ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED LIMITED COMPANIES

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

ISSUER INFORMATION

End of the relevant reporting period: 31/12/2021

Tax Code: A-28041283

Company name:

LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Business address:

JULIAN CAMARILLO, 35 MADRID

A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.1.1 Explain the directors' remuneration policy applicable to the current financial year. If relevant, certain information may be included by reference to the remuneration policy approved by the general shareholders' meeting, provided its inclusion is clear, specific and precise.

Describe the specific determinations made by the board for the current financial year regarding the remuneration of the directors in their capacity as such and for the performance of executive duties pursuant to the contracts signed with executive directors and the remuneration policy approved by the general meeting.

The following details shall be provided in all cases:

a) Description of the procedures and organs of the company involved in determining, approving and applying the remuneration policy and its conditions.

b) Specify whether similar companies have been taken into account when establishing the company's remuneration policy.

c) Specify whether any external advisors were involved and identify them.

d) Identify the procedures followed under the current directors' remuneration policy to apply temporary exceptions to the policy, the conditions under which such exceptions may be applied, and the items that may be subject to exception under the policy.

When drawing up the directors' remuneration policy, Laboratorios Farmacéuticos Rovi, S.A. (ROVI), through the Appointments and Remuneration Committee (ARC), took into account the general principle that director salaries should be those necessary to attract, retain and motivate directors who have the appropriate professional profiles to help the Company meet its strategic objectives. The policy is based on the following principles:
- Moderation and alignment with best market practices: ROVI tries to ensure that the remuneration of directors is moderate and in line with the trends and benchmarks established in its business sector or at companies of comparable size, activity or structure, so that it is in line with best market practices.
- Proportionality: Remuneration of external directors shall be as high as necessary to compensate for the commitment, qualifications and responsibility that the position requires, but not so high as to compromise the independent judgement of non-executive directors.
- Compatibility: The remuneration received by the directors for the performance of their duties on the Board due to their status as such shall be compatible with and independent of the remuneration and compensation established for directors who fulfil executive functions at the Company or in its group.
The overall amount expected to be proposed to the General Meeting for members of the Board for the performance of their duties as directors due to their status as such in the 2022 financial year is EUR1 million, the same amount approved for the previous financial year (EUR1 million), with the aim, among others, of giving the Company the necessary flexibility for a potential increase in the size of the Board.
Likewise, the Company intends to propose certain changes to the basic principles of the directors' remuneration policy applied in the previous financial year since the approval of the new policy at the General Meeting held on 17 June 2021. These changes will be intended, among other things, to make the required adjustments in relation to the new features introduced by Act 5/2021 of 12 April amending the Spanish Companies Law (*Ley de Sociedades de Capital*) and to include other improvements of a technical nature.
(Continued in Section D)

A.1.2 The relative importance of variable with respect to fixed remuneration items (remuneration mix), and what criteria and objectives were taken into account in determining them to ensure an appropriate balance between fixed and variable remuneration items. In particular, specify the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and adapt it to the company's long-term objectives, values and interests, citing, where appropriate, any measures established to ensure that the remuneration policy addresses the company's long-term performance, measures taken in relation to categories of personnel whose professional activities have a material impact on the company's risk profile, and measures designed to prevent conflicts of interest. Also, indicate whether the company has established any vesting or consolidation period for certain variable remuneration items in cash, shares or other financial instruments, a deferral period for the payment of amounts or delivery of financial instruments already accrued and vested, or whether any clause has been agreed to for the reduction of deferred remuneration not yet vested, or which obliges the director to repay remunerations already received, when such remunerations were based on data subsequently shown to be manifestly inaccurate.

The Company's remuneration policy, in terms of the weight of variable versus fixed remuneration items, has been and continues to be that the fixed remuneration of executive directors should represent a reasonable and balanced proportion of their total remuneration. Thus, in recent financial years (including the current one), a balanced proportion has (and will be) maintained for the amount of fixed versus the variable remuneration. Specifically, the combined annual bonus to be received by the executive directors in relation to the targets established each year will be up to 50% of the total fixed remuneration that the executive directors receive, overall, for the performance of their executive duties (with this percentage possibly rising to 60% if the established targets are exceeded) and depending on whether the targets established for the Group and for each director at the start of the year are met.
Moreover, variable remuneration is exclusively intended for executive directors for the performance of their executive duties during the year. In other words, the Company's directors' remuneration policy of the does not provide for any variable remuneration of external directors.
The following are the measures or actions taken by the Company in relation to the directors' remuneration system to reduce exposure to excessive risks and adapt them to the Company's long-term objectives, values and interests:

- Proportion of fixed in relation to variable remuneration: The fixed remuneration items of the directors represent a reasonable and balanced proportion in relation to the variable items, thus maintaining an appropriate balance in the remuneration structure and promoting prudent risk management. During the 2022 financial year in particular, the overall variable remuneration to be received by the executive directors will represent approximately 50% of the fixed remuneration received.
- Restriction of variable remuneration to executive directors: Following corporate governance guidelines, variable remuneration items are restricted to executive directors, since they are among the most senior personnel and their professional activities have a material impact on the company's and the Group's risk profile.
- Long-term performance of the Company: When determining the variable remuneration of the executive directors, consideration is given to both the Company's organic growth as well as the increase in its value, among other factors, by means of establishing strategic alliances or making investments during the financial year that help the Company to reinforce the basis of its current and future growth. The development and capitalization of the investments made will also be taken into account.
- Deferral of the payment of 30% of the annual variable remuneration of executive directors for a period of two years, 15% per year, for purposes of verifying that the targets established for the accrual of the variable remuneration have been met.
- In addition, the contracts of the executive directors include clawback clauses that allow the Company to claim reimbursement of amounts paid as variable annual or multi-year remuneration if, within two years of such payment it is determined that the accounting, performance or financial data, or any other type of information on which such variable remuneration is based, is inaccurate to the detriment of the Company, or if the payment is not in line with the terms of performance of the executive director, regardless of whether the latter is in any way responsible for this or not, and the executive director shall be obliged to reimburse the Company for the excess variable remuneration received.
- Long-term incentive plan for executive directors, which also aims to reward the creation of value in the Group for purposes of aligning the interests of the shareholders with prudent risk management on a multi-year basis and generate long-term value for the Company and its Group. To verify that the director's targets have been effectively met, payment of this incentive is deferred based on the following payment structure: (i) 70% will be paid, when appropriate, after verifying effective fulfilment of the targets established for the director in the plan, and during the first quarter of the year after the term of the latter ends; and (ii) the other 30% will be paid, as applicable, during the first quarter of the second financial year after the term of the corresponding plan ends. This will be the case so long as certain circumstances are not proven to exist, such as a serious breach of ROVI's Code of Ethics by the beneficiary, or qualifications in the external auditor's report that reduce the Company's profits. In this case, the reduction in the long-term incentive will be proportional to the serious breach of ROVI's Code of Ethics by the director, or to the qualifications in the external auditor's report that reduce the Company's profits taken into account for the accrual of the long-term incentive.
- Regarding possible conflicts of interest, the Regulations of the Board of Directors at ROVI govern conflicts of interest and stipulate that they be disclosed to the Board by those involved, who shall abstain from deliberating and voting on the agreement to which the conflict refers.

A.1.3 Amount and nature of the fixed items that directors are expected to accrue during the financial year in their capacity as such.

A maximum fixed annual remuneration of EUR1 million (EUR1 million in 2021) will be submitted for approval to the General Meeting of the Company in the 2022 financial year for members of the Board of Directors as consideration for the performance of their duties as directors, to give the Company the necessary flexibility for a potential expansion of the Board, and to be able to attract and retain talent at the top of the Company. This amount, which must be approved by the General Shareholders' Meeting in accordance with the Company's Articles of Association, correspond to the remuneration of all of the directors combined due to their status as such. The Board of Directors will distribute this amount among its members taking into account the duties and responsibilities attributed to each director, membership on the Board's committees, and other objective circumstances deemed relevant. The Board of Directors has approved a remuneration of EUR 180,000 for Mr. Juan López-Belmonte Encina of the financial year commencing on 1 January 2022 for the performance of his duties as Chairman of the Board of Directors. This amount is equivalent to the sum received by the former Chairman for the performance of his duties as Chairman of the Board.

Other than that, ROVI's directors do not receive allowances for participating on the board and its committees, nor other fixed remuneration as directors.

A.1.4 Amount and nature of the fixed items that executive directors are expected to accrue during the financial year for the performance of their senior management duties.

For the performance of their senior management duties in 2022, executive directors will receive the remuneration established in their contracts, which will be a maximum overall amount of EUR 1,430 thousand, and include a fixed salary, life and disability insurance, contributions to pension plans and other compensation generally established for part of the Company's personnel. The fixed remuneration of executive directors, like that of other ROVI employees, is subject to review, taking into account the percentage regularly established in the applicable collective bargaining agreement, the General Wage Agreement of the Chemical Industry.

The fixed remuneration to be received by Mr. Juan López-Belmonte Encina in financial year 2022 will be increased with respect to the remuneration received for this reason in financial year 2021, in consideration of his new role as Executive Chairman and in view of the positive evolution of the Group's results and business in recent years (and specially in 2021), the good progress of the Company and the size it has achieved. Consequently, the amount corresponding to the fixed remuneration to be received by Mr. Juan López-Belmonte Encina in financial year 2022 will be increased by EUR 400 thousand, in accordance with the fixed remuneration received by those holding positions with equivalent levels of responsibility and dedication in other listed companies, as reflected in the benchmark analysis carried out by the external adviser Deloitte Legal S.L.P. with respect to other companies comparable to the Company, both by sector and by size, which has been taken into account by the Appointments and Remunerations Committee prior to the proposal to increase the fixed remuneration of Mr. Juan López-Belmonte Encina.

A.1.5 Amount and nature of any in-kind-payment items that will be accrued during the financial year, including but not limited to insurance premiums paid for the director.

During the 2022 financial year, the directors are not expected to benefit from prudential schemes such as supplementary pensions, life insurance or similar plans, other than those corresponding to the executive directors for the performance of their executive duties during the year. Specifically, the remuneration of executive directors may be supplemented with other non-monetary compensation items (life insurance, annual medical check-up, etc.) that are generally established for some of the company's personnel.
In addition, executive directors receive as benefits in kind the private use of a company car that the Company leases, in the 2021 financial year, represented approximately EUR30,200. The amount for this item is expected to be similar in the 2022 financial year.
The total annual amount of payments made in the 2021 financial year for insurance premiums to the benefit of executive directors was approximately EUR1,200. These insurance policies provide coverage for death by natural causes, accidental death, and total permanent disability due to accident or illness of any kind. The payments made for these items are expected to be the similar in the 2022 financial year.

A.1.6 Amount and nature of variable items, differentiating between short and long term. Financial and non-financial parameters, with the latter including social, environmental and climate change parameters selected to determine variable remuneration during the current financial year, describing to what extent such parameters are related to the performance of both the director and the company, and to its risk profile, and the methodology, the required timeframe and techniques foreseen to determine at the close of the financial year the effective degree of compliance with the parameters used in the design of variable remuneration, explaining the criteria and factors applied in terms of the time required and methods for verifying that the performance or other conditions to which the accrual and vesting of each variable remuneration item was linked have been effectively met.

Indicate the range in monetary terms of the different variable items according to the degree of fulfilment of the established objectives and parameters, and whether there is any maximum monetary amount in absolute terms.

• Annual variable remuneration

Variable remuneration at ROVI aims to reward the creation of value in the Group for purposes of aligning the interests of the shareholders with prudent risk management and generate long-term value for the Company and its Group, and it is exclusively restricted to executive directors. In this regard, the variable remuneration of executive directors is determined on the basis of the degree of fulfilment of a series of quantitative and qualitative objectives set individually for each executive director. The criteria for determining the annual variable remuneration (or bonus) corresponding exclusively to executive directors for 2022 are based on the following parameters:
a) The evolution of the ROVI Group's operating income in accordance with the objectives calculated and established in the Business Plan, as well as fulfilment of the strategic objectives stipulated in that Plan;
b) The contribution to the Company's organic growth as well as the increase in its value, among other factors, by means of establishing strategic alliances or making investments during the financial year that help the Company to reinforce the basis of its current and future growth.The development and capitalization of the investments made will also be taken into account;
c) Other qualitative elements will also be taken into account to adjust the amount of the variable remuneration. Among other factors, the Company's performance versus comparable companies, the overall market situation, significant events with a favourable impact on the Company's income, or the overall assessment of the job performance of the directors, as well as non-financial indicators of a social and environmental nature, or concerning climate change, and of compliance with corporate governance guidelines, codes of conduct and internal procedures (such as risk monitoring and management policies);
d) Finally, personal objectives may be established that take into account the strategy of the corresponding department or area, all within the framework of the Company's business objectives.
For 2022, it is expected that each executive director will be assigned four annual targets, ensuring a balance between joint or group, departmental or divisional, and individual targets, 80% of which must be met to receive the variable remuneration, which may be paid out up to a maximum of 120% on a straight-line basis if the targets are met. To promote a balance in the achievement of all of the annual variable remuneration targets, each executive director must meet 70% of all of the established targets combined, considered on a weighted basis. Specifically, each executive director will be assigned two financial targets, one for the Group (relating to operating income), and another for his or her management area (relating to EBITDA), with a weighting of 40% and 25%, respectively, and another two individual qualitative objectives based on the development and, where applicable, implementation of strategic projects for the ROVI Group (with a weighting of 25%), and based on his or her commitment to social, environmental and climate change causes, and on compliance with corporate governance guidelines, codes of conduct and internal procedures (such as risk monitoring and management policies), the latter with a weighting of 10%.
The degree of achievement of the targets will be determined by the Appointments and Remuneration Committee (ARC) after the financial year ends and when the individual and consolidated income of the Group is available, after which the ARC will make a recommendation to the Board of Directors. To this end, the ARC will be assisted by the Company, which will provide it with proof that the various targets have been met, with validation by the corresponding departments for each of the established targets.
For purposes of verifying that the established targets for awarding the variable remuneration have been met, payment of 30% of the annual variable remuneration to executive directors will be deferred for a period of two years, 15% per year. The amounts of the annual variable remuneration that have been accrued and deferred may be reduced or eliminated if certain circumstances are proven to exist, such as a serious breach of ROVI's Code of Ethics by the beneficiary, or qualifications in the external auditor's report that reduce the Company's profits. In this case, the reduction in the annual variable remuneration will be proportional to the serious breach of ROVI's Code of Ethics by the director, or to the qualifications in the external auditor's report that reduce Company profits taken into account for the accrual of the long-term incentive.
As in the case of other senior executives, a variable incentive amount has been established for the executive directors for the 2022 financial year. The variable remuneration is linked to the Company's performance and the achievement of the established targets, which must align with corporate interests, and to the job performance of the beneficiaries, so that it is not simply related to the general performance of the markets, the Company's business sector, or other similar circumstances. The aim, as with other senior managers of the Group, is to establish competitive remuneration packages to attract and retain professional talent in the Group while establishing a link between remuneration and results and meeting the targets for the Company and the ROVI Group.
The combined annual bonus to be paid to the executive directors in relation to the fixed targets for 2022 has been estimated by the ARC to represent up to 50% of the total fixed remuneration received by the executive directors overall for the performance of executive duties, depending on the achievement of the targets established by the Group for each director at the beginning of the year, with this percentage possibly rising to 60% if the established targets are exceeded. The Board of Directors will determine the exact amount corresponding to each executive director, after receiving a report from the ARC.
Therefore, the maximum absolute amount that would result from the annual variable remuneration of the executive directors for 2022 would be EUR715,000, potentially reaching EUR858,000 in case the targets are exceeded.
In short, the annual variable remuneration of the executive directors is established to reward both individual contributions as well as those of the teams on which each of the directors serves, and the contributions of all of them to the results and the business of the Group.

• Multiannual variable remuneration

Up until the end of the 2021 financial year, there was a long-term incentive plan in place (2019-2021) restricted exclusively to ROVI's executive directors, with a term of three years, and it was expected to be renewed once this term expired (successive cycles), with the condition being that the beneficiary is working at the Company at the time of its payment, except in special cases (e.g., death, disability, or retirement). The amount payable to the executive directors under this plan is indicated in Section B.

The General Shareholders' Meeting on 17 June 2021 approved a new long-term incentive plan (2022-2024), which is a continuation of the previous one and has characteristics similar to the 2019-2021 plan, with some variations.
The total amount to which the participant is entitled, if the latter meets 100% of the targets established in the long-term incentive plan, is 170% of his or her average fixed salary over the three years of the plan. The beneficiary may choose to have it paid out entirely in cash, entirely in ROVI shares, or through a mixed system of 50% cash and 50% shares, with 70% being paid out in the first quarter of 2025, and the remaining 30% in the first quarter of 2026, after effective verification that the director's targets have been met (the "Incentive"), except (i) in cases of early payment, in which case the Incentive will be paid out in cash, unless, at the beneficiary's request and if the Board of Directors determines that it may be paid out in shares, provided it does not consider that this harms the corporate interest; and (ii) in cases in which the financial metrics are extraordinarily exceeded, in which case the additional amount accrued due to this excess must be paid out in shares.
Events of early settlement include a change of control at the Company, in which case the Director will receive the total amount under the plan, assuming 100% of the fixed targets have been met, regardless of the percentage accrued on the date or at the moment of occurrence thereof. In the event of early settlement due to (i) the unilateral withdrawal by ROVI or a disciplinary dismissal of the Director that is declared or recognized as inadmissible in a final court ruling or by means of a court or out-of-court settlement before the responsible bodies in each case; or due to (ii) termination of the legal relationship by the Director due to a serious and culpable breach by ROVI of its obligations as employer under the provisions of the Workers Statute, upheld in a final court ruling, or by means of a court or out-of-court settlement before the responsible bodies in each case, payment of the accrued amount of the Incentive would be prorated over the number of days elapsed between the start of the plan and the date of the event that gave rise to the early settlement of the plan.

However, if shares are chosen as a partial or total payment of the Incentive, the director may not transfer ownership or exercise until a period of at least three years has elapsed. An exception is made for cases in which, at the time of the transfer or exercise, the director has a net financial exposure to variations in the share price for a market value equivalent to an amount of at least twice his or her fixed annual remuneration through the ownership of shares. The foregoing shall not apply to shares the director needs to sell to cover the costs related to their acquisition or, after a favourable assessment by the ARC, to meet extraordinary circumstances that require it.

In addition, if the Incentive targets are exceeded (surpassing the maximum target level, i.e., 120%) in terms of the financial metrics, meaning an increase in the market price of the stock and an increase in the Company's EBITDA, the executive directors shall accrue an extra amount equivalent to 200% of the average combined fixed salary of the three executive directors over the three-year term of the Plan, and this shall be paid out entirely in ROVI shares. The amount will be the same for the three ROVI executive directors and will be accrued and paid out together with this long-term incentive. The terms and conditions related to the targets, the clawback clause, the requirements for receiving the Incentive, early settlement and restrictions on the transfer of shares, will also apply to this bonus when targets are exceeded. Settlement of the bonus for exceeding the targets will be made entirely in ROVI shares and paid out in accordance with the Incentive deferral clause, all of the foregoing notwithstanding the provisions for cases of early settlement.
The criteria for establishing this long-term incentive plan take into account the following parameters: a) an increase in the listed value of the Company's shares, taking into account the evolution of the stock price of comparable companies of the sector, which will have a relative weight of 40%; b) the evolution of the EBITDA, with a relative weight of 40%; c) the maintenance of certification under ISO 14001 on environmental management and ISO 45001 on occupational health and safety management at the Company's industrial plants, with a relative weight of 10%; and d) compliance with Good Manufacturing Practices (GMP) to ensure the quality and safety of the products manufactured at the Company's industrial plants, with a relative weight of 10%.
The aforementioned targets must be met to at least 80% to receive the respective Incentive, which may be paid out up to a maximum of 120% of the average annual fixed salary of the corresponding director over the three-year term of the plan, computed on a straight-line basis if the targets are met up to the maximum levels. To promote a balance in the achievement of all of the targets for receiving the incentive, the degree of combined achievement of all of them must be 70%, considered on a weighted basis, over the term of the plan. The ARC will assess the degree of achievement of the targets after the end of the three financial years covered by the plan, and when the individual and consolidated income of the Company and its Group during those years is available, after which the ARC will make a recommendation to the Board of Directors. To this end, the ARC will be assisted by the Company, which will provide it with proof that the various targets have been met, with validation by the corresponding departments for each of the established targets.

- Extraordinary bonus

In addition, the Board of Directors, at the proposal of or following a report from the ARC, may consider granting, on an extraordinary basis, a bonus to executive directors who make an extraordinary contribution, individually or as a whole, to the development of business for the Company and its Group, or to obtaining new opportunities not foreseen in the Business Plan, such remuneration being subject, in all cases, to the approval of the General Shareholders' Meeting, pursuant to the provisions of Article 529 novodecies.5 of the Corporate Enterprises Act.
The terms and conditions relating to the clawback clause and restrictions on the transfer of shares, if any, as mentioned above, shall be equally applicable to such extraordinary remuneration.

A.1.7 Main characteristics of the long-term savings schemes. In addition to other information, indicate the contingencies covered by the system, whether it is a system of defined contributions or benefits, the annual contribution that has to be made to defined contribution systems, the benefit to which the recipients are entitled in the case of defined benefit systems, the terms for vesting the economic rights for the directors, and their compatibility with any type of payment or compensation for early termination or severance, or arising from the termination of the contractual relationship between the company and the director, under the established terms.

Indicate whether the accrual or vesting of any long-term savings schemes is linked to the meeting of certain targets or parameters related to the director's performance in the short or long term.

The Company makes annual contributions to Pension Plans held by the executive directors, through individual and defined contribution schemes, with coverage of contingencies such as retirement, disability, death and severe dependency.
In relation to the defined contribution plans, the Company makes pre-determined contributions to a separate institution and has no obligation to make additional contributions. The obligation is limited to the defined contribution commitment. Fund participants may, on an individual basis, request the transfer of their vested and/or economic rights to another Pension Plan or Provident Scheme. The maximum period for making such a transfer will be five days from receipt by the original institution of the request and the corresponding documentation. The vested rights are not available until the occurrence of one of the contingencies provided for in the specifications of the Fund itself, or one of the exceptional liquidity events (serious illness or long-term unemployment).
As it has been doing for years, the Company plans to make annual contributions during 2022 to the aforementioned individual defined contribution pension plans for the executive directors, totalling no more than EUR60 million overall.
The Company has no amount saved or accumulated for pension, retirement or similar benefits.

A.1.8 Any type of payment or indemnity for early termination or severance or arising from the termination of the contractual relationship between the company and the director under the established terms, whether the severance was at the will of the company or the director, and any other type of provisions agreed to, such as exclusivity, post-contractual non-compete, continuity or loyalty clauses, that entitles the director to any kind of payment.

As of the date of this report, there are no golden parachutes or indemnities agreed by ROVI in the event of termination the Company's directors, nor any of the agreements referred to in this section for directors in their capacity as such.

A.1.9 Indicate the terms that must be respected in the contracts of those who perform senior management duties as executive directors. Include information on the duration, the limits on the amounts of indemnifications, permanence clauses, notice periods, and payment in lieu of the aforementioned notice period, and any other clauses related to hiring bonuses, as well as indemnifications or golden parachutes for early termination or termination of the contract relationship between the company and the executive director. Include, among others, the non-compete, exclusivity, permanence or loyalty, and post-contractual non-compete clauses or agreements, unless these have been explained in the previous section.

The executive directors have entered into ordinary employment contracts and service leasing contracts, as the case requires, for indefinite terms, and governing the performance of their senior management duties. Regarding the causes for terminating the contract and its consequences, the employment contracts refer to the provisions of the Workers Statute. The service leasing contracts provide for compensation of the director for termination of the contract relationship, the gross amount of which is equivalent to twice the arithmetic mean of the total annual remuneration accrued during each of the three full financial years immediately preceding the termination date of his or her contract, except in the event of (i) the resignation of the director for reasons other than those included in the contract, or (ii) withdrawal by the Company for breach by the director of his or her legal or contractual obligations, or those established by internal rules, or due to grounds for termination in accordance with labour laws (except for corporate dismissal). Regarding the notice periods, in both types of contracts, employment and the leasing of services, a period of 60 days is established for the director to terminate the contract, although in the event of non-compliance with this period, the director must compensate the Company with an amount equivalent to the remuneration corresponding to him/her for the unfulfilled notice period. In addition, the contracts of all of the executive directors include a non-compete clause under which the director may not compete with the Company for a period of two years after the end of his or her contract, for which he or she receives compensation consisting of a gross amount equivalent to the arithmetic mean of the total annual remuneration earned during each of the last three full financial years immediately preceding the termination date of his or her contract. To determine the compensation for the non-compete clause, as well as the compensation for termination of the service leasing contract, the items to be taken into account within the total annual remuneration will be the following: Fixed Remuneration, Allowances, Salary, Short-Term Variable Remuneration, Long-Term Incentive, Remuneration for Savings Systems, Life Insurance and other compensation established as an annual contribution to the company vehicle that the Company leases. Termination or contractual termination payments include any payments for which the accrual or payment obligation arises as a result of or in connection with the termination of the director's contractual relationship with the company, including amounts not previously accrued from long-term savings schemes and amounts paid under post-contractual non-compete agreements. It should be noted that the terms of this provision are aligned with the changes introduced by the CNMV to the Good Governance Code in June 2020 and which were included in the contracts of executive directors following a review completed at the end of the 2020 financial year.

Finally, all of the contracts include a clause that allows the Company to claim reimbursement of amounts paid as variable annual or multi-year remuneration if, within two years of such payment, it is determined that the accounting, performance or financial data, or any other type of information on which such variable remuneration is based, is inaccurate to the detriment of the Company, or if the payment is not in line with the terms of performance of the executive director, regardless of whether the latter is in any way responsible for this or not, and the executive director shall be obliged to reimburse the Company for the excess variable remuneration received (clawback clause).

A.1.10 The nature and estimated amount of any supplementary remuneration that will be accrued by the directors during the current financial year as consideration for various services provided other than those inherent to their post.

At the date of this report, there is no supplementary remuneration accrued for the directors as consideration for the provision of services other than those inherent to their post.

A.1.11 Other remuneration items such as any arising from the company granting the director advances, loans and guarantees, and other remuneration.

There is no remuneration foreseen in the form of advances, loans and guarantees to be granted to any director in the current financial year.

A.1.12 The nature and estimated amount of any other supplementary remuneration not included in the sections above, whether paid out by the company, or another company of the group, and which will be accrued by the directors in the current financial year.

There are no other remuneration items beyond those indicated above, notwithstanding any related-party transactions there may be with some of the directors, which are detailed in the Annual Corporate Governance Report, the annual financial statements, and the semi-annual financial report of the Company.

A.2 Explain any relevant change in the remuneration policy applicable in the current financial year arising from:

a) A new policy, or amendment of the policy already approved by the General Meeting.

b) Relevant changes to the specific determinations made by the board for the current financial year regarding the current remuneration policy with respect to those applied during the previous year.

c) Proposals that the board of directors would have resolved to present to the general shareholders' meeting to which this annual report will be submitted, and which are intended to apply to the current financial year.

On 17 June 2021, the General Shareholders' Meeting approved the directors' remuneration policy, which will be applicable during the 2022, 2023 and 2024 financial years. The Board of Directors does not intend to propose significant changes to the current Remuneration Policy at the General Meeting. However, there may be some adjustments of a technical nature, such as including a provision on the procedures and provisions for applying temporary exceptions to enforcing the policy pursuant to the provisions of Article 529 novodecies.6 of the Spanish Companies Law (*Ley de Sociedades de Capital)*, making the required adjustments in relation to the new features introduced by Act 5/2021 of 12 April amending the Spanish Companies Law (*Ley de Sociedades de Capital*) and including other improvements of a technical nature.

A.3 Provide the direct link to the document containing the company's current remuneration policy, which should be available on the company's website.

The current Directors' Remuneration Policy is available on the corporate website through the following link: https://rovi.es/sites/default/files/accionistas-inversores/gobierno-corporativo/politica_remuneraciones_consejeros_2021_2024.pdf

A.4 Considering the information provided in section B.4, explain how the vote of the shareholders was taken into account at the general meeting at which the annual remuneration report of the previous year was submitted to a consultative nature.

The Annual Remuneration Report of the previous financial year was approved in a consultative vote by the Ordinary General Shareholders' Meeting of ROVI, with 99.567% of the validly cast votes being in favour.

B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE PREVIOUS FINANCIAL YEAR

B.1.1 Explain the procedure followed to implement the remuneration policy and determine the individual remuneration items reflected in section C of this report. This information shall include the role played by the remuneration committee, the decisions taken by the board of directors and, where applicable, the identity and role of the external advisors whose services were used in the process for applying the remuneration policy in the last financial year.

On 17 June 2021, the General Shareholders Meeting of ROVI approved a total maximum annual remuneration of EUR1 million for members of the Board of Directors, in their capacity as such, for the 2021 financial year.
The General Meeting authorized the Board of Directors to distribute this amount among its members, taking into account the duties and responsibilities attributed to each director, their seats on Board Committees, and other objective circumstances deemed relevant.
Therefore, the Board of Directors distributed among its members EUR576,000 of the maximum amount of EUR1 million approved by the General Meeting for the members of the Board of Directors as fixed annual remuneration in the 2021 financial year for the performance of their duties as directors, and this was allotted taking into account the duties and responsibilities of each director, their seats on Board Committees, and other objective circumstances deemed relevant, all based on the recommendation of the Appointments and Remuneration Committee.
Specifically, in 2021, the adjustment to the remuneration of the Board of Directors was fully implemented to bring it in line with that of comparable companies, with the adjustment having effects back to the second half of the 2020 financial year once the Company's situation was assessed after the impact of the pandemic.
In addition, the Board resolved to distribute the total fixed annual remuneration of EUR1.1 million to the executive directors as compensation for the performance of their executive and senior management duties, pursuant to the provisions of their executive contracts and the terms and conditions agreed to with the Company, taking into account the duties and responsibilities carried out by each director, all based on the recommendation submitted by the Appointments and Remuneration Committee (ARC). Once the corresponding adjustments were made pursuant to their contracts, the executive directors received a total amount of EUR809,000 as total fixed remuneration.
Regarding the variable incentive amount for the executive directors, the Board carried out the distribution of EUR 428 thousand, at the recommendation of the ARC, taking into account the Company's income relative to 2021 and the targets set for each director. This fully vested amount corresponds with 70% of the annual variable remuneration accrued and vested during the 2021 financial year, 15% of the remuneration accrued in the 2020 financial year, and 15% of the remuneration accrued in the 2019 financial year. In the financial year 2021 specifically, there has been a 110% overall achievement of the objectives set out.
To assign these amounts to the executive directors, the following targets were taken into account: (i) The evolution of the ROVI Group's operating income in accordance with the objectives calculated and established in the Business Plan, as well as fulfilment of the strategic objectives stipulated in that Plan; (ii) the results obtained by the different management areas for which each of the executive directors is responsible; (iii) the development and, where applicable, the implementation of strategic projects for the ROVI Group; and (iv) individual targets applied in each area based on non-financial indicators of a social and environmental nature, or concerning climate change, and in compliance with corporate governance guidelines, codes of conduct and internal procedures (such as risk monitoring and management policies). Specifically, the qualitative targets of a social, environmental, and corporate governance nature referred in the 2021 financial year to the redefinition and definition of the new methodology of the Equality Plan, the offset of CO_2 emissions of the Group by contracting green energy, and the satisfactory results of the internal audits on compliance with the Pharmaceutical Industry's Code of Good Practices.
In addition, the Board of Directors, at the recommendation of the Appointments and Remuneration Committee, proposed an extraordinary bonus, which was approved by the General Shareholders Meeting of 17 June 2021, in view of the milestones achieved in relation to the production of one of the vaccines against COVID-19, and this in compliance with the provisions of Article 529 novodecies.5 of the Spanish Companies Law (Ley de Sociedades de Capital) and the current Remuneration Policy. To prepare the latter, the Company was advised by PricewaterhouseCoopers Tax & Legal, S.L. In accordance with this bonus, each executive director received a number of shares that is determined by dividing the amount of EUR985,000 by the average price of the stock during the 30 trading days immediately preceding the date on which the General Shareholders Meeting was held. In this way, each director was allotted a total of 18,080 shares, although the number of shares actually delivered after withholding those required for the payment of the corresponding tax was as follows:
- Mr Juan López-Belmonte Encina, 11,752 shares.
- Mr Javier López-Belmonte Encina, 11,752 shares.
- Mr Iván López-Belmonte Encina, 11,752 shares.

Finally, with the close of the 2021 financial year came the end of the 2019-2021 Incentive Plan, which was restricted exclusively to the executive directors of ROVI and is described in detail in section B.7. The criteria for establishing this long-term incentive plan included the following parameters: a) an increase in the listed value of the Company's shares, taking into account the evolution of the stock price of comparable companies of the sector (with a weighting of 47.5%); b) the evolution of the ROVI Group's business income, taking into account such parameters as the EBITDA (with a weighting of 47.5%); and c) qualitative parameters (of a social, environmental and corporate governance nature) that promote the Company's sustainability and include the appropriate non-financial criteria to create sustainable long-term value, such as compliance with the Company's internal rules and procedures, and its risk monitoring and management policies (with a weighting of 5%). Specifically included within these parameters is the maintenance of certification under ISO 14000 on environmental management and OHSAS 18000 on occupational health and safety management.
In this regard, the Appointments and Remuneration Committee was responsible for assessing the degree of achievement of the targets during the three-year period of the plan, and for submitting a proposal to the Board for the payments under the 2019-2021 long-term incentive plan, which was approved by the Board, with the amounts of these payments indicated in Section C. In particular, there has been a 120% overall achievement of the objectives set out.

B.1.2 Explain any deviations during the financial year from the established procedure for implementing the remuneration policy.

N/A.

B.1.3 Indicate whether any temporary exceptions have been applied to the remuneration policy and, if they have, explain the exceptional circumstances that led to the application of these exceptions, the specific items of the remuneration policy that were affected, and the reasons for which the company believes these exceptions were necessary to serve the long-term interests and sustainability of the company as a whole, or to ensure its viability. Also, quantify the impact that applying these exceptions had on the remuneration of each director during the financial year.

N/A.

B.2 Explain the different actions taken by the company in relation to the remuneration system and how they helped reduce exposure to excessive risks and adapt it to the company's long-term objectives, values and interests, including a reference to the measures taken to ensure that the remuneration accrued corresponded to the long-term performance of the company, achieving an appropriate balance between the fixed and variable remuneration items, and what measures were taken in relation to the categories of personnel whose professional activities have a material impact on the company's risk profile, and what measures were taken to prevent any conflicts of interest.

The following measures or actions were taken by the Company in relation to the remuneration system to reduce exposure to excessive risks and adapt it to the Company's long-term objectives, values and interests:

- Proportion between fixed and variable remuneration: The fixed remuneration items of the directors represent a reasonable and balanced proportion in relation to the variable items, thus maintaining an appropriate balance in the remuneration structure and promoting prudent risk management. Specifically, in 2021, the overall annual variable remuneration accrued by the executive directors represented 54.7% of the fixed remuneration received in said financial year. Likewise, the overall variable remuneration, accrued both annual and multi-annual, accounted for 47.4% of the total fixed and variable remuneration accrued by the executive directors over the three-year period in which the long-term incentive plan was in force (2019-2021), excluding the extraordinary bonus granted to the executive directors in financial year 2021 as described in section B.1.1 of this report, and for 68.8% considering such bonus.
- Restriction of variable remuneration to executive directors: Following corporate governance guidelines, variable remuneration items are restricted to executive directors, since they are among the personnel whose professional activities have a material impact on the company's and the Group's risk profile.
- Long-term performance of the Company: When determining the variable remuneration of the executive directors, consideration is given to both the Company's organic growth as well as the increase in its value, among other factors, by means of establishing strategic alliances or making investments during the financial year that help the Company to reinforce the basis of its current and future growth.
- Deferral of the payment of 30% of the annual variable remuneration of executive directors for a period of two years, 15% per year, for purposes of verifying that the targets established for the accrual of the variable remuneration have been met.
- In addition, the contracts of the executive directors include clawback clauses that allow the Company to claim reimbursement of amounts paid as variable annual or multi-year remuneration if, within two years of such payment it is determined that the accounting, performance or financial data, or any other type of information on which such variable remuneration is based, is inaccurate to the detriment of the Company, or if the payment is not in line with the terms of performance of the executive director, regardless of whether the latter is in any way responsible for this or not, and the executive director shall be obliged to reimburse the Company for the excess variable remuneration received.
- Long-term incentive plan for executive directors, which aims to reward the creation of value in the Group for purposes of aligning the interests of the shareholders with prudent risk management on a multi-year basis and generate long-term value for the Company and its Group. To verify that the director's targets have been effectively met, payment of this incentive is deferred based on the following payment structure: (i) 70% will be paid, as applicable, after verifying effective fulfilment of the targets established for the director in the plan, during the first quarter of the year following the conclusion of the latter; and (ii) the other 30% will be paid, as applicable during the first quarter of the second financial year after conclusion of the corresponding plan. This will be the case so long as certain circumstances are not proven to exist, such as a serious breach of ROVI's Code of Ethics by the beneficiary, or there are qualifications in the external auditor's report that reduce the Company's profits. In this case, the reduction in the incentive will be proportional to the serious breach of ROVI's Code of Ethics by the Director, or to the qualifications in the external auditor's report that reduce Company profits taken into account for the accrual of the long-term incentive.
- Regarding possible conflicts of interest, the Regulations of the Board of Directors at ROVI govern conflicts of interest and stipulate that they be disclosed to the Board by those involved, who shall abstain from deliberating and voting on the transaction to which the conflict refers.

B.3 Explain how the remuneration accrued and vested in the financial year complies with the provisions of the current remuneration policy and, specifically, how it contributes to the long-term and sustainable performance of the company.

Also, provide information on the relationship between the remuneration paid to the directors and the income or other short-term and long-term performance measures of the company, explaining, where applicable, how variations in the company's performance have been able to influence variations in the remuneration of the directors, including the payment of remuneration that would have been deferred, and how this affected the short- and long-term performance of the company.

The remuneration accrued in 2021 by ROVI's directors complies with the provisions of the Remuneration Policy insofar as the amounts accrued fall within the maximum annual amount approved by the General Shareholders' Meeting for 2021 and correspond to the distribution approved by the Board of Directors. In addition, the various remuneration items provided for in the aforementioned Remuneration Policy and in the contracts signed with the executive directors have been taken into account.

Moreover, considering that the variable incentive is distributed according to the degree of achievement of certain targets (including, for example, the evolution of the ROVI Group's operating income), the annual remuneration of the executive directors is adjusted to the variations that may occur in the Company's performance. As indicated above, the executive directors of ROVI, as senior managers of the Company and its Group, have established a system of short-term variable remuneration which may represent a maximum of 50% of the fixed remuneration (60% in the event targets are exceeded) and is linked to the Company's returns, among other qualitative and quantitative parameters, so that, in principle, there is a direct correlation between variations in the Company's performance and variations in the remuneration of these executive directors.

However, even with growth of 54% in the ROVI Group's operating income for the 2021 financial year, the annual variable remuneration of the executive directors represents 0.07% of the Group's operating income for the 2021 financial year, which is in line with the 0.09% and 0.10% of the Group's operating income for the 2020 and 2019 financial years, respectively.

Regarding the long-term incentive plan (2019-2021) of which the executive directors are also beneficiaries, as we explained in other sections of this report, the parameters that were taken into account to establish targets were the increases in the listed value of the Company's shares and the evolution of the ROVI Group's business results, such as the EBITDA, margin or income, during the plan's term, so that variations in the performance of the Company and its Group had a determining influence on the amount of the remuneration to be received by the executive directors in relation to this plan, apart from other parameters of a qualitative nature.

The ratio of the remuneration accrued by the executive directors under the long-term incentive plan (2019-2021) to the cumulative consolidated net profit of the ROVI Group over the three-year term of the plan is 0.4%.

In addition, the ratio of the overall remuneration accrued by the executive directors to the consolidated net profit obtained by the ROVI Group in the 2021 financial year is 3.12%, taking into account the proportional part of the long-term incentive plan (2019-2021) and the extraordinary bonus granted to the executive directors in financial year 2021 as described in section B.1.1 of this report.

All of the above indicates that the application of the Remuneration Policy contributes to the Company's sustainable and long-term performance.

B.4 Report on the result of the consultative vote of the general meeting on the annual remuneration report for the previous year, indicating the number of abstentions and negative, blank and affirmative votes cast:

	Number	% of the total
Votes cast	49,344,909	88.01
Negative votes	153,206	0.31
Affirmative votes	49,131,238	99.57
Blank votes	0	0.00
Abstentions	60,465	0.12

Remarks

B.5 Explain how the fixed items accrued and vested during the financial year were determined by the directors in their capacity as such, the relative proportion thereof in relation to each director, and how they varied with respect to the previous year.

During the 2021 financial year, the following fixed items were accrued for the directors in their capacity as such:

Previous Chairman of the Board, until his death on 12 July 2021: EUR96,000.
Board member: EUR80,000 for each director.

Therefore, with the exception of the previous Chairman (whose remuneration represented 16.66% of the total received by the Board of Directors), all of the directors receive the same remuneration in their capacity as such, representing 13.88% of the total received by the Board of Directors as a whole.

As indicated in Section B.1, to determine the aforementioned fixed items, it was taken into account that the General Shareholders' Meeting of ROVI held on 17 June 2021 resolved to establish a total maximum annual remuneration for members of the Board of Directors, in their capacity as such, for the 2021 financial year of EUR1 million. Based on this determination, the Board of Directors, on the recommendation of the ARC, resolved to distribute the aforementioned amounts to its members, taking into account the duties and responsibilities assigned to each director and the seats they hold on Board Committees.

In the previous financial year (2020), the remuneration of the Chairman and the rest of the Board members, in their capacity as such, was as follows:

Chairman of the Board: EUR165,000.
Board member: EUR70,000 for each director.

The increase with respect to the previous year was approved with the aim of adjusting the remuneration of the directors in their capacity as such to align it with the remuneration received at comparable companies, according to size, taking as a reference their market capitalization, as well as the Company's business sector and other business sectors, and to attract and retain talent at the top of the Company, all with a view to the favourable evolution of the Group's results and business over the last few years, along with the solid performance of the Company and the size it has acquired.

B.6 Explain how the salaries accrued and vested during the last financial year were determined by each of the executive directors for the performance of management duties, and how they varied with respect to the previous year.

In 2021, under the terms and conditions agreed to between the executive directors and the Company in their corresponding employment and service leasing contracts, a total fixed remuneration of EUR808,845 was distributed among the executive directors for the performance of their executive and senior management duties, taking into account the duties and responsibilities carried out by each director. The fixed remuneration of the executive directors for the financial year included the fixed salary, life and disability insurance, contributions to pension plans and other compensation generally established for some of the Company's personnel. (e.g., medical check-up and private use of a company vehicle the Company leases).

Specifically, the distribution was as follows:

- Mr. Juan López-Belmonte Encina, EUR 329,154.
- Mr. Javier López-Belmonte Encina, EUR 241,062.
- Mr. Iván López-Belmonte Encina, EUR 238,629.

In the previous financial year (2020), a total fixed remuneration of EUR834,549 was distributed between the executive directors for the performance of their executive and senior management duties, taking into account the duties and responsibilities performed by each director. The specific distribution was as follows:

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

Therefore, there were no significant variations in the remuneration of the directors between the 2021 and 2020 financial years for the performance of their executive duties.

B.7 Explain the nature and the main principles of the variable items accrued and vested under the remuneration systems in the last financial year.

In particular:

a) Identify each of the remuneration plans used to determine the different variable remuneration items accrued by each of the directors during the last financial year, including information on their scope, date of approval, date of implementation, any vesting conditions, accrual periods and the term, the criteria used to evaluate performance and how that impacted the determination of the variable amount accrued, as well as the measurement criteria used and the period required to be able to adequately measure all of the stipulated conditions and criteria, explaining in detail the criteria and factors applied regarding the required time and methods to verify whether the performance conditions, or any other condition linked to the accrual and vesting of each variable remuneration item, were effectively met.

   In the case of plans for stocks options or other financial instruments, the general characteristics of each plan shall include information on the conditions for both acquiring their unconditional ownership (vesting) and the ability to exercise such options or financial instruments, including the price and the period for exercising them.

b) Each of the directors, and their categories, (executive directors, external proprietary directors, external independent directors or other external directors), who are beneficiaries of the remuneration systems or plans that include variable remuneration.

c) Where applicable, information shall be provided on the accrual or payment deferral periods that have been applied and/or the retention/non-disposal periods for stocks or other financial instruments, if any.

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

Variable annual remuneration
Variable remuneration at ROVI aims to reward the creation of value in the Group for purposes of aligning the interests of the shareholders with prudent risk management and generate long-term value for the Company and its Group and is exclusively restricted to executive directors. In this regard, the variable remuneration of executive directors is determined on the basis of the degree of fulfilment of a series of quantitative and qualitative objectives. The criteria for determining the annual variable remuneration (or bonus) corresponding exclusively to executive directors in 2021 were based on the following parameters: a) The evolution of the ROVI Group's operating income in accordance with the objectives calculated and established in the Business Plan, as well as fulfilment of the strategic objectives stipulated in that Plan; b) In addition to this quantitative reference, an assessment was made of the Company's organic growth as well as the increase in its value, among other factors, by means of establishing strategic alliances or making investments during the financial year that help the Company to reinforce the basis of its current and future growth. The development and capitalization of the investments made was also taken into account; c) Finally, other qualitative elements will also be taken into account to adjust the amount of the variable remuneration, including the Company's performance versus comparable companies, the overall market situation, significant events with a favourable impact on the Company's income, or the overall assessment of the job performance of the directors, as well as non-financial indicators of a social and environmental nature, or concerning climate change. In addition, in the 2021 financial year personal targets were established, with each considered individually and in accordance with their overall relevance, pursuant to the strategy of the corresponding department or area and the business objectives of the company. Specifically, each executive director will be assigned two financial targets, one for the Group (relating to operating income), and another for his or her management area (relating to EBITDA), with a weighting of 40% and 25%, respectively, and another two individual qualitative objectives based on the development and, where applicable, implementation of strategic projects for the ROVI Group (with a weighting of 25%), and based on his or her commitment to social, environmental and climate change causes, and of compliance with corporate governance guidelines, codes of conduct and internal procedures (such as risk monitoring and management policies), the latter with a weighting of 10%. Specifically, the qualitative targets of a social, environmental, and corporate governance nature referring in the 2021 financial year to the redefinition and definition of the new methodology of the Equality Plan, the offset of the CO2 emissions of the Group by contracting green energy, and the satisfactory results of the internal audits on compliance with the Pharmaceutical Industry's Code of Good Practices.

The degree of achievement of the targets was determined by the ARC once the financial year ended and based on the individual and consolidated income of the Group, after which the ARC made the corresponding recommendation to the Board of Directors. To this end, the ARC was assisted by the Company, which provided it with proof that the various targets had been met, with validation by the corresponding departments in relation to each of the established targets.
For purposes of verifying that the established targets for awarding the variable remuneration have been met, payment of 30% of the annual variable remuneration to executive directors is deferred for a period of two years, 15% per year. The amounts of the annual variable remuneration that have been accrued and deferred may be reduced or eliminated if certain circumstances are proven to exist, such as a serious breach of ROVI's Code of Ethics by the beneficiary, or qualifications in the external auditor's report that reduce the Company's profits. In this case, the reduction in the incentive will be proportional to the serious breach of ROVI's Code of Ethics by the Director, or to the qualifications in the external auditor's report that reduce Company's profits taken into account for the accrual of the long-term incentive.
Therefore, the amount of the annual variable remuneration of the executive directors accrued in 2021 was EUR 443 thousand (being 110% the overall achievement of the objectives set out), with the following distribution among the executive directors, the exact determination of which corresponded to the Board of Directors:

- Mr. Juan López-Belmonte Encina, EUR 167,994.
- Mr. Javier López-Belmonte Encina, EUR 137,250.
- Mr. Iván López-Belmonte Encina, EUR 137,250.

However, given that, as indicated earlier, 30% of the annual variable remuneration is not vested, since its payment is deferred for a period of two years, the amount of the annual variable remuneration of the executive directors vested in 2021 represents 70% of the annual variable remuneration accrued and vested in the 2021 financial year, 15% of the remuneration accrued in the 2020 financial year, and 15% of the remuneration accrued in the 2019 financial year, the total amount of which was EUR 428 thousand, distributed as follows:

- Mr. Juan López-Belmonte Encina, EUR 163,496.
- Mr. Javier López-Belmonte Encina, EUR 132,075.
- Mr. Iván López-Belmonte Encina, EUR 132,075.

Explain the long-term variable items of the remuneration systems:

Multiyear variable remuneration (2019-2021)
Until the end of the 2021 financial year, there was a long-term incentive plan in place (2019-2021), restricted exclusively to ROVI executive directors, with a term of three years, and it was expected to be renewed with the corresponding approval of the General Meeting once this term expired (successive cycles), with the condition that the beneficiary works at the Company at the time of its payment, except in special cases (e.g., death, disability, or retirement). This plan was approved by the General Shareholders' meeting on 12 June 2019, at the recommendation of the ARC and the Board, and it was developed with advice from Landwell-PricewaterhouseCoopers Tax & Legal Services, S.L.
The total amount to which the participant is entitled, if the latter meets 100% of the targets established in the long-term incentive plan, was the average annual fixed salary over the three-year term of the plan. The beneficiary may choose to have it paid out entirely in cash, entirely in ROVI shares, or through a mixed system of 50% cash and 50% shares, being paid out at the end of the three-year accrual period in the form referred to below (the "Incentive"), except in cases of early payment, in which case the Incentive will be paid out in cash, unless, at the beneficiary's request the Board of Directors determines that it may be paid out in shares, provided it does not consider that this harms the corporate interest.
Events of early settlement include a change of control at the Company, in which case the Director will receive the total amount under the plan, assuming 100% of the fixed targets have been met, regardless of the percentage accrued on the date or at the moment of occurrence thereof.
In the event of early settlement due to (i) the unilateral withdrawal by ROVI or a disciplinary dismissal of the Director that is declared or recognized as inadmissible in a final court ruling, or by means of a court settlement or out-of-court settlement before the responsible bodies in each case; or due

to (ii) termination of the legal relationship by the Director due to a serious and culpable breach by ROVI of its obligations as employer under the provisions of the Workers Statute, upheld in a final court ruling, or by means of a court or out-of-court settlement before the responsible bodies in each case, payment of the accrued amount of the Incentive will be prorated over the number of days elapsed between the start of the plan and the date of the event that gave rise to the early settlement of the plan.
However, if shares are chosen as a partial or total payment of the Incentive, the director may not transfer ownership or exercise it until a period of at least three years has elapsed. An exception is made for cases in which, at the time of the transfer or exercise, the director has a net financial exposure to variations in the share price for a market value equivalent to an amount of at least twice his or her fixed annual remuneration through the ownership of shares. The foregoing shall not apply to shares the director needs to sell to cover the costs related to their acquisition or, after a favourable assessment by the ARC, to meet extraordinary circumstances that require it.
The criteria for establishing this long-term incentive plan took into account the following parameters: a) an increase in the listed value of the Company's shares; b) the evolution of the ROVI Group's business returns, for which parameters such as the EBITDA were taken into account; and c) qualitative parameters (of a social, environmental and corporate governance nature) that promote the Company's sustainability and include the appropriate non-financial criteria to create sustainable long-term value, such as compliance with the Company's internal rules and procedures, and its risk monitoring and management policies.
The aforementioned targets must be met to at least 80% to receive the respective Incentive, which may be paid out up to a maximum of 120% of the average annual fixed salary of the corresponding director over the three-year term of the plan, computed on a straight-line basis if the targets are met up to the maximum levels. To promote a balance in the achievement of all of the targets for receiving the Incentive, the degree of combined achievement of all of them must be 70%, considered on a weighted basis, over the term of the plan.
The ARC assessed the degree of achievement of the targets upon the end of the three-year term referred to in the plan (2019, 2020 and 2021), and once the performance results were made available, after which the ARC made a recommendation to the Board of Directors, which resolved to distribute the following amounts:
• Mr. Juan López-Belmonte Encina, EUR 397,870.
• Mr. Javier López-Belmonte Encina, EUR 293,201.
• Mr. Iván López-Belmonte Encina, EUR 290,688.
It is noted that the overall achievement of the objectives set out was 120%.
In addition, it is noted that the beneficiaries opted to receive the remuneration entirely in cash.
With the aim of verifying that the targets of the director were effectively met, payment of the Incentive will be deferred in accordance with the following payment scheme:
- 70% of the Incentive will be paid out in March 2022, as follows:
• Mr. Juan López-Belmonte Encina, EUR 278,509.
• Mr. Javier López-Belmonte Encina, EUR 205,240.
• Mr. Iván López-Belmonte Encina, EUR 203,481.
- The remaining 30% will be paid out, when appropriate, in the first quarter of the 2023 financial year, provided certain circumstances are not proven to exist, such as a serious breach of ROVI's Code of Ethics by the beneficiary, or qualifications in the external auditor's report that reduce the Company's profits. In this case, the reduction in the Incentive will be proportional to the serious breach of ROVI's Code of Ethics by the Director, or to the qualifications in the external auditor's report that reduce the Company's profits taken into account for the accrual of the Incentive.

B.8 Indicate whether any accrued variable items have been reduced or clawed back when, in the first case, the payment of non-vested amounts has been deferred or, in the second case, vested and paid based on data that has subsequently been proven to be manifestly inaccurate. Describe the amounts reduced or repaid with enforcement of the malus or clawback clauses, why they have been enforced and the financial years to which they correspond.

During the 2021 financial year, there was no reduction or clawback of variable items, nor have any amounts been reduced or repaid due to the enforcement of clawback clauses.

B.9 Explain the main characteristics of the long-term savings schemes for which the amount and equivalent annual costs are figured in the tables of Section C, including retirement and any other survivor's benefits that are funded, partially or fully, by the company, whether internally or externally, indicating the type of plan, whether it is a defined contribution or benefit plan, the contingencies it covers, the conditions for vesting the economic rights in favour of the directors, and their compatibility with any other type of compensation for early termination, or termination of the contractual relationship between the company and the director.

The Company makes annual contributions to Pension Plans held by the executive directors, through individual and defined contribution schemes, with coverage of contingencies such as retirement, disability, death and severe dependency.
In relation to the defined contribution plans, the Company makes pre-determined contributions to a separate entity and has no obligation to make additional contributions. The obligation is limited to the defined contribution commitment. Fund participants may, on an individual basis, request the transfer of their vested and/or economic rights to another Pension Plan or Provident Scheme. The maximum period for making such a transfer will be five days from receipt by the original entity of the request with the corresponding documentation. The vested rights are not available until the occurrence of one of the contingencies provided for in the specifications of the Fund itself, or one of the exceptional liquidity events (serious illness or long-term unemployment).
In 2021, the Company made contributions to the individual defined contribution pension plans for the executive directors for a total amount of EUR6,000. The Company has no amount saved or accumulated for pension, retirement or similar benefits.
It is also noted that, since 2016, the Company has not made any contributions to the Pension Plan of Mr. Juan López-Belmonte López, as he left his executive post in December 2015. Therefore, with respect to the amount of the accumulated funds corresponding to Mr. Juan López-Belmonte López, the same amount has been recorded in the 2021 financial year as in the other financial years concluded since 2015.

B.10 Explain any indemnifications or other type of payments resulting from early severance, whether at the will of the company or of the director, or the termination of the contract under the terms provided therein and accrued and/or received by the directors during the last financial year.

During the 2021 financial year, there have been no accruals or payments for this reason to directors.

B.11 Indicate whether there have been any significant amendments to the contracts of those performing senior management duties as executive directors and, if so, explain them. Also, explain the main conditions of the new contracts signed with the executive directors during the financial year, unless they were already explained in section A.1.

During the 2021 financial year, there have been no amendments to the contracts with the executive directors.

B.12 Explain any supplementary remuneration accrued to the directors as consideration for various services provided other than those inherent to their post.

During the 2021 financial year, there was no supplementary payment to any of the directors as consideration for services provided other than those inherent to their post.

B.13 Explain any remuneration resulting from the granting of advances, loans and guarantees, indicating the interest rate, their essential characteristics and any amounts repaid, as well as the obligations assumed by way of guarantee.

No remuneration was vested or paid in the 2021 financial year in the form of advances, loans and guarantees granted to any director that involved conditions beyond customary or market terms.

B.14 Detail the in-kind remuneration accrued by the directors during the financial year, briefly explaining the nature of the various salary items.

Executive directors receive non-monetary compensation (life insurance, annual medical check-up, etc.), which is generally established for some of the company's staff. Executive directors also receive in-kind remuneration in the form of the private use of a company car that the Company leases.

B.15 Explain remunerations accrued by a director from payments made by the listed company to a third-party entity at which a director provides service when such payments are intended to remunerate the services of the latter at the company.

No payments of this nature were made during the 2021 financial year.

B.16 Explain and detail amounts accrued during the financial year in relation to any remuneration item other than those mentioned above, whatever their nature or the group's company that pays it, including all benefits of any type, such as any considered related-party transactions, particularly when this significantly affects the true picture of the total remuneration items accrued by the director, and explain the amount that was granted or pending payment, the nature of the consideration received, and the reasons it may not have been considered remuneration of the director in his or her capacity as such or as consideration for the performance of his or her executive duties, and whether or not it was deemed appropriate to include it among the accrued amounts under the "other items" heading of Section C.

There are no other remuneration items beyond those above, notwithstanding any related-party transactions with any of the executive directors that are detailed in the Annual Corporate Governance Report, the annual financial statements and the semi-annual financial statement of the Company.

C. DETAILS OF THE INDIVIDUAL REMUNERATION ITEMS CORRESPONDING TO EACH DIRECTOR

Name	Category	Accrual period 2021 financial year
MR. JUAN LÓPEZ-BELMONTE LÓPEZ	Proprietary Chairman	From 01/01/2021 to 12/07/2021
MR. JUAN LÓPEZ-BELMONTE ENCINA	Chief Executive Officer	From 01/01/2021 to 31/12/2021
MR. JAVIER LÓPEZ-BELMONTE ENCINA	Executive Director	From 01/01/2021 to 31/12/2021
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	Executive Director	From 01/01/2021 to 31/12/2021
MR. JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	Independent Director	From 01/01/2021 to 31/12/2021
MR. MARCOS PEÑA PINTO	Coordinating Director	From 01/01/2021 to 31/12/2021
MS. FÁTIMA BÁÑEZ GARCÍA	Independent Director	From 01/01/2021 to 31/12/2021

C.1 Complete the following tables regarding the individualized remuneration of each of the directors (including remuneration for the performance of executive duties) accrued during the financial year.

a) Remuneration of the company covered by this report:

i) Remuneration accrued in cash (thousands of euros)

Name	Fixed remuneration	Allowances	Remuneration for seat on board committee	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total FY 2021	Total FY 2020
MR. JUAN LÓPEZ-BELMONTE LÓPEZ	96								96	165
MR. JUAN LÓPEZ-BELMONTE ENCINA	80			317	164	279			840	543
MR. JAVIER LÓPEZ-BELMONTE ENCINA	80			227	132	205			644	422
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	80			228	132	203			643	422
MR. JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	80								80	70

Name	Fixed remuneration	Allowances	Remuneration for seat on board committee	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total FY 2021	Total FY 2020
MR. MARCOS PEÑA PINTO	80								80	70
MS. FÁTIMA BÁÑEZ GARCÍA	80								80	70

Remarks

ii) Table of transactions in stock-based remuneration schemes and gross returns from vested shares or financial instruments.

Name	Name of the Plan	Financial instruments at the start of FY 2021		Financial instruments granted during FY 2021		Financial instruments vested during the financial year				Expired and unexercised instruments	Financial instruments at the end of FY 2021	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/ vested	Price of the vested shares	Net profit of the vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
MR. JUAN LÓPEZ-BELMONTE LÓPEZ	Plan							0.00				
MR. JUAN LÓPEZ-BELMONTE ENCINA	Extraordinary bonus				18,080		18,080	58.90	1,065			
MR. JAVIER LÓPEZ-BELMONTE ENCINA	Extraordinary bonus				18,080		18,080	58.90	1,065			
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	Extraordinary bonus				18,080		18,080	58.90	1,065			
MR. JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	Plan							0.00				

Name	Name of the Plan	Financial instruments at the start of FY 2021		Financial instruments granted during FY 2021		Financial instruments vested during the financial year				Expired and unexercised instruments	Financial instruments at the end of FY 2021	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/ vested	Price of the vested shares	Net profit of the vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
MR. MARCOS PEÑA PINTO	Plan							0.00				
MS. FÁTIMA BÁÑEZ GARCÍA	Plan							0.00				

Remarks
The number of shares effectively delivered to each executive director amounted to 11,752 shares, given that the number of shares required for the payment of the corresponding tax was withheld, in accordance with the information referred to in Section B.1.1.

iii) Long-term savings schemes

Name	Remuneration by vesting savings scheme rights
MR. JUAN LÓPEZ-BELMONTE LÓPEZ	
MR. JUAN LÓPEZ-BELMONTE ENCINA	2
MR. JAVIER LÓPEZ-BELMONTE ENCINA	2
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	2
MR. JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	
MR. MARCOS PEÑA PINTO	
MS. FÁTIMA BÁÑEZ GARCÍA	

Name	Annual contribution by the company (thousands of euros)				Amount of the cumulative funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with unvested economic rights		Savings schemes with vested economic rights		Savings schemes with unvested economic rights	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
MR. JUAN LÓPEZ-BELMONTE LÓPEZ					336	336		
MR. JUAN LÓPEZ-BELMONTE ENCINA	2	8			200	201		
MR. JAVIER LÓPEZ-BELMONTE ENCINA	2	8			156	149		
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	2	8			198	197		
MR. JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA								
MR. MARCOS PEÑA PINTO								
MS. FÁTIMA BÁÑEZ GARCÍA								

Remarks

iv) Details of other items

Name	Item	Remuneration amount
MR. JUAN LÓPEZ-BELMONTE LÓPEZ	Item	

Name	Item	Remuneration amount
MR. JUAN LÓPEZ-BELMONTE ENCINA	Life insurance and other compensation generally established for some of the Company's staff, such as the company car that the Company leases.	10
MR. JAVIER LÓPEZ-BELMONTE ENCINA	Life insurance and other compensation generally established for some of the Company's staff, such as the company car that the Company leases.	12
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	Life insurance and other compensation generally established for some of the Company's staff, such as the company car that the Company leases.	9
MR. JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	Item	
MR. MARCOS PEÑA PINTO	Item	
MS. FÁTIMA BÁÑEZ GARCÍA	Item	

Remarks

b) Remuneration for the directors of the listed company for membership in the management bodies of its subsidiaries:

i) Remuneration accrued in cash (thousands of euros)

Name	Fixed remuneration	Allowances	Remuneration for seat on board committee	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total FY 2021	Total FY 2020
MR. JUAN LÓPEZ-BELMONTE LÓPEZ										
MR. JUAN LÓPEZ-BELMONTE ENCINA										
MR. JAVIER LÓPEZ-BELMONTE ENCINA										

Name	Fixed remuneration	Allowances	Remuneration for seat on board committee	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total FY 2021	Total FY 2020
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA										
MR. JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA										
MR. MARCOS PEÑA PINTO										
MS. FÁTIMA BÁÑEZ GARCÍA										

Remarks

ii) Table of transactions of share-based remuneration systems and gross profits from the vested shares or financial instruments.

Name	Name of the Plan	Financial instruments at the start of FY 2021		Financial instruments granted during FY 2021		Financial instruments vested during the financial year				Expired and unexercised instruments	Financial instruments at the end of FY 2021	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/ vested	Price of the vested shares	Net profit of the vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
MR. JUAN LÓPEZ-BELMONTE LÓPEZ	Plan							0.00				

Name	Name of the Plan	Financial instruments at the start of FY 2021		Financial instruments granted during FY 2021		Financial instruments vested during the financial year				Expired and unexercised instruments	Financial instruments at the end of FY 2021	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/ vested	Price of the vested shares	Net profit of the vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
MR. JUAN LÓPEZ-BELMONTE ENCINA	Plan							0.00				
MR. JAVIER LÓPEZ-BELMONTE ENCINA	Plan							0.00				
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	Plan							0.00				
MR. JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	Plan							0.00				
MR. MARCOS PEÑA PINTO	Plan							0.00				
MS. FÁTIMA BÁÑEZ GARCÍA	Plan							0.00				

Remarks

iii) Long-term savings schemes

Name	Remuneration by vesting savings scheme rights
MR. JUAN LÓPEZ-BELMONTE LÓPEZ	
MR. JUAN LÓPEZ-BELMONTE ENCINA	
MR. JAVIER LÓPEZ-BELMONTE ENCINA	
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	
MR. JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	
MR. MARCOS PEÑA PINTO	
MS. FÁTIMA BÁÑEZ GARCÍA	

	Annual contribution by the company (thousands of euros)				Amount of the cumulative funds (thousands of euros)			
Name	Savings schemes with vested economic rights		Savings schemes with unvested economic rights		Savings schemes with vested economic rights		Savings schemes with unvested economic rights	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
MR. JUAN LÓPEZ-BELMONTE LÓPEZ								
MR. JUAN LÓPEZ-BELMONTE ENCINA								

Name	Annual contribution by the company (thousands of €)				Amount of the cumulative funds (thousands of €)			
	Savings schemes with vested economic rights		Savings schemes with unvested economic rights		Savings schemes with vested economic rights		Savings schemes with unvested economic rights	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
MR. JAVIER LÓPEZ-BELMONTE ENCINA								
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA								
MR. JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA								
MR. MARCOS PEÑA PINTO								
MS. FÁTIMA BÁÑEZ GARCÍA								

Remarks

iv) Details of other items

Name	Item	Remuneration amount
MR. JUAN LÓPEZ-BELMONTE LÓPEZ	Item	
MR. JUAN LÓPEZ-BELMONTE ENCINA	Item	
MR. JAVIER LÓPEZ-BELMONTE ENCINA	Item	
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	Item	

Name	Item	Remuneration amount
MR. JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	Item	
MR. MARCOS PEÑA PINTO	Item	
MS. FÁTIMA BÁÑEZ GARCÍA	Item	

Remarks

c) Summary of remuneration items (in thousands of euros):
The summary should include the amounts corresponding to all of the remuneration items included in this report that have been accrued by the director, in thousands of euros.

	Remuneration accrued at the Company					Remuneration accrued at companies of the group					
Name	Total cash remuneration	Gross profit from the vested shares or financial instruments	Remuneration by savings schemes	Remuneration through other items	Total FY 2021 company	Total cash remuneration	Gross profit from the vested shares or financial instruments	Remuneration by savings schemes	Remuneration through other items	Total FY 2021 group	Total FY 2021 company + group
MR. JUAN LÓPEZ-BELMONTE LÓPEZ	96				96						96
MR. JUAN LÓPEZ-BELMONTE ENCINA	840	1,065	2	10	1,917						1,917
MR. JAVIER LÓPEZ-BELMONTE ENCINA	644	1,065	2	12	1,723						1,723
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	643	1,065	2	9	1,719						1,719

	Remuneration accrued at the Company					Remuneration accrued at companies of the group					
Name	Total cash remuneration	Gross profit from the vested shares or financial instruments	Remuneration by savings schemes	Remuneration through other items	Total FY 2021 company	Total cash remuneration	Gross profit from the vested shares or financial instruments	Remuneration by savings schemes	Remuneration through other items	Total FY 2021 group	Total FY 2021company + group
MR. JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	80				80						80
MR. MARCOS PEÑA PINTO	80				80						80
MS. FÁTIMA BÁÑEZGARCÍA	80				80						80
TOTAL	2,463	3,195	6	31	5,695						5,695

Remarks

C.2 Indicate the changes in the past five years to the amount and percentage of the remuneration accrued by each of the listed company's directors during the financial year, changes to the consolidated income of the company, and to the average remuneration on a basis equivalent to full time for the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % of annual variation								
	FY 2021	% of variation 2021/ 2020	FY 2020	% of variation 2020/ 2019	FY 2019	% of variation 2019/ 2018	FY 2018	% of variation 2018/2017	FY 2017
Executive directors									
MR. JUAN LÓPEZ-BELMONTE ENCINA	1,917	241.71	561	3.70	541	-40.35	907	73.09	524
MR. JAVIER LÓPEZ-BELMONTE ENCINA	1,723	289.82	442	6.00	417	-39.39	688	70.30	404
MR. IVÁN JORGE LÓPEZ-BELMONTE ENCINA	1,719	291.57	439	5.53	416	-39.71	690	69.95	406
Non-executive directors									
MR. JUAN LÓPEZ-	96	-41.82	165	10.00	150	0.00%	150	0.00%	150

BELMONTE LÓPEZ									
MR. JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	80	14.29	70	16.67	60	0.00	60	0.00	60
MR. MARCOS PEÑA PINTO	80	14.29	70	79.49	39	-	0	-	0
MS. FÁTIMA BÁÑEZ GARCÍA	80	14.29	70	n.s.	2	-	0	-	0
Consolidated income of the company	182,628	151.62	72,581	73.31	41,880	151.08	16,680	-4.81	17,522
Average employee remuneration	44	-2.22	45	-2.17	46	-2.13	47	4.44	45

Remarks

During the financial year 2021, Mr. Juan López-Belmonte López was a member of the board of directors from 1 January to 12 July 2021.
During the financial year 2019, Ms. Fátima Báñez García was a member of the board of directors from 20 December 2019.
During the financial year 2019, Mr. Marcos Peña Pinto was a member of the board of directors from 9 May 2019.

As regards the changes in the total amounts accrued to executive directors, in 2018 and 2021 there has been an increase in the amounts accrued as a result of the accrual of the three-year long-term incentive plans 2016-2018 and 2019-2021.

It should also be noted that the compound annual growth rate for the Company's consolidated results from 2017 to 2021 has been 80%, while the compound annual growth rate for directors' remuneration was 39% during the same period.

D. OTHER INFORMATION OF INTEREST

Briefly describe any relevant aspect of directors' remuneration that has not been included in the other sections of this report, but which is necessary to include in order to provide more complete and reasoned information on the company's remuneration system and practices in relation to its directors.

Continued from Section A.1-Item 1.
Under Article 45 of the Articles of Association, the members of the Board of Directors are entitled to be remunerated with a fixed annual amount in cash for the performance of their duties, with the maximum amount for the Board as a whole being determined by the General Meeting. The Board, after receiving a report from the ARC, shall distribute this remuneration among its members individually, in their capacity as such, as established by the General Meeting, within the framework of the Articles of Association and the remuneration policy, which shall set at least the maximum amount of the annual remuneration to be paid to all of the directors in their capacity as such, and establish the criteria for its distribution, taking into account the duties and responsibilities assigned to each director, their participation on the Board's committees, and other objective circumstances that the Board deems relevant. The Board is also responsible for determining the individual remuneration of each director for the performance of the executive duties they are assigned within the framework of the remuneration policy, and under the terms of his or her contract, after receiving a report from the ARC.
In addition, a variable incentive will be established for the executive directors for the 2022 financial year that is linked to the Company's performance, the achievement of established targets that must be aligned with the corporate interests, and to their job performance, so that it is not simply related to the general performance of the markets, the Company's business sector, or other similar circumstances.
In addition, the 2021 General Shareholders' Meeting approved a long-term incentive plan (2022-2024) for the executive directors, which is a continuation of the 2019-2021, which aims to reward the creation of value for purposes of aligning the interests of the shareholders with prudent risk management on a multi-year basis and generate long-term value for the Company and its Group.
Moreover, there is a possibility that the General Shareholders' Meeting will establish remuneration systems (i) indexed to the listed value of its stock shares; or (ii) that involve the vesting of shares of the Company or companies of the group; stock options or instruments indexed to the share value. Under Article 24 of the Regulations of the Board of Directors, remuneration with Company shares may also be considered as remuneration for non-executive directors under the condition that they hold them until they resign their post.
The ARC considered it appropriate to seek the advice of specialized external experts in drawing up the Company's Remuneration Policy for the financial years 2022-2024, which was approved by the General Meeting on 17 June 2021. Accordingly, PricewaterhouseCoopers Tax & Legal, S.L., an independent adviser specializing in the remuneration of directors and senior managers, advised ROVI in drawing up the current Remuneration Policy, taking into account comparable companies in terms of size, and taking their market capitalisation as a reference, as well as the Company's business sector and other sectors.
The ARC is the body that assists the Board of Directors on remuneration matters in accordance with the powers given to it for this purpose under the Regulations of the Board of Directors of the Company. Under the provisions of Article 14 of the Regulations of the Board of Directors of the Company, which includes the provisions of Recommendation 50 of the Good Governance Code of Listed Companies in Spain, the ARC drew up the directors' remuneration policy for the financial years 2022, 2023 and 2024, and submitted it to the Board of Directors, after which it was approved by the General Shareholders' Meeting of ROVI held on 17 June 2021. Under the aforementioned Article 14 of the Board Regulations, and Article 11 of the ARC Regulations, the ARC performs the following duties in relation to the remuneration policy:
- Propose to the Board of Directors: (i) the remuneration policy for directors and general managers or those who perform their senior management duties under the direct authority of the Board, executive committees or chief executive officers; and (ii) the individual remuneration of executive directors and the other terms of their contracts, ensuring compliance with them.
- Verify compliance with the remuneration policy established by the Company, including the periodic review of the remuneration policy applied to directors and senior management, as well as share-based remuneration systems and their application, ensuring that their individual remuneration is proportionate to that paid to other directors and senior managers of the Company.
- Ensure the transparency of remuneration and verify the information on the remuneration of directors and senior managers contained in the various corporate documents, including the annual report on directors' remuneration and the annual corporate governance report and, to this end, submit all relevant information to the Board.

It is hereby noted that, in compliance with the provisions of Article 24.1 of the Regulations of the Board of Directors at ROVI, the directors' remuneration reflected in this report is in reasonable proportion to the weight of the Company, its current financial situation and the market standards of comparable companies. Moreover, the aim of the remuneration system is to promote the long-term profitability and sustainability of the Company, and it includes the necessary precautions to prevent excessive risk-taking and the rewarding of unfavourable results, contributing to the fulfilment of the business strategy, as well as to the long-term interests and sustainability of the Company.
Furthermore, the remuneration and employment conditions of the Company's staff were taken into account when establishing the Remuneration Policy. Therefore, a common structure has been defined with these conditions, establishing, in addition to fixed remuneration, a variable remuneration for the Executive Directors based on objective, well-assessed and transparent criteria aimed at ensuring that the Company's objectives are met both in its field of activity as well as in terms of the sustainability and social responsibility of ROVI.
Finally, it should be noted that the Remuneration Policy does not expressly contemplate procedures for applying temporary exceptions to the policy. However, the Company will assess the relevance of including a provision in the policy regarding the procedures and conditions for applying such temporary exceptions, in accordance with the provisions of Article 529 novodecies.6 of the Corporate Enterprises Act, and, if deemed appropriate, it will be submitted for the approval of the Ordinary General Shareholders' Meeting of the Company to be held in the first half of this financial year.

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

22/02/2022

Indicate whether any directors voted against or abstained from voting on the approval of this report.

[ ] Yes
[√] No