMG Auditores, S.L.  
P.º de la Castellana, 259C  
28046 Madrid

## **Auditor's report referring to the “Information related to the Internal Control System over Financial Information (ICFR)”**

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

To the Directors of Laboratorios Farmacéuticos ROVI, S.A.

As requested by the board of directors of Laboratorios Farmacéuticos ROVI, S.A. (the “Company”) and in accordance with our proposal letter dated 31 January 2022, we have applied certain procedures to the “ICFR disclosures” attached hereto in section F of the Annual Corporate Governance Report (ACGR) of Laboratorios Farmacéuticos ROVI, S.A. for 2021, which summarises the Company's internal control procedures for annual financial reporting.

The Directors are responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and monitoring of an adequate system of internal control and developing improvements to that system, as well as defining the content of and preparing the ICFR information attached hereto.

In this respect it should be borne in mind that, irrespective of the quality of the design and operation of the internal control system adopted by the Company in relation to annual financial reporting, the system may only provide reasonable, but not absolute, assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Company's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures on the Company's annual accounts. Consequently, the scope of our evaluation of internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the effectiveness of this internal control over regulated annual financial reporting.

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the auditor's report on the information on internal control over financial reporting of listed companies, published on the website of the Spanish National Securities Market Commission (CNMV), which define the work to be performed, the minimum scope thereof and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on the effectiveness thereof, nor on its design or operating effectiveness, with respect to the Company's annual financial reporting for 2021 described in the ICFR information attached hereto. Consequently, had additional procedures been applied other than those established in the aforementioned Guidelines, or had an audit or a review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.



*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

As this special work did not constitute an audit of accounts and is not subject to the legislation regulating the audit of accounts in Spain, we do not express an audit opinion under the terms provided in such legislation.

The procedures applied were as follows:

1. Reading and understanding of the information prepared by the entity regarding ICFR – disclosures included in the directors' report – and an evaluation of whether this information meets all the minimum reporting requirements, taking into account the minimum content described in section F, on the description of ICFR, of the ACGR template provided in Spanish National Securities Market Commission (CNMV) Circular 5/2013 of 12 June 2013, and subsequent amendments, the most recent being Circular 3/2021 of 28 September of the CNMV (hereinafter, the Circulars of the CNMV).
2. Inquiries of the personnel responsible for drawing up the information detailed in point 1 above in order to: (i) gain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the entity.
3. Review of the explanatory documents supporting the information detailed in point 1 above, including documents directly made available to those responsible for describing ICFR systems. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the audit committee.
4. Comparison of the information detailed in point 1 above with the understanding of the Entity's ICFR gained as a result of the procedures performed within the framework of the audit work on the annual accounts.
5. Reading of the minutes of the meetings of the board of directors, audit committee and other committees of the entity for the purposes of assessing the consistency of the matters discussed at these meetings in relation to ICFR with the information detailed in point 1 above.
6. Obtaining a representation letter in connection with the work performed, signed by those responsible for preparing and approving the information detailed in point 1 above.

No inconsistencies or incidents that might affect ICFR disclosures have come to light as a result of the procedures applied to those disclosures

This report has been prepared exclusively within the context of the provisions of article 540 of the Revised Spanish Companies Act and the CNMV Circulars for the purposes of the description of ICFR in annual corporate governance reports.

*(Signed on original in Spanish)*

José Ignacio Rodríguez Prado

22 February 2022