
ISSUER IDENTIFICATION

Year-end date:

[31/12/2019]

Tax identification No
(C.I.F.):

[A-28041283]

Company name:

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

Registered address:

[JULIAN CAMARILLO, 35, MADRID]

A. CAPITAL STRUCTURE

A.1. Complete the table below with details of the share capital of the company:

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

Please state whether there are different classes of shares with different associated rights:

[] Yes
[v] No

A.2. Please provide details of the company's significant direct and indirect shareholders at year end, excluding any directors:

Name of shareholder	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
WELLINGTON MANAGEMENT GROUP, LLP	0.00	4.92	0.00	0.00	4.92
T. ROWE PRICE ASSOCIATES, INC.	0.00	3.39	0.00	0.00	3.39
NORBEL INVERSIONES, S.L.	63.11	0.00	0.00	0.00	63.11
INDUMENTA PUERI, S.L.	0.00	5.06	0.00	0.00	5.06

Breakdown of the indirect holding:

Name of indirect shareholder	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights
WELLINGTON MANAGEMENT GROUP, LLP	DIVERSAS I.I.C.	4.92	0.00	4.92
T. ROWE PRICE ASSOCIATES, INC.	T. ROWE PRICE INTERNATIONAL DISCOVERY FUND	3.39	0.00	3.39

Name of indirect shareholder	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights
INDUMENTA PUERI, S.L.	GLOBAL PORTFOLIO INVESTMENTS S.L.	5.06	0.00	5.06

State the most significant shareholder structure changes during the year:

Most significant movements

Wellington Management Group, LLP dropped below 5% of the share capital on 19/03/2019.

Wellington Management Group, LLP exceeded 5% of the share capital on 15/04/2019.

Wellington Management Group, LLP dropped below 5% of the share capital on 16/04/2019.

Alantra Asset Management, SGIIC, S.A. dropped below 3% of the share capital on 16/05/2019.

J O Hambro Capital Management Limited dropped below 3% of the share capital on 19/08/2019.

The data have been taken from the official records of the National Securities Market Commission (CNMV).

A.3. In the following tables, list the members of the Board of Directors (hereinafter “directors”) with voting rights in the company:

Name of director	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights	% of voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
No data							

Total percentage of voting rights held by the Board of Directors	0.00
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Breakdown of the indirect holding:

Name of director	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% of voting rights that can be transmitted through financial instruments
No data					

A.4. If applicable, state any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, except those that are reported in Section A.6:

Name of related party	Nature of relationship	Brief description
No data		

A.5. If applicable, state any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

Name of related party	Nature of relationship	Brief description
No data		

A.6. Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in case of proprietary directors.

Explain, as the case may be, how the significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies in its group or those tied to significant shareholders and/or companies in its group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of directors, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
MR JUAN LÓPEZ-BELMONTE LÓPEZ	NORBEL INVERSIONES, S.L.	NORBEL INVERSIONES, S.L.	Chairman & shareholder

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
MR JUAN LÓPEZ-BELMONTE ENCINA	NORBEL INVERSIONES, S.L.	NORBEL INVERSIONES, S.L.	Director & shareholder
MR IVÁN JORGE LÓPEZ-BELMONTE ENCINA	NORBEL INVERSIONES, S.L.	NORBEL INVERSIONES, S.L.	Director & shareholder
MR JAVIER LÓPEZ-BELMONTE ENCINA	NORBEL INVERSIONES, S.L.	NORBEL INVERSIONES, S.L.	Director & shareholder

Norbel Inversiones, S.L. holds 63.107% of the Company's share capital and is partly owned by Mr Juan López-Belmonte López and his sons, Messrs Juan, Javier and Iván López-Belmonte Encina, none of whom hold control over the entity. Mr Juan López-Belmonte López is the Chairman of the Board of Directors of said company, while his sons, Messrs Juan, Javier and Iván López-Belmonte Encina, are Board members.

A.7. State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Corporate Enterprises Act ("Ley de Sociedades de Capital" or "LSC"). If so, describe these agreements and list the party shareholders:

Yes
 No

State whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes
 No

Parties to the shareholders' agreement	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable
ALANTRA ASSET MANAGEMENT SGIIC S.A. ALANTRA EQMC ASSET MANAGEMENT SGIIC S.A.	2.24	These Alantra collective investment institution management companies have a common policy in relation to the voting rights of the ROVI shares held by the investment entities they manage.	

If any of the aforementioned agreements or concerted actions have been modified or terminated during the year, please specify expressly:

On 20 May, 2019, a reduction in the percentage of the shares affected by the concerted action was notified, as a result of the transfer of Company shares by the parties to the concerted action, whose interest dropped from 4.82% to 2.235% of the share capital.

A.8. State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Spanish Securities Market Act (“Ley de Mercados de Valores ” or “LMV”). If so, please identify them:

Yes
 No

Name of individual or company
NORBEL INVERSIONES, S.L.

A.9. Complete the following table with details of the company’s treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
686,956		1.23

(*) Through:

Name of direct shareholder	Number of direct shares
No data	

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares:

The General Shareholders’ Meeting held on 12 June, 2019 authorised the Company’s Board of Directors for the derivative acquisition of the Company’s own shares, both directly by the Company itself and indirectly through its subsidiaries, observing the legally-established limits and requirements, in the terms set out below:

a) The acquisitions may be made by means of purchase, exchange or any other type of share acquisition in return for a consideration permitted by law, up to the maximum amount permitted by law. b)The minimum acquisition price or minimum value of the consideration will be equivalent to the par value of the treasury shares acquired, while the maximum acquisition price or maximum value of the consideration will be equivalent to a price that is no higher than the higher of the latest transaction performed on the market between independent parties and the highest price contained in a purchase order on an order card. c) The authorisation will be in force for 5 years as of the date on which this resolution is approved. d) As a consequence of the acquisition of shares, including those that the Company, or a person acting in their own name but on behalf of the Company, acquired previously and has held on their portfolio, the resulting equity cannot fall lower than the amount of the share capital plus the reserves that, by law or pursuant to the Bylaws, are unavailable, all of which is in accordance with the Corporate Enterprises Act.

Likewise, for the purposes set out in the Corporate Enterprises Act, any of the subsidiaries is authorised to acquire shares in the Company in the same terms as set out in the resolution.

Shares acquired as a consequence of this authorisation may be disposed of or applied to the remuneration systems described in article 146.1.a) of the Corporate Enterprises Act, and to conduct programmes that encourage the holding of shares in the Company’s capital, such as, for example, dividend reinvestment plans, loyalty bonds or other similar instruments.

Likewise, said General Shareholders’ Meeting held on 12 June, 2019 delegated in the Board of Directors the power to increase the share capital ,with authorisation to exclude preferential subscription rights (with no limitation), observing the limits and requirements set out in the Corporate Enterprises Act, for a maximum term of five years as of the resolution of the General Shareholders’ Meeting.

A.11. Estimated floating capital:

	%
Estimated floating capital	22.29

A.12. State whether there are any restrictions (article of associations, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and those regimes for the prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes
 No

A.13. State if the shareholders have resolved at a meeting to adopt measures to neutralise a take-over bid pursuant to the provisions of Act 6/2007.

Yes
 No

If so, please explain the measures approved and the terms under which such limitations would cease to apply:

A.14. State if the company has issued shares that are not traded on a regulated EU market.

Yes
 No

If so, please list each type of share and the rights and obligations conferred on each:

B. GENERAL SHAREHOLDERS' MEETING

B.1. State whether there are any differences from the minimum regime provided for in the Companies Enterprises Act (LSC) with respect to the quorum for the general meeting and if so, describe them in detail:

Yes
 No

B.2. State any differences with respect to the rules established in the Companies Enterprises Act for the adoption of corporate resolutions and, if so, explain:

Yes
 No

B.3. State the rules for amending the company's bylaws. In particular, state the majorities required to amend the bylaws and any provisions in place to protect shareholders' rights in the event of amendments to the bylaws.

Rules applicable to amending the Company's Bylaws.
According to articles 27.2 of ROVI's Bylaws and 5.i) of the Regulations of the General Shareholders' Meeting ("GSM"), the GSM will resolve on any amendment to the Bylaws. According to the same article 27.2 of the Bylaws and article 15 of the Regulations of the General Shareholders' Meeting, it will be necessary, on the first call, for shareholders holding at least fifty percent of the subscribed capital with voting rights to be present. On the second call, it will be sufficient for twenty-five percent of said capital to be present, although according to article 15 of the Regulations of the General Shareholders' Meeting, the amendments can only be validly adopted with the vote in favour of two thirds of the capital present or represented at the General Meeting when less than fifty percent of the Company's is present. Notwithstanding, if the capital present or represented exceeds fifty percent on either the first or the second call, an absolute majority will be sufficient for the resolution to be passed.
Similarly, articles 34.7 and 34.8 of the Bylaws state that resolutions of the General meeting will be passed by a simple majority of the capital present or represented, specifying that a resolution is passed when it obtains more votes of the capital present or represented in favour than against. Exceptionally, in cases where the applicable law or the Bylaws stipulate a larger majority and, in particular, when shareholders representing less than fifty percent of the subscribed capital with voting rights are present, resolutions concerning the matters described in article 194 of the Companies Enterprises Act will require the vote in favour of two thirds of the share capital present or represented at the General Meeting in order to be valid. Notwithstanding, if the capital present or represented exceeds fifty percent on either the first or the second call, an absolute majority will be sufficient to pass the resolution.

B.4. Indicate the attendance figures at the general shareholders' meetings held during the year of this report and the previous two years:

Date of General Meeting	Attendance data				
	% physically present	% present by proxy	% distance voting		Total
			Electronic voting	Other	
31/05/2017	69.69	22.84	0.00	1.04	93.57
Of which, floating capital	0.05	4.47	0.00	1.04	5.56
29/05/2018	69.68	23.45	0.00	0.00	93.13
Of which, floating capital	0.04	3.85	0.00	0.00	3.89
12/06/2019	63.13	25.70	0.00	1.39	90.22
Of which, floating capital	0.02	10.04	0.00	1.39	11.45

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

Yes
 No

B.6. State if the bylaws contain any restrictions requiring a minimum number of shares to attend general shareholders' meetings, or to vote by remote means:

- Yes
 No

B.7. State whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions that must be subject to the approval of the general shareholders' meeting:

- Yes
 No

B.8. State the address and manner of access to the page on the company website where one may find information on corporate governance and other information regarding general shareholders' meetings that must be made available to shareholders through the company's website:

The address of the Company's website is www.rovi.es. The corporate governance content is accessed by clicking on the section "Shareholders and Investors" and then on the third tab ("Corporate Governance").

C. COMPANY ADMINISTRATIVE STRUCTURE

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors established in the bylaws and the number set by the general meeting:

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

C.1.2 Please complete the following table with the members of the board:

Name of director	Representative	Director category	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
MR JUAN LÓPEZ-BELMONTE LÓPEZ		Proprietary	CHAIRMAN	27/07/2007	31/05/2017	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR JUAN LÓPEZ-BELMONTE ENCINA		Executive	CHIEF EXECUTIVE OFFICER	27/07/2007	31/05/2017	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR IVÁN JORGE LÓPEZ-BELMONTE ENCINA		Executive	1st DEPUTY CHAIRMAN	27/07/2007	31/05/2017	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR JAVIER LÓPEZ-BELMONTE ENCINA		Executive	2nd DEPUTY CHAIRMAN	27/07/2007	31/05/2017	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR JOSÉ FERNANDO DE ALMANSA MORENO-BARRERA		Independent	DIRECTOR	09/06/2015	12/06/2019	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR MARCOS PEÑA PINTO		Independent	INDEPENDENT COORDINATING DIRECTOR	09/05/2019	12/06/2019	GENERAL SHAREHOLDERS' MEETING RESOLUTION

Name of director	Natural person representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
MS FÁTIMA BÁÑEZ GARCÍA		Independent	DIRECTOR	20/12/2019	20/12/2019	CO-OPTION BY THE BOARD OF DIRECTORS

Total number of directors	7
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State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Name of director	Director type at time of leaving	Data of last appointment	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
MR MIGUEL CORSINI FREESE	Independent	29/05/2018	07/05/2019	APPOINTMENTS AND REMUNERATION COMMISSION & AUDIT COMMITTEE	YES
MR ENRIQUE CASTELLÓN LEAL	Independent	31/05/2017	20/12/2019	APPOINTMENTS AND REMUNERATION COMMISSION & AUDIT COMMITTEE	YES

Reason for leaving and other remarks

Mr. Enrique Castellón Leal resigned from his position as a director because 12 years had elapsed since he was appointed as a director of ROVI, which affected his classification as an independent external director.

D. Miguel Corsini Freese resigned from his position as a director due to, firstly, a series of personal circumstances (among them, health reasons that made it recommendable for him to reduce his professional activity) and, secondly, to facilitate the renewal of the Board of Directors, as mentioned in the 2018 Annual Corporate Governance Report, likewise taking account of the fact that he would have been an independent external director of ROVI for more than 12 years in 2020.

C.1.3 Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE DIRECTORS		
Name or company name of director	Post in organisational chart of the company	Profile
MR JUAN LÓPEZ-BELMONTE ENCINA	Executive (Chief Executive Officer and General Manager)	Mr López-Belmonte Encina graduated in Economic and Business Sciences, specialising in Auditing, from CEU San Pablo, Madrid in 1993. He is a shareholder of Norbel Inversiones, S.L., where he holds 26.67% of the share capital (this company is, in turn, ROVI's controlling shareholder), and General Manager and CEO of ROVI. He is the Deputy Chairman of the Governing Council and Management Board of Farmaindustria. Likewise, he

		was Chairman of the R&D&i Committee of the CEOE (Spanish Confederation of Business)
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EXECUTIVE DIRECTORS		
Name or company name of director	Post in organisational chart of the company	Profile
		Organisations) from March 2015 until the end of 2018. He began his professional career working in different pharmaceutical areas of relevant international pharmaceutical companies in the United States and United Kingdom. He has been working for the Company since 1994, was appointed General Manager in October 2001 and has been the Company's CEO since October 2007. He was initially appointed to the Company's Board of Directors on 27 July, 2007 when ROVI was first listed on the securities markets and was re-elected at the General Shareholders' Meetings held on 2012 and 2017. Currently, Mr López-Belmonte Encina is a member of the Boards of Directors of Norbel Inversiones, S.L., Norbepa Inversiones, S.L. and Alentia Biotech, S.L.
MR IVÁN JORGE LÓPEZ-BELMONTE ENCINA	Executive (Corporate Development Manager)	Mr López-Belmonte Encina graduated in Economic and Business Sciences, specialising in Auditing, from CEU San Pablo, Madrid in 1994. He is a shareholder of Norbel Inversiones, S.L., where he holds 26.67% of the share capital (this company is, in turn, ROVI's controlling shareholder) and First Deputy Chairman of ROVI's Board of Directors. He began his professional career in Germany, working in companies like Amersham, engaged in nuclear medicine, and Hexal AG, specialised in generics. He has been working for the Company since 1995 and has been ROVI's Corporate Development Manager since September 2007. He was initially appointed to the Company's Board of Directors on 27 July, 2007 when ROVI was first listed on the securities markets and was re-elected at the General Shareholders' Meetings held on 2012 and 2017. Currently, Mr López-Belmonte Encina is a member of the Boards of Directors of Norbel Inversiones, S.L. and Norbepa Inversiones, S.L., the joint and several administrator of Bertex Pharma GmbH, and Chairman and legal representative of Enervit Nutrition, S.L.
MR JAVIER LÓPEZ-BELMONTE ENCINA	Executive (Chief Financial Officer)	Mr López-Belmonte Encina graduated in Economic and Business Sciences from Colegio Universitario de Estudios Financieros (CUNEF), Madrid, specialising in Financing, in 1998. He obtained a joint Executive MBA from the University of Brown and the Instituto de Empresa in Madrid in 2017. He is a shareholder of Norbel Inversiones, S.L., where he holds 26.67% of the share capital (this company is, in turn, ROVI's controlling shareholder) and Second Deputy Chairman of ROVI's Board of Directors. He began his professional career in the banking sector in 1998, working for Argentaria, S.A. in the United Kingdom as an analyst, and in the pharmaceutical sector with Medeva Pharma, also in the United Kingdom. He joined ROVI in 2000 and has been Chief Financial Officer since 2001. He was initially appointed to the Company's Board of Directors on 27 July, 2007 when ROVI was first listed on the securities markets and was re-elected at the General Shareholders' Meetings held on 2012 and 2017. He has been Vice President of CEIM, a member of its Management Board and Chairman of its Health Commission. Likewise, he has been a member of the Social Council of the Universidad

		Autónoma de Madrid representing CEIM and a member of the Board of Trustees of Fundación Universidad Autónoma de Madrid, representing the Social Council of the Universidad Autónoma de Madrid. Currently, Mr López-Belmonte Encina is a member of the Board of Directors of Norbel Inversiones, S.L., CEO and secretary of Norbepa Inversiones, S.L., deputy secretary and director of Alentia Biotech, S.L. and secretary and director of Enervit Nutrition, S.L.
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Total number of executive directors	3
% of Board	42.86

PROPRIETARY DIRECTORS		
Name of director	Name or company name of the significant shareholder represented or that has proposed their appointment	Profile
MR JUAN LÓPEZ-BELMONTE LÓPEZ	NORBEL INVERSIONES, S.L.	Sr. López-Belmonte López graduated in Economic and Business Sciences from Universidad Complutense de Madrid in 1969 and is an insurance actuary. He is the Chairman of ROVI and a shareholder of Norbel Inversiones, S.L., where he holds 20% of the share capital (this company is, in turn, ROVI's controlling shareholder). He was President of the Madrid Chamber of Commerce from March 2016 to April 2018. Likewise, he has been President of Asociación para el Autocuidado de la Salud (ANEFP) and Vice President of Farmaindustria. He was appointed as a director of the Company on 27 July, 2007 when ROVI was first listed on the securities markets and re-elected at the General Meetings held on 2012 and 2017. Currently, Mr López-Belmonte is Chairman and a member of the Board of Directors of Norbel Inversiones, S.L., Norbepa Inversiones, S.L., Lobel y Losa Development, S.L., Inversiones Borbollón, S.L. and Alentia Biotech, S.L.

Total number of proprietary directors	1
% of total Board	14.29

INDEPENDENT DIRECTORS	
Name of director	Profile
MR JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	Mr Almansa Moreno-Barreda holds a degree in law from the University of Deusto (Bilbao). Diplomat. He joined the Diplomatic Service on 2 December, 1974. Between 1976 and 1992 he held different positions: Secretary of the Spanish Embassy in Brussels, Cultural Attaché at the Spanish Embassy in Mexico, Chief Director of the Coordination Section of the Subdirectorato-General for Eastern Europe, Director of Atlantic Affairs at the Directorate-General of Foreign Policy for Europe and Atlantic Affairs, Political Counsellor to the Permanent Representative of Spain on the North Atlantic Council in Brussels, Minister-Counsellor of the Spanish Embassy in the Soviet Union, Secretary General of the National Commission for the Fifth Centenary of the Discovery of America and Subdirector General for Eastern Europe, reporting to the Directorate-General of Foreign Policy for Europe. From 1993 to 2002, His Majesty King Juan Carlos I appointed him as Head of the Royal Household with the rank of minister and he was appointed as a privy councillor of His Majesty King Juan Carlos I. He was a member of the Board of Directors of Telefónica, S.A. from 2003 to 2016, holding the position of chairman of the International Affairs Commission of its Board and forming part of several subsidiaries of Telefónica, S.A. in Latin America as a Board member. Likewise, from 2003 until 2015, he formed part of the Board of the Mexican bank BBVA BANCOMER. Currently, he is a director of Telefónica Móviles, S.A. in Mexico. He has been a director of ROVI since 9 June, 2015, having been re-elected at the 2019 Ordinary General Meeting.
MR MARCOS PEÑA PINTO	Mr Peña Pinto holds a law degree from the Universidad Complutense de Madrid and passed the official examination to become a Technical Labour and Social Security Inspector. From 1984 to 1989, Mr Peña held the position of Labour Attaché at the Spanish Embassy in Italy. Subsequently, from 1991 to 1996, he was the Secretary-General for Health at the Ministry of Health and Consumption and Secretary General for Employment and Labour Relations at the Ministry of Labour. Between 2005 and 2006, he was appointed expert member of the Economic and Social Council, which he presided until April 2019. Likewise, Mr Peña Pinto has been a member of the Council of State due to his position as president of the Economic and Social Council. Regarding his other professional activities, it should be noted that Mr Marcos Peña is specialised in collective bargaining and has held the position of chairman of the Negotiation Committee for many collective labour agreements (e.g. Telefónica, Renfe, Repsol, Alcatel, Endesa, Astilleros, etc.). Furthermore, Mr Peña Pinto has been an arbitrator and mediator in various labour conflicts on a nationwide scale and is the author of numerous publications, often publishing articles with the written press. He was appointed as an independent director of the Company by co-option by the Board of Directors, accepting his appointment on 9 May, 2019, and re-elected at the Ordinary General Shareholders' Meeting of 12 June, 2019.
MS FÁTIMA BÁÑEZ GARCÍA	Ms Báñez García holds a combined degree in Law and Economic and Business Sciences from the Universidad Pontificia de Comillas -ICADE E-3- and continued her academic education with a postgraduate degree in Company Administration from the University of Harvard, Boston, MA, likewise completing the Public Management Leadership Programme at the IESE Business School. She was Minister of Employment and Social Security in the Spanish government from December 2011 to June 2018, and provisional Minister of Health, Social Services and Equality from August to November 2016. Also in the public area, she was member of the Spanish Congress of Deputies for Huelva (2009-2019), holding important responsibilities in the economic area of the Popular Parliamentary Group, as well as the position of chairperson of the Foreign Affairs Commission of the Lower Chamber (2018-2019). Previously, from November 1997 to June 2000, she was a member of the Board of Directors of Radio Televisión de Andalucía. She began her professional life

INDEPENDENT DIRECTORS	
Name of director	Profile
	in the private sector as head of Corporate Strategy and Development of her family's company group (1993-1997) and returned to private activity as a business consultant and advisor in November 2019. She has extensive international experience, having represented Spain on the EPSCO Council, at the G-20, at the Ibero-American Summits and at meetings of the OECD and ILO, as well as at international employment forums. She was appointed as a director of the company by co-option and accepted the position on 20 December, 2019.

Number of independent directors	3
% of the Board	42.86

State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

In this case, include a statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name of the director	Description of the relationship	Statement of the Board
No data		

OTHER EXTERNAL DIRECTORS			
Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders			
Name of director	Reason	Company, director or shareholder to whom the director is related	Profile
No data			

Total number of other external directors	N/A
% of the Board	N/A

State any changes in status that have occurred during the period for each director:

Name of Director	Date of change	Previous status	Current status
No data			

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				% of directors for each category			
	Year 2019	Year 2018	Year 2017	Year 2016	Year 2019	Year 2018	Year 2017	Year 2016
Executive					0.00	0.00	0.00	0.00
Proprietary					0.00	0.00	0.00	0.00
Independent	1				33.33	0.00	0.00	0.00
Other external					0.00	0.00	0.00	0.00
Total:	1				14.29	0.00	0.00	0.00

C.1.5 State whether the company has diversity policies in relation to the board of directors of the company on such questions as age, gender, disability and training and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

- Yes
 No
 Partial policies

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the board of directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been implemented, including results achieved

ROVI is committed to establishing and developing policies that include equal treatment and opportunities for women and men, with no direct or indirect gender-based discrimination, as well as driving and fomenting measures to attain true equality in the organisation, establishing equal opportunities as a strategic principle of its human resources policy.

ROVI has an Equality Plan that puts mechanisms in place in areas such as selection and recruitment, internal promotion and professional development, training, remuneration, work-life balance, gender violence and harassment prevention, and communication. ROVI reviews the Equality Plan annually.

When Royal Decree-Law 6/2019, of 1 March, on urgent measures to guarantee equal treatment and opportunities for women and men in employment and occupation was published, ROVI initiated the process of adapting its Equality Plan to said legislation. The Plan Negotiating Commission was created and will make a diagnosis, which will, if appropriate, be negotiated with the workers' legal representatives on issues concerning selection and recruitment processes, professional classification, training, professional promotion, working conditions (including a wage audit between women and men), co-responsibility in exercising the rights to personal, family and professional life, female under-representation, remuneration, and sexual harassment prevention.

ROVI's commitment to equality and non-discrimination is also included in the Company's Code of Ethics and in the principles that govern training programmes and actions. Furthermore, ROVI has a Protocol for the Prevention and Treatment of Cases of Moral and Sexual Harassment in the Workplace, which all the employees are obliged to know and respect.

For ROVI, the training and preparation of its employees is of crucial importance. The skills and abilities of a company's workers are determining factors in achieving the greatest efficiency possible and, therefore, the Company assigns significant resources to be invested in human capital. Consequently, ROVI encourages professional evolution and growth, as well as the preparation and training required to achieve it. In career plans and professional development, the involvement of both the person in question and their direct superior is indispensable.

Likewise, the company approved a Director Selection Policy intended to: (i) ensure that the proposals for the appointment and re-election of directors of the company are based on a prior analysis of the needs of the Board of Directors; and (ii) favour diversity of knowledge, experience and gender, in such a way that decision-making is enriched and plural viewpoints are contributed to the debates on the matters that fall within the scope of the Board's competence.

When selecting candidates for the position of director, the starting point will be an analysis of the needs of the Company and its group, which must be made by the Board of Directors, with advice and reports from the Appointments and Remuneration Commission (A&RC). The A&RC will assess the skills, knowledge and experience required of the Board candidates. In this respect, the A&RC will define the functions and abilities required of the candidates to fill each vacancy and will also assess the time and dedication needed to perform their tasks properly. In the selection process, any kind of implicit bias that might suggest discrimination and, in particular, that hinders the selection of persons of either gender will be avoided. In particular, the Selection Policy states that the company will strive for the number of female directors to represent 30% of total Board members in 2020.

When selecting Board candidates, the A&RC will ensure that the people proposed are honest and apt for the position, with recognised professional prestige, competence, experience, qualifications, training, availability and commitment to their duties, and that the composition of the Board is suitably balanced.

Regarding professional qualifications, the Policy requires candidates to have a university degree or at least five years' experience in administration, management, control or advisory functions in public or private entities with a similar size and requirements to the company. Furthermore, as guidance, the Board considers that, in general, directors should not be aged over 80.

Within the framework of the process to implement measures derived from Technical Guide 1/2019 of the National Securities Market Commission (CNMV) on Appointments and Remuneration Commissions and in the light of the planned change to certain recommendations of the Good Governance Code announced by the CNMV, the Company will assess the need to revise the aforementioned policies if necessary.

The Director Selection Policy was applied in 2019 to appoint two directors to fill vacancies left by the resignation of two independent directors. In this respect, following the proposal of the A&RC, the Board of Directors co-opted Mr Marcos Peña Pinto (who was subsequently re-elected by the General Meeting) and Ms Fátima Báñez García as directors.

- C.1.6 Describe the means, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates and which makes it possible to achieve a balance between men and women:

Explanation of means

The Appointments and Remuneration Commission assesses the skills, knowledge and experience necessary in candidates to form part of the Board, in accordance with the Regulations of the Board of Directors and the Regulations on the Appointments and Remuneration Commission. Specifically, as set out in the Director Selection Policy, the A&RC verifies that the selection procedures are not affected by any implicit bias that could imply some kind of discrimination and, in particular, that they do not hinder the selection of female directors.

The Company's Board of Directors is currently composed of the Company's three top executives, one proprietary director and three independent directors who enjoy recognised prestige, all of whom were appointed applying a professional criteria, irrespective of their gender.

The selection of directors to be appointed in the Company is based on the candidates' merits. In this respect, the Board of Directors and the

Appointments and Remuneration Commission, within their respective spheres of competence, will ensure that persons of recognised knowledge, competence and experience are chosen and both men and women who meet the aforementioned requirements may be included among the potential candidates.

When, in spite of any measures that have been adopted, the number of women directors is scant or nil, explain the reasons that justify this:

Explanation of the reasons

In 2019, as a consequence of the resignation of two directors, two selection processes for new directors were conducted, taking account of their education, qualities, experience and suitability. In one of the cases, a woman was appointed as an independent director. These appointments were the result of a prior analysis of the needs of the Board of Directors in the light of the two aforementioned resignations and were intended to favour diversity of knowledge, experience and gender on the Board, in such a way as to enrich decision-making and contribute plural viewpoints to the debates on the matters that fall within the scope of the Board's competence, all of which is in accordance with ROVI's Director Selection Policy.

C.1.7 Describe the conclusions of the appointments committee regarding verification of compliance with the selection policy for directors; in particular, as it relates to the goal of ensuring that the number of female directors represents at least 30% of the total membership of the Board of Directors by the year 2020.

ROVI's Director Selection Policy states that the Company will strive for the number of female directors to represent at least 30% of the total Board of Directors in 2020. To help reach this goal, the Company appointed one female director in 2019, Ms Fátima Báñez García.

C.1.8 If applicable, please explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name of shareholder	Reason
No data	

State whether the Board has failed to meet any formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed. If this is the case, please explain why the aforementioned requests were not met:

- Yes
 No

C.1.9 State the powers delegated by the Board of Directors, as the case may be, to directors or Board committees:

Name of director or committee	Brief description
Juan López-Belmonte Encina	Chief Executive Officer. He holds all the powers and authorisations that may be delegated by law, as set out in the deed entering corporate resolutions into public record dated 21 June, 2017.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or executives in other companies in the group of which the listed company is a member:

Name of director	Name of group member	Position	Do they have executive powers?
MR JUAN LÓPEZ-BELMONTE ENCINA	PAN QUÍMICA FARMACÉUTICA, S.A	Representative Laboratorios Farmacéuticos Rovi, S.A.	Yes

Name of director	Name of group member	Position	Does the director have executive powers?
MR JUAN LÓPEZ-BELMONTE ENCINA	ROVI PHARMA INDUSTRIAL SERVICES, S.A.	Representative Laboratorios Farmacéuticos Rovi, S.A.	YES
MR JUAN LÓPEZ-BELMONTE ENCINA	GINELADIUS, S.L.	Representative Laboratorios Farmacéuticos Rovi, S.A.	YES
MR JUAN LÓPEZ-BELMONTE ENCINA	ROVI ESCÚZAR, S.L.	Representative Laboratorios Farmacéuticos Rovi, S.A.	YES
MR IVÁN JORGE LÓPEZ-BELMONTE ENCINA	BERTEX PHARMA GMBH	Joint & Several Administrator	YES
MR IVÁN JORGE LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH LIMITED	Sole Administrator	YES
MR IVÁN JORGE LÓPEZ-BELMONTE ENCINA	ROVI GMBH	Sole Administrator	YES
MR JUAN LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH SRL	Representative Laboratorios Farmacéuticos Rovi. S.A.	YES
MR JUAN LÓPEZ-BELMONTE ENCINA	ROVI S.A.S.	Representative Laboratorios Farmacéuticos Rovi, S.A.	YES
MR IVÁN JORGE LÓPEZ-BELMONTE ENCINA	ROVI S.A.S.	Representative Laboratorios Farmacéuticos Rovi, S.A.	YES
MR JAVIER LÓPEZ-BELMONTE ENCINA	ROVI S.A.S.	Representative Laboratorios Farmacéuticos Rovi, S.A.	YES
MR JUAN LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH SP. ZO.O.	Chairman of the Board of Directors	YES
MR IVÁN JORGE LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH SP. ZO.O.	First Deputy Chairman of the Board of Directors	YES
MR JAVIER LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH SP. ZO.O.	Second Deputy Chairman of the Board of Directors	YES

Laboratorios Farmacéuticos ROVI, S.A. is Sole Administrator of the ROVI Group subsidiaries Gineladius, S.L., Pan Química Farmacéutica, S.A., Rovi Pharma Industrial Services S.A. and Rovi Biotech S.R.L., having appointed Mr Juan López-Belmonte Encina as its + representative. As a consequence of an internal reorganisation of the ROVI Group to concentrate all its toll manufacturing activity, in November 2019, Laboratorios Farmacéuticos Rovi, S.A., the sole shareholder of the companies Frosst Ibérica S.A.U., Rovi Contract Manufacturing S.L.U. and Bemipharma Manufacturing S.L.U., conducted a transaction whereby the companies Rovi Contract Manufacturing S.L.U. and Bemipharma Manufacturing S.L.U. ("absorbed companies") were absorbed by the company Frosst Ibérica S.A.U. ("absorbing company"). Simultaneously, Frosst Ibérica S.A.U. changed its name to Rovi Pharma Industrial Services S.A.U. Likewise, a new company called Rovi Escúzar, S.L. has been incorporated and, at the date of approval of this Report, is in the registration phase at the Companies Registry.

C.1.11 List any directors or representatives of legal-entity directors of your company who are members of the Board of Directors representatives of legal-entity directors of other companies listed on official securities markets other than group companies, and have communicated that status to the Company:

Name of director	Name of listed company	Position
No data		

C.1.12 State whether the company has established rules on the maximum number of boards of other companies on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

- Yes
 No

Explanation of the rules and identification of the document where this is regulated

Article 17 of ROVI's Regulations of the Board of Directors, which incorporates Recommendation 25 of the Good Governance Code, limits to ten the number of company boards of which its directors may form part (an a limit of eight if they are companies whose shares are traded on Spanish or foreign stock exchanges). The latter excludes positions that directors may hold in certain cases and a provision is made for the possibility that, depending on the circumstances of each case, the Appointments and Remuneration Commission may expressly authorise the director otherwise.

C.1.13 Indicate the amounts for the items regarding the overall remuneration for the board of directors:

Remuneration accrued by the board of directors during the year (thousand euros)	1,704
Amount of vested pension interests accumulated by r current members (thousand euros)	862
Amount of vested pension interests accumulated by former members (thousand euros)	

ROVI's General Shareholders' Meeting held on 12 June, 2019 approved a maximum annual remuneration for the members of the Board of Directors in their capacity as such (i.e. excluding the remuneration of the executive directors for performing their executive and senior management functions) of 622,463 euros for 2019. Likewise, the General Meeting delegated the distribution of said sum amongst the directors to the Board, taking into account the functions and responsibilities assigned to each director, whether or not they sit on Board committees, and other objective circumstances deemed relevant.

C.1.14 Identify senior management staff who are not executive directors and their total remuneration accrued during the year:

Name	Position
MR PEDRO CARRETERO TRILLO	Hospital Network Manager
MS ARÁNZAZU LOZANO PIRRONGELLI	Internal Audit
MR FERNANDO MARTÍNEZ GARIJO	Sales Effectiveness Manager
MR MIGUEL ÁNGEL CASTILLO SAN ROMÁN	International & Business Development Manager

Name	Position	
MR FRANCISCO JAVIER ANGULO GARCÍA	Human Resources Manager	
MS MERCEDES BENÍTEZ DEL CASTILLO SÁNCHEZ	Legal Department Manager	
MR MIGUEL ÁNGEL ORTEGA SÁNCHEZ	Industrial Manager	
MR IBÓN GUTIERRO ADÚRIZ	Pre-clinical Research Manager	
MS M. ROSARIO PERUCHA PÉREZ	Marketing Manager	
MS BEATRIZ ÁVILA ALCALDE	Sales Manager	
Total senior management remuneration (thousand euros)		1,894

Mr Pablo Domínguez Jorge performed senior management functions until 28 October and, therefore, the total amount of senior management remuneration includes the sum received by Mr Domínguez Jorge in 2019 until said date.

C.1.15 State whether any amendments have been made to the board regulations during the year:

- Yes
 No

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. Detail the competent bodies, steps to follow and criteria applied in each procedure.

According to Chapter VI of the Regulations of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A. (articles 17 to 21, inclusive), the appointment and removal of directors is regulated as follows:

- a) Appointment: directors will be appointed and re-elected (i) at the proposal of the Appointments and Remuneration Commission in the case of independent directors; and (ii) with a prior report from the Appointments and Remuneration Commission in all other cases, by the General Meeting or the Board of Directors in accordance with legal provisions and the director selection policies approved by the Board at any given moment. The Board and the Appointments and Remuneration Commission will ensure that the director selection procedures favour diversity of gender, experience and knowledge and do not show any implicit bias that hinders the selection of female directors. Any director may ask the A&RC to consider potential candidates to fill director vacancies in his or her opinion they are suitable candidates. The Board of Directors and the A&RC, within the scope of their competencies, will strive for the candidates selected to be persons with recognised knowledge, competence and experience and must be particularly strict in relation to candidates that may fill the position of independent directors.
- b) Term of office: directors will hold office for four years, at the end of which they may be re-elected one or more times for periods with the same maximum duration. Directors' appointments will expire when, after the term has expired, either the following General Meeting has been held or the legal period allowed for holding the Meeting that should approve the preceding year's accounts has elapsed. Directors appointed by co-option must have their appointment ratified at the first General Meeting held after they are appointed to the position. Directors whose term of office ends or who cease to be directors for any other reason may not be a director or hold management positions in any other entity that has a corporate purpose analogous to that of the Company during a period of two years. The Board of Directors may, if it sees fit, release the outgoing director from this obligation or shorten its duration.
- c) Re-election: before proposing the re-election of directors to the General Meeting, the Appointments and Remuneration Commission and the Board of Directors will assess the quality of the work and the dedication to the position of the directors proposed during the preceding term of office.
- d) Evaluation: the A&RC evaluates the skills, knowledge and experience necessary on the Board, defining, in consequence, the functions and abilities necessary in the candidates to fill each vacancy, and evaluates the time and dedication required for them to perform their task properly. The Board of Directors, in a plenary session, evaluates likewise: (i) the quality and efficiency of its own operation; (ii) the performance of their functions by the Chairman of the Board and the Company's chief executive, on the basis of a report that the A&RC submits to it; (iii) the operation and composition of the Board committees, on the basis of reports submitted to it by said committees; and (iv) the diversity of the composition and skills of the Board and the performance and contribution of each director, paying special attention to those responsible for the different committees.
- e) Removal of directors: directors will leave the Board when the period for which they were appointed has expired and when the General Meeting thus decides using the powers it holds by law or in accordance with the Bylaws and when they tender their resignation. Directors must offer to resign and, if the Board sees fit, do so under a series of circumstances set out in the Regulations of the Board. In the event that, due to resignation or any other reasons, a director leaves the Board before their term of office expires, they must explain the reasons in a letter that they will send to all the Board members. The Board of Directors may only propose the removal of an independent director before the bylaw-stipulated term expires when the Board considers there to be a fair reason subsequent to a report from the Appointments and Remuneration Commission. In particular, a fair reason will be deemed to exist when the director comes to hold new positions or acquires new obligations that prevent them from devoting the time necessary to the functions inherent to the position of director, they do not comply with the duties inherent to their position, or are affected by any of the circumstances that cause them to lose their independent status in accordance with the applicable legislation.

C.1.17 Explain how the annual evaluation of the Board has given rise to significant changes in its internal organisation and to procedures applicable to its activities:

Description of changes

ROVI's Board of Directors, in a plenary session, evaluated the quality and efficiency of its operation on the basis of a report prepared by the Appointments and Remuneration Commission, in accordance with article 5.7 of the Regulations of the Board of Directors. No significant changes in the Board's internal organisation or the procedures applicable to its activities have derived from said evaluation.

Describe the evaluation process and the areas evaluated by the Board of Directors with the help, if any, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas

ROVI's Board of Directors evaluated internally (i) the quality and efficiency of its operation; (ii) the performance of their functions by the Chairman of the Board and the Company's chief executive, based on a report submitted by the Appointments and Remuneration Commission; (iii) the operation of its committees, based on the reports submitted to it by said committees; and (iv) the diversity in the Board's composition and skills and the performance and contribution of each director, paying special attention to those responsible for the different committees. To this end, the directors completed an individual questionnaire prepared for the purpose and the chairpersons of each one of the committees met with the rest of the committee members individually, and the chairperson of the Appointments and Remuneration Commission talked to all the Commission members to find out their opinion on how both the Chairman of the Board and the chief executive (the CEO) performed their functions in 2019, all of which was organised and coordinated by the Chairman of the Board. Lastly, in relation to the diversity of the composition and skills of the Board, they are in line with the provisions of both the Corporate Enterprises Act and the recommendations of the Good Governance Code of Listed Companies approved by the CNMV.

The evaluation of the Board of Directors, carried out with the assistance of the external consultant PricewaterhouseCoopers Auditores, S.L. is contained in the 2017 Annual Corporate Governance Report, complying with recommendation 36 of the Good Governance Code of Listed Companies.

C.1.18 Describe, in those years in which the external advisor has participated, the business relationships that the external advisor or any group company maintains with the company or any company in its group.

Does not apply because the Board of Directors performed the evaluation without the assistance of an external advisor.

C.1.19 State the situations in which directors are required to resign.

According to article 21 of the Regulations of the Board of Directors, directors must offer to resign and, if the Board sees fit, do so in the following cases:

- a) When they cease to hold the executive positions to which their appointment as directors was associated.
- b) When they are affected by any of the causes of incompatibility or prohibition provided for by law.
- c) When they receive a serious reprimand from the Board of Directors because they have not complied with their obligations as directors.
- d) When their remaining on the Board may jeopardise or damage the interests, prestige or reputation of the Company, they lose the professional good repute necessary to be a director of the Company, or the reasons for which they were appointed no longer exist (e.g. when a proprietary director disposes of their interest in the Company.)
- e) In the case of independent directors, they may not hold this status for a continuous period of more than 12 years and, therefore, after said term, they must offer their resignation to the Board of Directors and resign.
- f) In the case of proprietary directors (i) when the shareholder whom they represent sells its entire shareholding; and, likewise (ii) the corresponding number of directors must resign when said shareholder reduces its shareholding to a level that requires a reduction in the number of proprietary directors.

C.1.20 Are qualified majorities other than those established by law required for any specific decision?:

- Yes
 No

If so, please describe the differences.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, to be appointed as chairman of the board of directors:

- Yes
 No

C.1.22 State whether the articles of association or the board rules establish any limit as to the age of directors:

- Yes
 No

As guidance, the Board considers that the directors should not, in general, be aged over 80.

C.1.23 State whether the articles of association or the board rules establish any term limits for independent directors other than those required by law:

- Yes
 No

C.1.24 State whether the articles of association or board rules establish specific proxy rules for votes at board meetings in favor of other board members the procedure for doing so and, in particular, the maximum number of proxies a director may hold, as well as whether any restriction has been established as regards the categories of director that may be appointed as proxies, beyond the limits imposed by law. . If so, please briefly describe the rules.

According to article 16 of the Regulations of the Board, when directors cannot attend Board meeting in person, they will grant written proxy to another Board member specifically for each meeting, including the appropriate instructions and notifying the Board Chairman accordingly. Notwithstanding the foregoing, non-executive directors may only grant proxy to another non-executive director.

C.1.25 State the number of meetings held by the board of directors during the year, and if applicable, the number of times the board met without the chairman present. Meetings where the chairman sent specific proxy instructions are to be counted as attended.

Number of Board meetings	8
Number of Board meetings without the chairman	0

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	15
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Please specify the number of meetings held by each committee of the board during the year:

Number of meetings of Audit Committee	8
Number of meetings of Appointments and Remuneration Commission	7

In 2019, the Chairman of the Board of Directors attended all the Board meetings.

Mr Enrique Castellón, ROVI's coordinating director during 2019, was a member of the Audit Committee and the Appointments and Remuneration Commission, which are composed solely of independent directors. Therefore, on the occasions that these committees met, the coordinating director held 15 meetings with ROVI's independent directors during the year.

C.1.26 State the number of meetings held by the board of directors during the year in which all of its directors were present:

Number of meetings with in-person attendance of at least 80% of the directors	8
% in-person attendance of the total votes during the year	100.00
Number of meetings with either in-person attendance or proxies granted with specific instructions by all the directors	8
% of votes cast in person or by proxy with specific instructions out of the total votes during the year	100.00

C.1.27 State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

- Yes
 No

Identify, if applicable, the person/s who certified the individual and consolidated financial statements of the company for preparation by the Board:

C.1.28 Explain any measures established by the board of directors to prevent the individual and consolidated financial statements prepared by the board from being submitted to the general shareholders' meeting with a qualified audit opinion.

Article 40 of the Regulations of the Board of Directors states that the Board will strive to approve the accounts definitively in such a way that no qualifications in the audit opinion are required. In exceptional cases where they exist, both the Audit Committee chairperson and the external auditors will clearly explain the content of said reservations and qualifications to the shareholders. Notwithstanding, when the Board considers that it should uphold its point of view, it will explain the content and scope of the discrepancy publicly. In order to avoid the individual and consolidated accounts approved by the Board of Directors are submitted to the General Meeting with qualifications in the audit opinion, article 13 of the Regulations of the Board of Directors and article 6 of the Regulations of the Audit Committee state that

the Audit Committee must, among other aspects: -Review the Company's accounts; -Monitor compliance with legal requirements and the proper application of generally accepted accounting principles; -Review the regular financial information that the Board must provide to the markets and their supervisory bodies; -Oversee the process of preparing and presenting the regulatory financial information regarding the Company and the Group and the integrity of such information, reviewing compliance with legal requirements, the accurate demarcation of the consolidation perimeter and the proper application of accounting principles, and submit recommendations or proposals to the Board of Directors aimed to safeguard its integrity; and -Periodically review and supervise the internal control and risk management systems, as well as their efficacy, so that the principal risks are identified, managed and made known appropriately.

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

- Yes
 No

If the secretary is not a director, please complete the following table:

Name of secretary	Representative
MR GABRIEL NÚÑEZ FERNÁNDEZ	

C.1.30 State the concrete measures established by the entity to ensure the independence of its external auditors and, if any, those regarding the independence of financial analysts, investment banks, and rating agencies, including how legal provisions have been implemented in practice.

The Regulations of the Board of Directors state that the Audit Committee has the duty of submitting the proposals for the selection, appointment, re-election and replacement of the account auditors, assuming responsibility for the selection process and their engagement conditions. Furthermore, according to the Regulations of the Board, the Audit Committee is responsible for the Company's notifying the CNMV of the change in auditor as a material event, which will be accompanied by a statement on the possible existence of disagreements with the outgoing auditor and, if any such disagreements existed, the content thereof; and, in order to preserve the auditor's independence, article 13 of the Regulations of the Board of Directors and article 6 of the Regulations of the Audit Committee state that the Audit Committee should: (i) Establish the appropriate relations with the external auditors to receive information on any issues that might represent a threat to their independence. (ii) Issue annually, prior to issuance of the statutory audit report, a report expressing an opinion on whether the independence of the account auditors or audit firms has been jeopardised. This report must make a pronouncement on the provision of additional services by the account auditors. (iii) Supervise compliance with the audit contract, striving for the opinion on the annual accounts and the main contents of the audit report to be worded clearly and precisely, and evaluate the results of each audit. (iv) In the event that the external auditor resigns, examine the circumstances that caused this. (v) Ensure that the remuneration of the external auditor for its work does not jeopardise either quality or independence. (vi) Ensure that the external auditor holds, annually, one meeting with the Board of Directors in a plenary session to report on the work performed and the evolution of the Company's accounting and risk situation. (vii) Ensure that the Company and the external auditor respect current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, any other rules on auditor independence.

C.1.31 State whether the company changed its external auditor during the year. If so, please identify the incoming and outgoing auditor:

- Yes
 No

If there were any disagreements with the outgoing auditor, please provide an explanation:

- Yes
 No

C.1.32 State whether the audit firm provides any non-audit services to the company and/or its group and, if so, the fees paid and the corresponding percentage of the total fees invoiced to the company and/or group:

Yes
 No

	Company	Group companies	Total
Amount invoiced for non-audit services (thousand euros)	20	0	20
Amount invoiced for non-audit services/Amount for audit work (in %)	15.15	0.00	10.00

The fees accrued by KPMG Auditores, S.L. for audit services and other accounting review and verification services provided in 2019 were 200 thousand euros (132 thousand euros of which relate to ROVI as the parent company). Likewise KPMG Auditores, S.L. provided services of reviewing the statement of non-financial information for an amount of 20 thousand euros.

C.1.33 State whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the chairman of the audit committee to explain the content and extent of the aforementioned qualified opinion or reservations.

Yes
 No

C.1.34 State the number of consecutive years the current audit firm has been auditing the financial statements of the company and/or group. Furthermore, state the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	3	3

	Individual	Consolidated
Number of years audited by the current audit firm/Number of fiscal years the company has been audited (by %)	10.00	13.04

C.1.35 State whether there is a procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time and provide details if applicable:

Yes
 No

Explanation of procedure

Article 15.3 of the Regulations of the Board states that notice of the meetings of said body must be given at least three days in advance and will always include the meeting's agenda and be accompanied by the relevant information, duly summarised and prepared. The agenda must clearly state the items on which the Board of Directors will have to adopt a decision or resolution. The Chairman, as the person responsible for the efficient operation of the Board, will ensure that the directors receive said information appropriately. Likewise, article 22 of the Regulations of the Board states that a director may contact the Secretary of the Board of Directors to request information on any matter that falls within scope of the Board's competence and, in this respect, examine its books, records, documents and other documentation. The right to information includes the Company's subsidiaries whenever possible. The Secretary will pass the request to the Board Chairman and the appropriate interlocutor in the Company. The Secretary will warn the director of the confidential nature of the information requested and received and of his/her duty of confidentiality, as provided for in the Regulations of the Board.

C.1.36 State whether the company has established rules whereby directors must provide information regarding and, if applicable, resign, in circumstances that may damage the company's standing and reputation. If so, provide details:

- Yes
 No

Explain the rules

According to article 32 of the Regulations of the Board, directors must inform the Board of Directors of any criminal proceedings in which they are investigated and of subsequent developments in such proceedings. Likewise, if a director is prosecuted or an order to commence proceedings for any of the offences mentioned in the Law is issued against him or her, the Board must examine the case as soon as possible and, in the light of the specific circumstances, decide whether or not the director should remain on the Board. Additionally, directors should offer to resign and, if the Board sees fit, do so in the following cases provided for in article 21.2 of the Regulations of the Board: -When they cease to hold the executive positions to which their appointment as directors was associated; -When they are affected by any of the causes of incompatibility or prohibition provided for by law; -When they receive a serious reprimand from the Board of Directors because they have not complied with their obligations as directors; -When their remaining on the Board may jeopardise or damage the interests, prestige or reputation of the Company, they lose the professional good repute necessary to be a director of the Company or the reasons for which they were appointed no longer exist (e.g. when a proprietary director disposes of their interest in the Company); -In the case of independent directors, they may not hold this status for a continuous period of more than 12 years and, therefore, after said term, they must offer their resignation to the Board of Directors and resign; -In the case of proprietary directors (i) when the shareholder whom they represent sells its entire shareholding; and, likewise (ii) the corresponding number of directors must resign when said shareholder reduces its shareholding to a level that requires a reduction in the number of proprietary directors.

C.1.37 State whether any member of the Board of Directors has notified the company that he or she has been tried or notified that legal proceedings have been filed against him or her, for any offences described in Article 213 of the LSC:

- Yes
 No

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

There are no significant agreements of this nature, although, due to the large number of contracts signed by the Company, the possibility that some of them may include clauses that provide for amendments thereto or the termination thereof in the event of corporate operations that entail changes in control over the Company cannot be ruled out.

C.1.39 Identify individually for directors, and generally in other cases, and provide detail of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of beneficiaries	3
Beneficiary	Description of agreement
MR JUAN LÓPEZ-BELMONTE ENCINA, MR IVÁN LÓPEZ-BELMONTE ENCINA AND MR JAVIER LÓPEZ-BELMONTE ENCINA	-Mr Juan López-Belmonte Encina: the Company holds a service agreement with the chief executive officer. In particular, regarding the causes for termination of the contract and the consequences thereof, if the contractual relationship ends a provision is made for an indemnity to the director of a gross sum equivalent to two years of the fixed remuneration that the director is receiving at the time the contract terminates, except in the cases of (i) resignation from the position of director for reasons other than those included in the contract or (ii) revocation by the Company due to the director's failure to perform the duties established by law, contract or internal regulations, or the existence of a cause for fair dismissal in accordance with labour legislation (apart from unilateral termination by the employer). – Messrs Iván López-Belmonte Encina and Javier López-Belmonte Encina: the Company has signed employment contracts with these executive directors. In particular, regarding causes for termination of the contracts and the consequences thereof, the employment contracts refer to the provisions of the Workers' Statute.

State if these contracts have been communicated to and/or approved by management bodies of the company or of the Group. If they have, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of directors	General shareholders' meeting
Body authorising the severance clauses	√	
	Yes	No
Are these clauses notified to the General Shareholders' Meeting?	√	

In order to meet the provisions of article 249 of the Capital Companies Law, the aforementioned executive director contracts were approved by the Board of Directors before they were signed, with the vote in favour of two thirds of the members (specifically, a unanimous vote on the part of the directors). The director involved in each case abstained from attending the deliberations and voting.

C.2. Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their membership, and the proportion of executive, proprietary, independent and other external directors that comprise them:

Audit Committee		
Name	Post	Category
MR MARCOS PEÑA PINTO	CHAIRPERSON	Independent
MS FÁTIMA BÁÑEZ GARCÍA	MEMBER	Independent
MR JOSÉ FERNANDO DE ALMANSA MORENO- BARREDA	MEMBER	Independent

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

Explain the functions, including, where applicable, the additional ones to those legally envisaged, attributed to this committee and describe its procedures and organizational and operating rules. For each one of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The rules of organisation and operation of the Audit Committee ("AC") are set out in articles 47 of the Corporate Bylaws and 13 of the Regulations of the Board of Directors, as well as in the Committee's own Regulations approved in 2017. The AC will be formed by a minimum of three and a maximum of five directors appointed from among the non-executive directors. They must be appointed, particularly the chairperson, taking account of their knowledge and experience in accounting, auditing or risk management. At any event, at least a majority of the AC members must be independent. Overall, the AC members must have the relevant technical knowledge in relation to the sector of activity to which the Company belongs.

The Chairperson of the AC will necessarily be an independent director and must be replaced every four years. The AC meets quarterly, in order to review the regular financial information that must be sent to the CNMV to be published, as well as the information that the Board must approve and include in the annual public documentation. Likewise, it will meet at the request of any of its members and whenever its Chairperson calls a meeting, which he or she must do whenever the Board or the Board Chairman requests a report be issued or proposals adopted; and when it is convenient for fulfilment of its functions. These meetings will be attended by (i) when the AC members consider it appropriate, members of the Company's management team or personnel, (ii) the internal auditors whenever financial information (annual or interim) is to be published, i.e. twice a year. Likewise, the AC will obtain the advice of other external experts when it considers this necessary.

The AC reports on its activity and assumes responsibility for the work performed at the first Board of Directors meeting held after its own meetings and it keeps minutes with its meetings, a copy of which is sent to all Board members. Likewise, it prepares an annual report on its operation. Basic functions: (i) To inform at the General Shareholders' Meeting on any questions raised in relation to subjects that fall within the scope of the AC's competence and, in particular, on the result of the audit, explaining how it has contributed to the integrity of the financial information and the role that the AC has played in this process; (ii) To submit to the Board of Directors proposals for the selection, appointment, re-election and replacement of the accounting auditors, assuming responsibility for the selection process and engagement conditions, and regularly obtain information on the audit plan and the execution thereof from the auditor, in addition to preserving the auditor's independence in the course of its functions; (iii) To oversee the internal audit systems; (iv) To review the Company's accounts, monitor compliance with legal requirements and the proper application of generally-accepted accounting principles; (v) To supervise the risk control and management policy; (vi) To supervise compliance with the audit contract, striving for the opinion on the annual accounts and the main contents of the audit report to be worded clearly and precisely, and evaluate the results of each audit; (vii) To receive information on structural and corporate changes that the Company plans to make in order to analyse them and provide the Board with a prior report on their economic conditions and accounting impact and, in particular, where applicable, on the proposed exchange ratio; (viii) To examine compliance with the Company's governance rules and make the proposals necessary to improve them, including the periodic evaluation of the Company's corporate governance system to ensure that it performs its mission of promoting the Company's interests, while taking account of, as appropriate, the lawful interests of the other stakeholders; (ix) To review the corporate social responsibility policy, ensuring that it is directed toward value creation, monitoring corporate social responsibility strategy and practices and evaluating the degree to which they are met; (x) To supervise and evaluate the processes in relations with the different stakeholder groups; and (xi) To receive information and, where appropriate, issue reports on disciplinary measures it is intended to impose on members of the Company's senior management team.

The AC Annual Report for 2019, which will be made available to all shareholders on ROVI's website, summarises the most important actions carried out by the AC in said year. It states that the Report was drawn up in accordance with the aspects set out in the CNMV's Technical Guide 3/2017 on audit committees in public-interest entities.

Identify the members of the audit commission who has been appointed due to his/her knowledge and experience in accounting, auditing or both and state the number of years for which the chairperson of this commission has been in said position.

Names of directors with experience	MR MARCOS PEÑA PINTO
Date of appointment of chairperson	12/06/2019

Appointments and Remuneration Commission		
Name	Post	Category
MR JOSÉ FERNANDO DE ALMANSA MORENO- BARREDA	CHAIRPERSON	Independent
MS FÁTIMA BÁÑEZ GARCÍA	MEMBER	Independent
MR MARCOS PEÑA PINTO	MEMBER	Independent

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

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The rules of organisation and operation of the Appointments and Remuneration Commission ("A&RC") are set out in article 14 of the Regulations of the Board of Directors and in the Commission's own Regulations approved in 2019. The A&RC will be formed by a minimum of three directors and a maximum of five, appointed from among the non-executive directors, and at least a majority of the members will be independent. The members will be appointed by the Board of Directors taking account of their knowledge, skills and experience in relation to the tasks they are required to perform.

The Chairperson will necessarily be an independent director and must be replaced every four years.

The A&RC meets quarterly and must likewise meet whenever its Chairperson calls a meeting, which he or she must do whenever the Board or the Board Chairman requests a report be issued or proposals adopted; and when it is convenient for fulfilment of its functions.

The Commission may obtain the advice of external experts when it considers this necessary.

The A&RC reports on its activity and assumes responsibility for the work performed at the first Board of Directors meeting held after its own meetings and it keeps minutes of its meetings, a copy of which is sent to all Board members.

The A&RC annually submits to the Board, to be evaluated at a Board meeting, a report on the performance of their functions by the Chairman of the and the Company's chief executive, as well as a report on the operation of the A&RC itself.

Likewise, it annually prepares and submits to the Board a report on director remuneration to be approved and subsequently put to a consultative ballot at the General Shareholders' Meeting.

Basic functions: (i) To evaluate the skills, knowledge and experience necessary on the Board; (ii) To submit to the Board of Directors proposals for the appointment of independent directors to be co-opted to the Board or submitted for the decision of the General Shareholders' Meeting; (iii) To report to the Board of the proposals for the appointment of the other directors to be co-opted to the Board or submitted for the decision of the General Shareholders' Meeting; (iv) To report to the Board on proposals for the appointment and removal of senior management and the basic conditions of their contracts; (v) To report to the Board on gender diversity issues and director qualifications. In this respect, it will set a target

for representation of the gender with less representation on the Board of Directors and will draw up guidance on how to achieve said goal; (v) To propose to the Board of Directors: (a) the remuneration policy for directors or general managers or those who perform senior management functions reporting directly to the Board, executive commissions or executive officers; and (b) the individual remuneration of the executive directors and the other conditions of their contracts; (vii) To verify observance of the remuneration policy established by the Company; (viii) To organise the succession of the Chairman and the Chief Executive; (ix) To ensure the transparency of the remuneration and verify the information on the remuneration of directors and senior management contained in the various corporate documents; (x) To co-ordinate the non-financial and diversity information reporting process, in accordance with the applicable legislation and the relevant international standards; (xi) To ensure that any conflicts of interest do not harm the independence of the external advice provided to the Commission; (xii) To supervise the strategy of communication and relations with shareholders and investors, including small and medium-sized shareholders; and (xiii) To review the Company's corporate responsibility policy, ensuring that it is directed towards value creation.

The A&RC's annual report for 2019, which will be made available to all shareholders on ROVI's website, summarises the most important actions carried out by the AC in said year. It states that the Report was drawn up in accordance with the aspects set out in the CNMV's Technical Guide 1/2019 on appointments and remuneration commissions in public-interest entities.

C.2.2 Complete the following table with information regarding the number of female directors who were members of board committees at the close of the past four years:

	Number of female directors							
	Year 2019		Year 2018		Year 2017		Year 2016	
	No.	%	No.	%	No.	%	No.	%
Audit Committee	1	33.33	0	0.00	0	0.00	0	0.00
Appointments & Remuneration Commission	1	33.33	0	0.00	0	0.00	0	0.00

C.2.3 State, where applicable, the existence of any regulations governing board committees, where these regulations may be found, and any amendments made to them during the year. Also state whether any annual reports on the activities of each committee have been voluntarily prepared.

Committee name
AUDIT COMMITTEE

Brief description

The rules of organisation and operation of the Audit Committee are set out in the Corporate Bylaws and the Regulations of the Board of Directors, which may be consulted on the Company's website (www.rovi.es). Furthermore, since November 2017, the Company has Regulations of the Audit Committee in accordance with the provisions of the CNMV's Technical Guide 3/2017, which may also be consulted on the Company's website. The Audit Committee prepares an annual report (which is made available to shareholders on the Company's website when notice of the General Meeting is given), which highlights the main activities and incidents, if any, that have taken place during the year in relation to its sphere of competence. Likewise, when the Audit Committee sees fit, said report will include proposals to improve the Company's governance rules.

Committee name

APPOINTMENTS AND REMUNERATION COMMISSION

Brief description

The rules of organisation and operation of the Appointments and Remuneration Commission are set out in the Corporate Bylaws and the Regulations of the Board of Directors, which may be consulted on the Company's website (www.rovi.es). Furthermore, since November 2019, the Company has Regulations of the Appointments and Remuneration Commission in accordance with the provisions of the CNMV's Technical Guide 1/2019, which may also be consulted on the Company's website.

The Appointments and Remuneration Commission prepares an annual report (which is made available to shareholders on the Company's website when notice of the General Meeting is given), which highlights the main activities and incidents, if any, that have taken place during the year within its sphere of competence. Likewise, when the Commission sees fit, said report will include proposals to improve the Company's governance rules.

D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1. Describe, if applicable, the procedure for approval of related-party and intragroup transactions.

According to articles 47 of the Corporate Bylaws, 13 of the Regulations of the Board of Directors and 10 of the Regulations of the Audit Committee, the Audit Committee is responsible for supervising compliance with the legislation on related-party transactions, ensuring that the obligatory communications to the market are carried out providing prior reports to the Board of Directors when it is going to make decisions on related-party transactions. Likewise, article 33 of the Regulations of the Board of Directors states any transaction the Company, or any company belonging to its group, performs with the directors, in the terms legally provided for, or with shareholders who hold, either individually or on a concerted basis with others, significant interests as defined in stock market legislation, including shareholders represented on the Board of Directors of the Company or other companies that form part of the same group, or with persons related thereto, will require the authorisation of the Board of Directors, subject to a prior report in favour from the Audit Committee. The directors affected or who represent or are related to the shareholders affected must refrain from taking part in the deliberations and voting on the resolution in question. Notwithstanding, this authorisation is not required in those related-party transactions that simultaneously meet three conditions: (i) they are carried out under contracts with standard conditions applied to a large number of customers; (ii) they are carried out at market prices or rates fixed on a general basis by the person or entity acting as supplier of the goods or services in question; and (iii) the amount of the transaction does not exceed 1% of the Company's annual revenue.

D.2. Describe any transactions which are significant, either because of the amount involved or subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name of significant shareholder	Name of company within the group	Nature of the relationship	Type of transaction	Amount (thousand euros)
NORBEL INVERSIONES, S.L.	Laboratorios Farmacéuticos Rovi, S.A.	Corporate	Dividends and other profits distributed	2,824

At its meeting held on 12 June, 2019, the General Shareholders' Meeting passed a resolution to pay a gross dividend of 0.0798 per share to the shareholders. As a result of this resolution, the Company's shareholders received the amount corresponding to their shareholding on 4 July, 2019.

D.3. Describe any transactions that are significant, either because of their amount or subject matter, entered into between the company or entities within its group and directors or managers of the company:

Name of director or manager	Name of the related party	Relationship	Type of transaction	Amount (thousand euros)
MR IVÁN JORGE LÓPEZ-BELMONTE ENCINA	LABORATORIOS FARMACÉUTICOS ROVI, S.A. - REPRESENTAÇÃO EM PORTUGAL	Commercial	Operating lease agreements	25

Name of director or manager	Name of the related party	Relationship	Type of transaction	Amount (thousand euros)
MR JUAN LÓPEZ-BELMONTE LÓPEZ	LABORATORIOS FARMACÉUTICOS ROVI, S.A.	Commercial	Operating lease agreements	1,110
MR JUAN LÓPEZ-BELMONTE LÓPEZ	PAN QUÍMICA FARMACÉUTICA, S.A.	Commercial	Operating lease agreements	60
MR JUAN LÓPEZ-BELMONTE LÓPEZ	ROVI PHARMA INDUSTRIAL SERVICES S.A.U.	Commercial	Operating lease agreements	866

The Company and the ROVI group entity Rovi Contract Manufacturing, S.L. (absorbed by another ROVI group entity, Rovi Pharma Industrial Services, S.A. since November 2019) hold nine non-residential property rental contracts with the company Inversiones Borbollón, S.L., in which Mr Juan López-Belmonte López, Chairman of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A, holds a direct majority interest. Likewise, the Company holds three non-residential property rental contracts with the company Norba Inversiones, S.L., in which Mr Juan López-Belmonte López, Chairman of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A, holds an indirect majority interest. Pan Química Farmacéutica S.A., a ROVI group entity, holds a non-residential property rental contract with the company Lobel y Losa Development, S.L., in which Mr Juan López-Belmonte López, Chairman of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A, holds a direct majority interest. The premises where ROVI's sales branch in Portugal is located belong to Mr Iván López-Belmonte Encina, who leases it to Laboratorios Farmacéuticos Rovi, S.A.- RepresentanCao em Portugal.

- D.4.** Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the preparation of the consolidated financial statements and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any event, note any intragroup transaction conducted with entities established in countries or territories which are considered tax havens:

Name of entity within the group	Brief description of the transaction	Amount (thousand €)
No data		N/A

- D.5.** State the amount of any transactions conducted with other related parties that have not been reported in the previous sections:

Name of related party	Brief description of the transaction	Amount thousand €)
ALENTIA BIOTECH S.L.	Laboratorios Farmacéuticos ROVI, S.A., as the lender, has two loan agreements with Alentia Biotech, S.L., as the borrower, for sums of fifty thousand (50,000) euros and one million fifty thousand (1,050,000) euros, respectively, at the same annual	22

Name of related party	Brief description of the transaction	Amount thousand €)
	interest rate of 2%, which accrued interest of twenty-two thousand (22,000) euros in 2019.	

Laboratorios Farmacéuticos ROVI, S.A. owns 50% of the company Alentia Biotech, S.L. and Mr Juan López-Belmonte López and Messrs Juan and Javier López-Belmonte Encina are members of its Board of Directors.

D.6. Describe the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders.

According to article 28 of the Regulations of the Board, directors must notify the Board of the existence of conflicts of interest relating both to the directors themselves and persons related to them. Persons related to a director are defined as follows: a) his or her spouse or person with whom the director has an analogous affective relationship; b) forebears, descendants and siblings of the director or the director's spouse; c) forebears, descendants and siblings of the director's spouse; and d) companies in which the director, him or herself, or through an intermediate person, is in one of the situations included in the first section of article 42 of the Code of Commerce. In the event of directors that are legal entity persons, related parties are defined as the following: a) shareholders who are, in respect of the director that is a legal person, in one of the situations included in the first section of article 42 of the Code of Commerce, b) the de facto or de jure administrators, the liquidators and the persons hold general powers of attorney from the director that is a legal person; c) the companies that form part of the same group and their shareholders; d) the persons who, in respect of the representative of the director that is a legal person, are considered persons related to a director.

The director must refrain from participating in the deliberations and voting on resolutions or decisions when he, or a related person, has a direct or indirect conflict of interest. Resolutions and decisions that affect the director in his capacity as such, like his appointment to positions on the governing body or others with analogous implications or the revocation of such appointments, are excluded from the aforementioned obligation. Likewise, directors must adopt the necessary measures to avoid situations in which their interests, either on their own behalf or on behalf of others, may enter into conflict with the corporate interests and their duties to the Company. In particular, the duty to avoid conflicts of interest obliges the director to refrain from: (a) performing transactions with the Company, except in the case of ordinary transactions, carried out under standard conditions for customers and of little importance, defined as those on which information is not necessary in order to express a true and fair view of the Company's equity, financial situation and results. In the case of transactions in the ordinary course of business that are habitual or recurring, a generic authorisation from the Board of Directors of the transaction and the conditions under which it is performed will suffice; (b) using the Company's name or referring to their status as a director to unduly influence the execution of private transactions; (c) making use of corporate assets, including the Company's confidential information, for private purposes; (d) taking advantage of the Company's business opportunities; (e) obtaining benefit or remuneration from third parties other than the Company associated to the performance of his or her position; (f) carrying on activities on the director's own behalf or on behalf of a third party that entail effective competition, whether it be real or potential, with the Company or that, in some other way, places the director in permanent conflict with the Company's interests. The Company may excuse the director in exceptional cases by authorising a director or a person related thereto to perform a determined transaction with the Company, use certain corporate assets, take advantage of a specific business opportunity or obtain benefit or remuneration from a third party.

The General Shareholders' Meeting must necessarily, in an express separate resolution, grant the authorisation to which the preceding paragraph refers when it is intended to excuse obtaining benefit or remuneration from a third party or affects a transaction for a value in excess of ten percent of the corporate assets. In the other cases, the authorisation may also be granted by the Board of Directors, provided that the independence of the members granting the authorisation in respect of the director receiving it is sufficiently guaranteed. Additionally, it will be necessary, in the latter of the cases mentioned, to ensure that the transaction authorised does not harm the Company's equity or, where applicable, is performed under market conditions, as well as the transparency of the process.

A director may only be excused from the non-compete obligation in the event that no harm can be expected for the Company or that any harm expected will be offset by the benefit it is expected to obtain from the authorisation. The authorisation will be granted in an express, separate resolution of the General Meeting.

D.7. Is there more than one company in the group listed in Spain?

- Yes
 No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's Risk Management and Control System, including tax compliance risk:

ROVI considers Risk Control and Management as an instrument that helps attain greater efficiency and efficacy in its operations. Therefore, through its Risk Control and Management Policy, the latest version of which was approved by the Board of Directors in November 2019, it has put in place the basic mechanisms and principles for proper management of the key risks it encounters. Through this Policy, the Company fixes the risk level. It deems acceptable, identifies the different types of risk, including tax compliance risks, as well as the measures in place to mitigate the impact thereof should they materialise. Additionally, the Policy identifies the information and internal control systems that will be used to control and manage the aforementioned risks.

The Company's Risk Management System operates integrally and continuously, consolidating said management by area or business unit or activity, subsidiaries, geographical areas and support areas (human resources, financial-tax, marketing, management control, etc.) at corporate level. ROVI's risk management model is based on three lines of defence:

- The first line of defence is formed by the Group's different operating areas, which, in the course of their daily operations, must identify, classify, assess and monitor the risks, in accordance with the level of risk accepted by ROVI.
- The second line of defence is formed by the risk control and management function. This function is responsible for implementing the risk control and management system, collaborating in initially establishing it, and helping to improve it once it has been implemented, monitoring its operation and coordinating its development.
- The third line of defence is Internal Audit, which supervises the internal control and risk management systems by auditing both the first and second lines of defence.

Additionally, in the tax area, the Company's firm commitment to contribute to the economic and social development of the different markets in which it operates has materialised in the Board's determination of a Tax Strategy the goal of which is to ensure that the Company's compliance with its tax obligations is conducted through ethical and responsible practices and which places special emphasis on the efficient operation of the tax risk control and management systems.

E.2. Identify the bodies within the company responsible for creating and executing the Risk Management and Control System, including tax compliance risk:

According to article 5.3 of the Regulations of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A., the plenary session of the Board of Directors is competent to approve the Risk Control and Management Policy, including tax compliance risks, as well as the periodic monitoring of the internal reporting and control systems. In accordance with article 13.2 of said Regulations, the functions of the Audit Committee include the supervision of the Risk Control and Management Policy (including tax compliance risk) the affect the attainment of corporate goals. To this end, the same article states that the Audit Committee will periodically review and supervise the internal risk control and management systems, including tax compliance risks, and the efficacy thereof, so that the main risks are identified, managed and made known appropriately. In particular, article 13.2 of the Regulations of the Board of Directors states that the Audit Committee will exercise the following functions in relation to the risk policy and management:

- Identify the different types of financial and non-financial risks to which the Company is exposed.
- Identify the level of risk that the Company considers acceptable.
- Identify the measures in place to mitigate the impact of the risks identified should they materialise.
- Identify the reporting and internal control systems that will be used to control and manage the aforementioned risks.

The Audit Commission performs these functions through management, which identifies, classifies, evaluates and monitors the risks, taking account of the acceptable risk level categories fixed by the Audit Committee, and applies the measures that are in place to mitigate the impact thereof should they materialise.

The Internal Audit Department assumes the function of implementing a Risk Control and Management System, helping to improve it once it has been implemented, monitoring its operation and coordinating its development. Likewise, it reports to the Audit Committee at each of its meetings on the proper functioning of the System and/or, when appropriate, any risks that have materialised.

In relation to tax compliance risks, the Financial Department is directly responsible for controlling the effective implementation of the basic aspects of the Tax Strategy determined by the Board of Directors and establishing and applying measures to ensure that the tax compliance risk is assessed appropriately in the Company's decision-making process. Given the complexity of tax issues and the continual changes in the tax legislation, the Company and its group always enjoy the collaboration of external advisors who are experts on the subject, with the possibility of forming multidisciplinary teams if a specific transaction so requires, in order to ensure that their taxes are filed properly and appropriate decisions are made on tax issues.

E.3. State the primary risks, including tax compliance risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives:

The primary risk factors to which the Group considers itself to be exposed in relation to achieving its business goals are the following:

- Changes in the conditions under which raw materials and other packaging materials needed for manufacturing its products are supplied.
- Failure to complete successfully or in the expected manner the Research and Development projects that ROVI is executing.
- Actions on the part of the competition that have an adverse impact on ROVI's sales.
- Changes in the prescription criteria or changes in the legislation regulating the market aimed to contain pharmaceutical spending (price control, reference prices, support for generic products, co-payment, purchase platforms).
- Tax risk inherent to the activity of companies of the size and complexity of the Group.

E.4. State whether the entity has a risk tolerance level, including tolerance for tax compliance risk:

As part of the risk management process, the Audit Committee sets the level of risk considered acceptable, including tax compliance risk, taking two aspects into account:

- Appetite for risk: level of risk that ROVI is ready to accept to attain its strategic goals.
- Tolerance: degree of change accepted in attainment of the goals.

The level of risk is set on the risk assessment scales for the variables of probability of occurrence and consequences. These scales are approved annually by the Audit Committee in the process of updating the Company's risk map.

E.5. State which risks, including tax compliance risks, have materialised during the year:

Changes in the conditions under which raw materials and other packaging materials needed for manufacturing its products are supplied.

The principal raw material for manufacture of our two low-molecular-weight heparins (bemiparin and the enoxaparin biosimilar) is sodium heparin, which is obtained from pig mucosa. Therefore, any disease that affects pigs may have an effect on the global heparin market by affecting either the supply or the prices.

Since the end of 2018, there has been an outbreak of swine fever in China, the main producer of pork and pork derivatives worldwide. This has already affected prices, which have increased. In 2020, the upward trend is expected to continue.

Regulatory difficulties in respect of local requirements

Due to ROVI's swift international expansion, which has led to the opening of five subsidiaries and the direct marketing of its products in a number of European countries in a short time period, ROVI has had to make adjustments to comply with local regulatory requirements, given that the pharmaceutical market in each country is heavily regulated, specific requirements exist in this respect in each country and, even within the same country, regulations may differ depending on the region.

The Company has applied the supervision and control systems and response plans described in section E.6 to the risks mentioned in this section and considers that they have operated correctly to foresee and detect the occurrence of risks and minimise their impact.

E.6. Explain the response and monitoring plans for all major risks of the company, including tax compliance risks, as well as the procedures followed by the company in order to ensure that the board of directors respond to any new challenges that arise:

ROVI permanently monitors and is alert to any risks that might have an adverse effect on its business activities, applying the appropriate mechanisms to manage them and continually developing contingency plans able to reduce or offset their impact. Among them, we highlight the fact that the Group: (i) continues with the diversification of suppliers of raw materials and other packaging materials necessary for the manufacture of its products; (ii) continues to pursue its goal of constantly opening up new markets through its international expansion project; (iii) continues to enhance its processes and controls, including those related to the internationalisation process; (iv) is working intensively to maintain broad and diversified portfolios of products and customers; (v) perseveres each year with



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an internal savings plan, which has focused mainly on improving the efficiency of its internal and external operating processes; (vi) the Group performs strict credit control and carries out effective cash management, which ensures that sufficient working capital is generated and maintained to permit day-to-day transactions to be performed; and (vii) the Group has an exhaustive tax compliance risk control system and external advisors who review the preparation and filing of the various taxes, as well as the tax decisions made by the Group.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms comprising the System of Internal Control over Financial Reporting (ICFR) of your company.

F.1. Control environment

Report on at least the following, describing their principal features:

F.1.1 The bodies and/or departments that are responsible for (i) the existence and maintenance of an adequate and effective ICFR; (ii) their implementation; and (iii) their supervision.

ROVI's System for Internal Control over Financial Reporting (hereinafter, "ICFR" has the goal of obtaining reasonable certainty as to the reliability of the financial reporting. The bodies responsible for it are:

- The Board of Directors: this is the body responsible for the existence and continuity of adequate and effective ICFR in accordance with the version of the Regulations of the Board of Directors approved on 26 April, 2016

- Senior Management performs the functions of implementing and designing the ICFR, as is likewise set out in the Regulations of the Board of Directors.

- The Audit Committee is the body responsible for overseeing ICFR, as stated in the company's Bylaws, the Regulations of the Board of Directors and the Regulations of Audit Committee, which assign the following responsibilities, among others, to it:

o To oversee the process of preparing and presenting the official financial reporting of the company and, where applicable, the group, and ensure it is complete, reviewing compliance with legal requirements, the accurate demarcation of the consolidated group and the proper application of accounting principles, and to put forward recommendations or proposals to the Board of Directors aimed to safeguard the integrity of the financial reporting.

o To receive, respond to and take account of, appropriately and adequately, any requirements that the public supervisor of the financial reporting may have sent in the present or previous years, ensuring that the same type of incidents previously identified in such requirements are not repeated in the financial statements.

o To discuss any significant internal control weaknesses detected in the course of the audit with the statutory auditors, where appropriate, without jeopardising their independence. In this respect, where appropriate, recommendations and proposals may be submitted to the Board of Directors, together with the relevant period for following them up.

o To regularly review and oversee the internal control and risk management systems and the efficacy thereof, in order for the main risks to be identified, managed and made known appropriately.

o To review the clarity and integrity of all the financial reporting and related non-financial reporting that the entity makes public, such as the financial statements, management reports, risk management and control reports and corporate governance reports, evaluating in which cases the statutory auditors should be involved in reviewing any of the reports in addition to the financial statements.

F.1.2 State whether the following are present, especially if they relate to the creation of financial information:

· Departments and/or mechanisms in charge of: (i) the design and review of corporate structure; (ii) clear definition of lines of responsibility and authority with an adequate distribution of tasks and functions; and (iii) assurance that adequate procedures exist for proper communication throughout the entity:

- (i) Design and review of corporate structure;

The design and review of the organisational structure are carried out by the Human Resources Department with the involvement of the management of the relevant department. There are specific organisation charts for each financial area, which are sufficiently detailed and establish the lines of responsibility and authority.

(ii) clear definition of lines of responsibility and authority with an adequate distribution of tasks and functions;

Tasks and responsibilities in the preparation and supervision of financial reporting are defined for each position. The lines of authority and responsibility are described in the organisation charts for each department and are defined by Management. Likewise, the procedures related to the preparation of financial reporting set out the responsibilities of the different areas of the Company.

and (iii) assurance that adequate procedures exist for proper communication throughout the entity, especially in relation to the process of preparing the financial reporting.

The procedures concerning preparation of the financial reporting are communicated to those responsible for the financial function.

Code of conduct, the body approving this, degree of dissemination and instruction, including principles and values, (state if there is specific mention of transaction recording and creation of financial information), a body charged with analysing breaches and proposing corrective actions and sanctions.:

ROVI has a Code of Conduct (the "Code of Ethics"), the latest version of which was approved by the Board of Directors on 19 February, 2018, which is the basis of the ethics principles of the Company and its Group. This Code is applicable to all employees, to whom it has been communicated, and has the fundamental objective of providing a framework of guidelines and recommendations that transmit the good practices of ROVI's employees in their day-to-day work to its stakeholders (employees, shareholders, suppliers, customers, patients, professionals, public authorities and society in general), while, at the same time, it provides guidance for making everyday decisions. ROVI considers this Code of Ethics to be an opportunity to put the values that identify it as a company into practice, such as mutual respect, the quest for innovation, team work, efficiency, or the competitiveness that always results from scientific excellence.

The Code of Ethics is formally signed by all workers when they join the workforce of any ROVI Group company.

ROVI's Code of Ethics includes a specific section on financial integrity and protection of its assets, whereby it undertakes to apply the highest standards of ethics and transparency in its communications, information records and reports concerning its products and activities. This entails the obligation that, when preparing the accounting for the financial statements, books, records and accounts, ROVI will meet legal requirements and will properly apply current accounting principles, in order to provide an accurate picture of its business activities and the Group's financial situation.

Additionally, ROVI has an Anti-Bribery and Anti-Corruption Policy, the latest version of which was approved by the Board of Directors on 19 February, 2018. This Policy develops one of the principles of the Code of Ethics, which is to reject any practice that includes bribery or corruption. The Anti-Bribery and Anti-Corruption Policy, also applicable to all ROVI's employees, states that detailed books, records and accounts that accurately show the group's assets and transactions must be kept and that an appropriate system of internal control over financing reporting must be in place. No accounts outside these books are permitted, since such practices may facilitate or conceal undue payments. The document is available to employees in the internal mobile application and on other internal ROVI websites.

The body responsible for compliance with the Code of Ethics is the Compliance Function, to which this duty is assigned in the "Regulatory Compliance Function Charter, approved by the Audit Committee of 25 July, 2017. The Compliance Function is composed of a Compliance Committee (a permanent internal collegial body that reports directly to the Audit Committee and is considered an advisory body to said Committee on compliance matters) and the Compliance Department (area responsible for conducting day-to-day compliance coordination activities, providing support to the Compliance Committee and reporting to it on the relevant matters).

In 2019, ROVI personnel received training in the Code of Ethics, imparted by the Compliance area. Said training had two main goals: the first, to reinforce the idea that all the employees and members of governing bodies of ROVI are subject to the Code and that it is binding on them, and the second, to provide training on all the action principles contained in the Code of Ethics, with their possible applications and interpretations.

Additionally, the Compliance Committee approved the "Code of Ethics for Suppliers" on 7 November, 2017. The main objective of this Code is to ensure that ROVI's suppliers and other components of the value chain respect not only current legislation, but also the values of the ROVI's corporate governance system, the principles set out in its Corporate Social Responsibility Policy and other internal rules of ROVI. Implementation of the use of this Code is currently under development by some of the departments involved in supplier management. As part of this work, the general contracting conditions of the ROVI Group, and the rest of the contracts when the negotiations so permit, include the obligation to comply with the contents of the Code of Ethics for Suppliers.

ROVI has a "Regulations of the Ethics Channel for Employees and Suppliers", the latest update of which was approved by the Audit Committee on 7 May, 2019. They establish that the management body of ROVI's ethics channels is the Ethics Channel Management Committee, which is likewise responsible for ensuring that all reports submitted through the channel receive attention and are managed appropriately, in full and confidentially. Said body is responsible for analysing cases of non-compliance and proposing corrective actions. Possible sanctions derived from non-compliance are the responsibility of the Human Resources Department.

Additionally, ROVI has an Internal Regulations on Conduct in the Securities Markets, the latest version of which was approved by the Board of Directors on 7 May, 2019. The purpose of these Regulations is to adjust the actions of the company, its governing bodies and other persons subject to the rules on conduct to securities market-related legislation.

- Whistleblower channel, that allows notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, reporting, as the case may be, if this is of a confidential nature.

ROVI has a reporting channel (the "Ethics Channel") available to its employees, suppliers, business partners, agents and external collaborators, the purpose of which is to ensure smooth and efficient communication with the bodies responsible for ensuring compliance, ethics and transparency within the organisation.

This channel is intended to allow any financial, contractual, legal or ethical irregularities to be notified and to raise any queries that may arise on the interpretation of ROVI's Code of Ethics, the Code of Ethics for Suppliers or, in general, the different policies and procedures approved by the Group.

The Ethics Channel is regulated in the "Regulations of the Ethics Channel for Employees and Suppliers", which states that all ROVI Group employees and the suppliers subject to the Code of Ethics for Suppliers are obliged to notify:

- Any breaches of legislation of which they are aware, including failure to comply with rules that ROVI has decided to apply voluntarily, such as, for example, the Code of Good Practice for the Pharmaceutical Industry.
- Any conduct that may constitute an offence or a breach of the Group's Crime Prevention Model.
- Any conduct that may be classified as unethical or contrary to ROVI's Code of Ethics or the Code of Ethics for Suppliers.
- Any financial, accounting or other irregularities that may potentially have a material effect on the functioning and operation of the Group companies.
- Any breaches of internal policies or procedures of which they become aware.

Reports may be sent:

- By ordinary post, to the address provided in the "Regulations of the Ethics Channel for Employees and Suppliers".
- By e-mail, to the address provided for this purpose in the "Regulations of the Ethics Channel for Employees and Suppliers".
- By telephone.
- Through ROVI's internal mobile application.

All these methods of sending a report guarantee the confidentiality of the reports by restricting access to the telephone, the postal address where they are received and the e-mail (where the reports sent through the mobile application are also received) to only the recipients authorised in the "Regulations of the Ethics Channel for Employees and Suppliers".

The body responsible for managing the reporting channel is the Ethics Committee. No report concerning the financial reporting was received in 2019.

- Training and periodic refresher programmes for staff involved in the preparation and revision of financial information, as well as assessment of the ICFR (Internal Control System for Financial Information), that covers at least accounting rules, audits, internal control and risk management.

The Company has a very stable workforce among the employees who participate in preparing the financial reporting, who have the knowledge necessary to perform the duties assigned to them. If any changes take place in the applicable legislation or the duties assigned to employees involved in these activities, specific training programmes are conducted in coordination with the Human Resources Department.

Additionally, the Company enjoys the assistance of external advisors who provide support to the personnel belonging to the financial function on questions concerning new tax, legal and accounting developments. There is regular contact with these advisors.

F.2. Assessment of financial information risks.

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including error and fraud risk, as regards:.

- Whether the process exists and is documented:

The Company has a risk identification system, which includes risks of error or fraud in the financial information. Details are given in a "Risk Control and Management Policy", the latest version of which was approved by the Board of Directors in November 2019.

For each of the areas with a material financial impact, depending on its quantitative or qualitative importance, the relevant processes and sub-processes have been identified and the risks that could give rise to errors in the financial information or fraud in the transactions have likewise been identified, as have the control activities that mitigate these risks.

- If the process covers all of the objectives of financial information, (existence and occurrence; completeness; valuation; delivery; breakdown and comparability; and rights and obligations), whether it is updated and with what frequency:

For each one of the material processes identified, the risks that could generate errors in the financial information have been identified, covering the objectives of existence and occurrence, integrity, valuation, delivery, breakdown and comparability, and rights and obligations. The processes identified and documented are reviewed and updated annually in the event that there have been changes in the management of said processes or in the applicable legislation that thus requires.

- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex company structures, shell companies, or special purpose entities:

The Company's perimeter of consolidation is reviewed and updated on a monthly basis by the area responsible for consolidation, with the pertinent quarterly supervision by the Audit Committee, which is the body responsible for reviewing the accurate demarcation of the perimeter of consolidation and the proper application of accounting principles.

There are no complex structures and, since there are few changes in the perimeter, any change is mentioned in the annual and half-yearly financial information issued by the Company.

- If the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements:

The process takes into account the effect of other types of risk, such as operational, technological, legal, reputational, environmental risks, etc., that may have a material effect on the financial information. In the event that any of these risks could affect the financial information, the Company identifies how it should proceed to mitigate said effect.

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

- Strategic: those that affect high-level objectives, directly related to ROVI's strategic plan.
- Operational: those that affect objectives related to the efficiency and efficacy of the operations, including performance- and profitability-related targets.
- Reporting: those that affect the reliability of the information provided (including the financial information) both internally and externally.
- Compliance: those that affect objectives relating to compliance with the applicable laws and rules (including those concerning accounting, auditing, internal control and risk management).

- The governing body within the company that supervises the process:

The most important risks, whether they be financial or of any other nature, are notified to the Audit Committee to be subsequently reported to the Board of Directors. The Audit Committee is the body responsible for supervising the Risk Management and Control Policy, including tax compliance risks, for risks that affect attainment of the corporate objectives. Furthermore, the Audit Committee has the task of periodically supervising the internal control and risk management systems and the efficacy thereof, in order for the main risks to be identified, managed and made known appropriately.

F.3. Control activities

Report on whether the company has at least the following, describing their main characteristics

F.3.1 Review and authorisation procedures for financial information published by the stock markets and a description of the ICFR, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including financial closing procedures and the specific review of judgements, estimates, valuations and relevant forecasts.

ROVI conducts regular reviews of the financial information it prepares based on different levels:

- At each reporting date, the departments involved in closing the accounts and the corporate accounting department review the financial information prepared, carrying out the relevant checks to ensure the reliability of the records.
- Once the consolidation process is completed, the Financial Department conducts a review of the financial information, identifying any possible deviations.
- If the financial information is to be made public in compliance with stock market regulations:

1. The Audit Committee reviews the financial information. Before reviewing it, the Committee is informed of at least:

- o The correctness of the perimeter of consolidation.
- o Judgements, criteria, valuations and estimates made that have a material impact on the related financial and non-financial statements.
- o Changes in the significant criteria applied.
- o Alternative Performance Measures ("APM") taken into account.
- o Significant internal control weaknesses.
- o Where applicable, significant adjustments used by the statutory auditor or resulting from reviews conducted by internal audit and the management's position on these adjustments.
- o Where applicable, requirements sent by the public supervisor of the financial information.

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

Regarding the description of the ICFR system, it is reviewed by both the Financial Department and Internal Audit and the aforementioned governing bodies as part of the regular information that ROVI sends to the markets.

ROVI has descriptions of the activity flows of the main processes that affect the financial information, including the procedure for closing the accounts and preparing reports, which specifies the process of reviewing material judgements, estimates and projections. For each one of these procedures, the most significant controls and the transactions that could have a material effect on the financial statements have been identified. The documentation on each one of these processes is updated in cases where changes in the legislation or the processes make it necessary. This documentation is composed of::

- Details of the structure/company to which it applies.
 - Descriptions of the sub-processes associated to each process.
 - Flow charts of the principal sub-processes.
 - Details of the material risks to the financial information.
- Description of controls (key and non-key) that mitigate the probability of occurrence of the risks identified For each one of them, details are given of: type of control, level of automation, supporting evidence, and person or body responsible

F.3.2 Internal IT control policies and procedures (access security, change controls, their operation, operational continuity, and segregation of duties, among others) which support relevant processes within the company and relate to the creation and publication of financial information.

ROVI's Corporate Information and Communication Technologies (ICT) Department is responsible for promoting and supporting the establishment of technical, organisational and control measures that ensure that integrity, availability, reliability and confidentiality of the information.

The Risk Manager of the Information Security Management System (ISMS-Risk Manager) is responsible for supervising the effective and efficient management of risks and incidents in respect of the security of confidential information and for promoting plans and policies to safeguard it.

Access to the information systems is managed on a centralised basis for all the offices, both in Spain and internationally. Protocols have been put in place to guarantee that ROVI users only access the data and programmes that they are allowed to access in accordance with their position or function, preventing unauthorised access. This access, defined on the basis of roles and profiles that define the functionalities to which a user should have access, takes place through a user name and password, which are personal and untransferable, for both systems (operating systems and shared folders) and databases and applications. Likewise, ROVI has systems that alert of any malicious or suspicious use of the information (DLP), likewise detaining possible attacks using malicious software, such as the well-known "Cryptolocker". Additionally, our Active Directory is monitored to alert of any conduct suspected of being an attack, such as stealing passwords, lateral movements, manipulation of certifications, application of permissions, abuse of privileges, etc.

As an additional security measure, a virtual patching system is being established in our Company's servers. Specific firewall rules are applied daily to each one of the systems, in order to block any attacks that take advantage of security breaches that have not yet been patched through the monthly Operating System updates that are applied to them.

In relation to the segregation of functions, it is determined in the systems in accordance with the distribution of roles and profiles mentioned above. The Internal Audit function analyses the systems annually to ensure that no duties that are incompatible with the segregation of functions are carried out by the same user.

The general security policy does not allow software to be installed, deinstalled or modified in equipment without specific permissions, preventing non-administrator users from making substantial changes to the client equipment without the authorisation of an ICT administrator. Users are also prohibited from using external storage devices unless approved and inventoried by the IT Department.

At ROVI, a methodology for managing changes has been established on the basis of the Good Manufacturing Practice standards ("GMP standards"), which establish the precautions and validations necessary to limit risk in this process. This methodology is obligatory for any change made to the Company's ICT systems.

There is an internal 24-hour Help Desk service, which end users may contact if they encounter any incident with their workstation or system.

The Company has a Data Processing Centre (DPC) located in the Madrid Region, operated and managed by an external provider. It has all the measures for secure access to and availability of the service. Only authorised personnel may access these facilities and all accesses are recorded. Monitoring of all the systems and data links has been established to ensure their proper functioning and response. The operation and management of the DPC and the ROVI systems it houses are audited annually in accordance with the standard ISAE3402 on a satisfactory basis.

ROVI's communications and systems are protected by network elements such as firewalls, at various levels, and antiviruses, to reinforce internally the control against threats such as viruses or other types of malicious software.

Most of the systems have high local availability and there are redundant servers and data cabinets in the DPC itself, allowing availability to be ensured in the event of incidents.

Additionally, a back-up copy of the data and systems is made regularly and kept in a safe place in different locations. At least once a year, the system and data retrieval procedure is executed in relation to the financial information, thus verifying its reliability and proper operation.

ROVI has its ERP (SAP) virtualised, which furnishes greater tolerance in the event of disasters, maintaining a mirrored system in a DPC located elsewhere, at a different geographic location to the principal DPC, which would come into operation in the event of a major disaster.

- F.3.3 Internal control policies and procedures intended to guide the management of subcontracted activities and those of third parties, as well as those aspects of assessment, calculation or evaluation entrusted to independent experts, which may materially affect financial statements.

At present, the only outsourced operation with a material effect on the financial information is the process of preparing the payroll. The payroll management process is monitored by the Human Resources Department. The supervisory activities are shown in the documentation describing the Company's flows and activities.

F.4. Information and communication

State whether the company has at least the following, describing their main characteristics:

- F.4.1 A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

In the Company's Financial Department, specifically in the accounting area, there is a specific function responsible for defining the accounting policies and keeping them updated, as well as solving any doubts or conflicts arising from the interpretation thereof.

The Company has an accounting policy manual that includes the main accounting criteria to be taken into account when preparing the financial information. Said manual is updated by ROVI's Financial Department periodically. The latest update took place in December 2017 and a revision process is currently underway to include the applicable new accounting principles.

- F.4.2 Measures for capturing and preparing financial information with consistent formats for application and use by all of the units of the entity or the group, and which contain the main financial statements and notes, as well as detailed information regarding ICFR.

All the companies that form part of the Group use SAP as the only system for capturing and preparing financial information. Data are uploaded to the application homogeneously for all the subsidiaries included in the perimeter of consolidation. Since it is a group of companies with a highly centralised financial function, the key activities conducted in preparing the financial information are performed by the same team of employees for all the Group companies, which ensures the consistency of the information.

In relation to the ICFR system, the person responsible for preparing this information contacts the departments involved to obtain the documentation (financial and non-financial) necessary for proper compliance with the legal requirements in relation thereto.

F.5. Supervision of system performance

Describe at least the following:

- F.5.1 The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function that has among its mandates support of the committee and the task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible prepares the assessment reports on its results, whether the company has an action plan describing possible corrective measures, and whether its impact on financial reporting is considered.

The Audit Committee met monthly to review the regular financial reporting sent to the National Securities Market Commission. It supervised the process of preparing both the individual and consolidated quarterly and half-yearly financial information and the integrity thereof. Specifically, the Committee reviewed, before it was sent, compliance with regulatory requirements, the accurate demarcation of the perimeter of consolidation and the proper application of accounting criteria in the regular information, within the periods established by law in this respect.

The Audit Committee was regularly informed by Internal Audit of ICFR-related activities. In this respect, Internal Audit drew up the annual internal audit work plan for 2019, which was examined and approved by the Audit Committee and contained, among other things, the work to be carried out in 2019 in relation to ICFR. The Audit Committee received the Annual Audit Report for 2019, which described, among other items, the status of execution of Internal Audit's work on the ICFR and informed of the results, stating, where applicable, the aspects that might materially affect the financial reporting.

Lastly, in order to avoid the individual and consolidated accounts approved by the Board of Directors being submitted to the General Meeting with qualifications in the Audit Report, the Audit Committee carried out the following tasks, among others, before they were approved: it reviewed the annual accounts, monitored compliance with legal requirements and the correct application of generally-accepted accounting principles, received information on the financial reporting process and the Company's internal control systems, and checked their suitability and integrity.

The Audit Committee reported favourably to the Board of Directors before the annual accounts were approved.

The Company has an internal audit function that provides support to the Audit Committee in supervising the internal control over financial reporting.

The Internal Audit function, under the supervision of the Audit Committee, ensures that the information and internal control systems operate properly. The Internal Audit function is regulated a "Internal Audit Charter", the latest version of which was approved by the Audit Committee on 12 December, 2019. The head of Internal Audit submits the annual work plan to the Audit Committee, likewise informing the Committee directly of any incidents that arise in executing the plan and submitting an activity report to the Committee at the end of each year.

In 2019, as part of its Annual Work Plan, Internal Audit reviewed the efficacy of the design and implementation of the key controls of the processes with a material effect on ROVI's financial statements. Specifically, the design of the controls was assessed and proper operation thereof in the following processes was verified:

- Fixed assets
- Sales
- Purchasing
- Payroll
- Taxes

The corrective measures identified with a material effect on the financial reporting were included in the Annual Internal Audit Report submitted to the Audit Committee at the year-end.

In 2020, audits to supervise the proper operation of the key processes of the ICFR system will continue.

If there is a procedure by which the account auditor (in accordance with the contents of the Normas Técnicas de Auditoría (NTA) - "Auditing Standards"), internal auditor and other experts may communicate with senior management and the audit committee or senior managers of the company regarding significant weakness in internal control identified during the review of the annual accounts or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses found.

The Audit Committee has a stable and constant relationship with the statutory auditors. In its Annual Work Plan, the Audit Committee fixes the minimum annual meetings that it will hold with the statutory auditors, in such a way as ensure smooth communication and receive information on any significant internal control weaknesses detected.

In this respect, in 2019, the Audit Committee met with the statutory auditor three times, when it obtained information on both the planning of the work and the results and findings thereof (including significant control weaknesses). Before the annual accounts for the year were approved, the statutory auditor also met with the plenary session of the Board of Directors to report on the work executed.

Likewise, the Audit Committee holds regular meetings with Internal Audit, which, on a quarterly basis, reports on, among other aspects, any significant internal control weaknesses that may have been identified.

Apart from the scheduled meetings, in the event that any material weakness is detected, both the statutory auditors and Internal Audit are able to notify the Audit Committee immediately.

For all significant internal control weaknesses that are observed, action plans to mitigate or eliminate them are designed.

F.6. Other relevant information

There is no relevant information other than that included in the preceding sections.

F.7. External auditor's report

Report from:

F.7.1 If the ICFR information submitted to the markets has been subject to review by the external auditor, in which case the entity shall include its report as an attachment. If not, reasons why should be given.

The information on the internal control over financial reporting systems included in the Annual Corporate Governance Report was submitted to a review by an external auditor, a copy of which is attached hereto.

G. EXTENT OF COMPLIANCE WITH GOOD GOVERNANCE RECOMMENDATIONS

Specify the company's level of compliance with recommendations from the Unified Code of Good Governance.

In the event that a recommendation is not followed or only partially followed, a detailed explanation should be included explaining the reasons in such a manner that shareholders, investors and the market in general have enough information to judge the company's actions. General explanations are not acceptable.

1. That the Articles of Association of listed companies do not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of shares on the market.

Complies [X] Explanation []

2. That when the parent company and a subsidiary are listed on the stock market, both should publicly and specifically define:

- a) The respective areas of activity and possible business relationships between them, as well as those of the listed subsidiary with other group companies.
- b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies [] Complies partially [] Explanation [] Not applicable [X]

3. That, during the course of the ordinary General Shareholders' Meeting, complementary to the distribution of a written Annual Corporate Governance Report, the chairman of the Board of Directors makes a detailed oral report to the shareholders regarding the most material aspects of corporate governance of the company, and in particular:

- a) Changes that have occurred since the last General Shareholders' Meeting.
- b) Specific reasons why the company did not follow one or more of the recommendations of the Code of Corporate Governance and, if so, the alternative rules that were followed instead.

Complies [X] Complies partially [] Explanation []

4. That the company has defined and promoted a policy of communication and contact with shareholders, institutional investors and proxy advisors that complies in all aspects with rules preventing market abuse and gives equal treatment to similarly situated shareholders.

And that the company has made such a policy public through its web page, including information related to the manner in which said policy has been implemented and the identity of contact persons or those responsible for implementing it.

Complies [X] Complies partially [] Explanation []

5. That the Board of Directors should not propose to the General Shareholders' Meeting any proposal for delegation of powers allowing the issuance of shares or convertible securities without pre-emptive rights in an amount exceeding 20% of equity at the time of delegation.

And that whenever the Board of Directors approves any issuance of shares or convertible securities without pre-emptive rights the company immediately publishes reports on its web page regarding said exclusions as referenced in applicable company law.

Complies [] Complies partially [] Explanation []

ROVI's General Shareholders' Meeting held on 12 June, 2019 passed a resolution to delegate the power to increase the share capital to the Board of Directors, without previously consulting the General Meeting, on one or more occasions and at any time, for a term of five years as of the date the Meeting was held, by the maximum amount permitted by law, i.e. a maximum nominal amount of 1,682,068.95 euros, which equals to half the share capital at the time the authorisation was granted, expressly authorising the Board of exclude, totally or partially, preferential subscription rights in the terms of article 506 of the Corporate Enterprises Act.

6. That listed companies which draft reports listed below, whether under a legal obligation or voluntarily, publish them on their web page with sufficient time before the General Shareholders' Meeting, even when their publication is not mandatory:

- a) Report regarding the auditor's independence.
- b) Reports regarding the workings of the audit committee and the appointments and remuneration committee.
- c) Report by the audit committee regarding related-party transactions.
- d) Report on the corporate social responsibility policy.

Complies [] Complies partially [] Explanation []

7. That the company reports in real time, through its web page, the proceedings of the General Shareholders' Meetings.

Complies [] Explanation []

8. That the audit committee ensures that the Board of Directors presents financial statements in the audit report for the General Shareholders' Meetings which do not have qualifications or reservations and that, in the exceptional circumstances in which qualifications may appear, that the chairman of the audit committee and the auditors clearly explain to the shareholders the content and scope of said qualifications or reservations.

Complies [] Complies partially [] Explanation []

9. That the company permanently maintains on its web page the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies [X] Complies partially [] Explanation []

10. That when a verified shareholder has exercised his right to make additions to the agenda or to make new proposals to it with sufficient time in advance of the General Shareholders' Meeting, the company:

- a) Immediately distributes the additions and new proposals.
- b) Publishes the attendance card credential or proxy form or form for distance voting with the changes such that the new agenda items and alternative proposals may be voted upon under the same terms and conditions as those proposals made by the Board of Directors.
- c) Submits all of these items on the agenda or alternative proposals to a vote and applies the same voting rules to them as are applied to those drafted by the Board of Directors including, particularly, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the results of said additions or alternative proposals is communicated..

Complies [] Complies partially [] Explanation [] Not applicable [X]

11. That, in the event the company intends to pay for attendance at the General Shareholders' Meeting, it establish in advance a general policy of long-term effect regarding such payments.

Complies [X] Complies partially [] Explanation [] Not applicable []

12. That the Board of Directors completes its duties with a unity of purpose and independence, treating all similarly situated shareholders equally and that it is guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, and the promotion of continuity and maximisation of the economic value of the business.

And that in pursuit of the company's corporate interest, in addition to complying with applicable law and rules and in engaging in conduct based on good faith, ethics and a respect for commonly accepted best practices, it seeks to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders, as well as the impact of its corporate activities on the communities in which it operates and the environment.

Complies [X] Complies partially [] Explanation []

13. That the Board of Directors is of an adequate size to perform its duties effectively and collegially, and that its optimum size is between five and fifteen members.

Complies [] Explanation []

14. The Board of Directors should approve a director selection policy that:

- a) Is concrete and verifiable.
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the needs of the Board of Directors.
- c) Favours diversity in knowledge, experience and gender.

That the resulting prior analysis of the needs of the Board of Directors is contained in the supporting report from the appointments committee published upon a call from the General Shareholders' Meeting submitted for ratification, appointment or re-election of each director.

And that the selection policy for directors promotes the objective that by the year 2020 the number of female directors accounts for at least 30% of the total number of members of the Board of Directors.

The appointments committee will annually verify compliance with the selection policy of directors and explain its findings in the Annual Corporate Governance Report.

Complies [] Complies partially [] Explanation []

15. That proprietary and independent directors constitute a substantial majority of the Board of Directors and that the number of executive directors is kept at a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

Complies [] Complies partially [] Explanation []

The Company complies with the recommendation to the extent that the number of directors is the minimum necessary, taking the percentage interest held by the executive directors in the Company's capital into account. Likewise, the external directors (four members, three of whom are independent, while one is proprietary) hold the majority of the Board (7 members).

16. That the percentage of proprietary directors divided by the number of non- executive directors is no greater than the proportion of the equity interest in the company represented by said proprietary directors and the remaining share capital.

This criterion may be relaxed:

- a) In companies with a high market capitalisation in which interests that are legally considered significant are minimal.
- b) In companies where a diversity of shareholders is represented on the Board of Directors without ties among them.

Complies [X] Explanation []

17. That the number of independent directors represents at least half of the total number of directors.

Nonetheless, when the company does not have a high level of market capitalisation or in the event that it is a high cap company with one shareholder or a group acting in a coordinated fashion who together control more than 30% of the company's equity, the number of independent directors represents at least one third of the total number of directors.

Complies [X] Explanation []

18. That companies publish and update the following information regarding directors on the company website:

- a) Professional profile and biography.
- b) Any other Boards to which the director belongs, regardless of whether the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) The date of their first appointment as a director of the company's Board of Directors, and any subsequent re-election.
- e) The shares and options they own.

Complies [X] Complies partially [] Explanation []

19. That the annual corporate governance report, after verification by the appointments committee, explains the reasons for the appointment of proprietary directors at the proposal of the shareholders whose equity interest is less than 3%. It should also explain, where applicable, why formal requests from shareholders for membership on the Board meeting were not honoured, when their equity interest is equal to or exceeds that of other shareholders whose proposal for proprietary directors was honoured.

Complies [] Complies partially [] Explanation [] Not applicable [X]

20. That proprietary directors representing significant shareholders must resign from the Board if the shareholder they represent disposes of its entire equity interest. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors representing this shareholder.

Complies [] Complies partially [] Explanation [] Not applicable []

21. That the board of directors may not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of association unless the board of directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties attendant to his post as a director, fails to complete the tasks inherent to his or her post, or enters into any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public share offer, joint venture or similar transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the board are the result of the proportionate representation criteria provided for in Recommendation 16.

Complies [] Explanation []

22. That companies establish rules requiring that directors inform the board of directors and, where appropriate, resign from their posts, when circumstances arise which may damage the company's standing and reputation. Specifically, directors must be required to report any criminal acts with which they are charged, as well as the consequent legal proceedings.

And that should a director be indicted or tried for any of the offences set out in company law legislation, the Board of Directors must investigate the case as soon as possible and, based on the particular situation, decide whether the director should continue in his or her post. And that the board of directors must provide a reasoned written account of all these events in its annual corporate governance report.

Complies [] Complies partially [] Explanation []

23. That all directors clearly express their opposition when they consider any proposal submitted to the board of directors to be against the company's interests. this particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the board of directors.

Furthermore, when the board of directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies in the case of the secretary of the board of directors, despite not being a director.

Complies [] Complies partially [] Explanation [] Not applicable []

24. That whenever, due to resignation or any other reason, a director leaves before the completion of his or her term, the director should explain the reasons for this decision in a letter addressed to all the directors of the board of directors. irrespective of whether the resignation has been reported as a relevant fact, it must be included in the annual corporate governance report.

Complies [] Complies partially [] Explanation [] Not applicable []

25. That the appointments committee ensures that non-executive directors have sufficient time in order to properly perform their duties.

And that the board rules establish the maximum number of company Boards on which directors may sit.

Complies [] Complies partially [] Explanation []

26. That the board of directors meet frequently enough so that it may effectively perform its duties, at least eight times per year, following a schedule of dates and agenda established at the beginning of the year and allowing each director individually to propose items do not originally appear on the agenda.

Complies [] Complies partially [] Explanation []

27. That director absences only occur when absolutely necessary and are quantified in the annual corporate governance report. and when absences occur, that the director appoints a proxy with instructions.

Complies [] Complies partially [] Explanation []

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the board of directors, such concerns should be included in the minutes, upon a request from the protesting party.

Complies [] Complies partially [] Explanation [] Not applicable []

29. That the company establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies [] Complies partially [] Explanation []

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances require.

Complies [] Explanation [] Not applicable []

31. That the agenda for meetings clearly states those matters about which the board of directors are to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, under exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies [] Complies partially [] Explanation []

32. That directors shall be periodically informed of changes in equity ownership and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies [] Complies partially [] Explanation []

33. That the chairman, as the person responsible for the efficient workings of the board of directors, in addition to carrying out his duties required by law and the articles of association, should prepare and submit to the board of directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the board as well as, if applicable, the chief executive of the company, should be responsible for leading the board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances so dictate.

Complies [] Complies partially [] Explanation []

34. That when there is a coordinating director, the articles of association or the board rules should confer upon him the following competencies in addition to those conferred by law: chairman of the board of directors in the absence of the chairman and deputy chairmen, should there be any; reflect the concerns of non- executive directors; liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and coordinate a succession plan for the chairman.

Complies [X] Complies partially [] Explanation [] Not applicable []

35. That the secretary of the board of directors should pay special attention to ensure that the activities and decisions of the board of directors take into account the recommendations regarding good governance contained in this code of good governance and which are applicable to the company.

Complies [X] Explanation []

36. That the board of directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a) The quality and efficiency of the board of directors' work.
- b) The workings and composition of its committees.
- c) Diversity of membership and competence of the board of directors.
- d) Performance of the chairman of the board of directors and the chief executive officer of the company.
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the board of directors will take a report from the committees themselves as a starting point and for the evaluation of the board, a report from the appointments committee.

Every three years, the board of directors will rely upon the assistance of an external advisor for its evaluation, whose independence shall be verified by the appointments committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group shall be specified in the annual corporate governance report.

The process and the areas evaluated shall be described in the Annual Corporate Governance Report.

Complies [X] Complies partially [] Explanation []

37. That if there is an executive committee, the proportion of each different director category must be similar to that of the Board itself, and its secretary must be the secretary of the Board.

Complies [] Complies partially [] Explanation [] Not applicable [X]

38. That the board of directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the board of directors receive a copy of the minutes of meetings of the executive committee.

Complies [] Complies partially [] Explanation [] Not applicable []

39. That the members of the audit committee, in particular its chairman, are appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, and that the majority of its members be independent directors.

Complies [] Complies partially [] Explanation []

40. That under the supervision of the audit committee, there must be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies [] Complies partially [] Explanation []

41. That the person in charge of the group performing the internal audit function should present an annual work plan to the audit committee, reporting directly on any issues that may arise during the implementation of this plan, and present an activity report at the end of each year.

Complies [] Complies partially [] Explanation [] Not applicable []

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

- a) Supervise the preparation and integrity of financial information relative to the company and, if applicable, the group, monitoring compliance with governing rules and the appropriate application of consolidation and accounting criteria.
- b) Ensure the independence and effectiveness of the group charged with the internal audit function; propose the selection, appointment, re- election and dismissal of the head of internal audit; draft a budget for this department; approve its goals and work plans, making sure that its activity is focused primarily on material risks to the company; receive periodic information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.
- c) Establish and supervise a mechanism that allows employees to report confidentially and, if appropriate, anonymously, any irregularities with important consequences, especially those of a financial or accounting nature, that they observe in the company.

2. With regard to the external auditor:

- a) In the event that the external auditor resigns, examine the circumstances which caused said resignation.
- b) Ensure that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.

- c) Insist that the company file a relevant fact with the CNMV when there is a change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- d) Ensure that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks accomplished and regarding the development of its accounting and risks faced by the company.
- e) Ensure that the company and the external auditor comply with applicable rules regarding the rendering of services other than auditing, proportional limits on the auditor's billing, and all other rules regarding the auditor's independence.

Complies [X] Complies partially [] Explanation []

43. That the audit committee may require the presence of any employee or manager of the company, even without the presence of any other member of management.

Complies [X] Complies partially [] Explanation []

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draft a report beforehand to the board of directors regarding economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies [] Complies partially [] Explanation [] Not applicable [X]

45. That the risk management and control policy identify, as a minimum:

- a) The various types of financial and non-financial risks (among those operational, technological, legal, social, environmental, political and reputational) which the company faces, including financial or economic risks, contingent liabilities and other off balance sheet risks.
- b) Fixing of the level of risk the company considers acceptable.
- c) Means identified in order to minimise identified risks in the event they transpire.
- d) Internal control and information systems to be used in order to control and manage identified risks, including contingent liabilities and other off balance sheet risks.

Complies [X] Complies partially [] Explanation []

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal control and management function should exist delegated to an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensure the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks that may affect the company.
- b) Actively participate in the creation of the risk strategy and in important decisions regarding risk management.
- c) Ensure that the risk management and control systems adequately mitigate risks as defined by policy issued by the board of directors.

Complies [X] Complies partially [] Explanation []

47. That members of the appointment and remuneration committee – or of the appointments committee and the remuneration committee if they are separate – are chosen taking into account the knowledge, ability and experience necessary to perform the duties they are called upon to carry out and that the majority of said members are independent directors.

Complies [] Complies partially [] Explanation []

48. That high market capitalisation companies have formed separate appointments and remuneration committees.

Complies [] Explanation [] Not applicable []

49. That the appointments committee consult with the chairman of the board of directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director may ask the appointments committee to consider potential candidates he or she considers appropriate to fill a vacancy on the Board of Directors.

Complies [] Complies partially [] Explanation []

50. That the remuneration committee exercises its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) Propose basic conditions of employment for senior management.
- b) Verify compliance with company remuneration policy.
- c) Periodically review the remuneration policy applied to directors and senior managers, including remuneration involving the delivery of shares, and guarantee that individual remuneration be proportional to that received by other directors and senior managers.
- d) Oversee that potential conflicts of interest do not undermine the independence of external advice rendered to the board.
- e) Verify information regarding remuneration paid to directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies [] Complies partially [] Explanation []

51. That the remuneration committee consults with the chairman and the chief executive of the company, especially in matters relating to executive directors and senior management.

Complies [] Complies partially [] Explanation []

52. That the rules regarding composition and workings of supervision and control committees appear in the rules governing the board of directors and that they are consistent with those that apply to mandatory committees in accordance with the recommendations above, including:
- a) That they are comprised exclusively of non-executive directors, with a majority of them independent.
 - b) That their chairmen be independent directors.
 - c) That the board of directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and detail their activities and accomplishments during the first plenary session of the board of directors held after the committee's last meeting.
 - d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
 - e) That their meetings be recorded and the minutes be made available to all directors.

Complies [] Complies partially [] Explanation [] Not applicable []

53. That verification of compliance with corporate governance rules, internal codes of conduct and social corporate responsibility policy be assigned to one or split among more than one committee of the Board of Directors, which may be the audit committee, the appointments committee, the corporate social responsibility committee in the event that one exists, or a special committee created by the Board of Directors pursuant to its powers of self-organisation, which at least the following responsibilities shall be specifically assigned thereto:

- a) Verification of compliance with internal codes of conduct and the company's corporate governance rules.
- b) Supervision of the communication strategy and relations with shareholders and investors, including small- and medium-sized shareholders.
- c) The periodic evaluation of the suitability of the company's corporate governance system, with the goal that the company promotes company interests and take into account, where appropriate, the legitimate interests of other stakeholders.
- d) Review of the company's corporate social responsibility policy, ensuring that it is orientated towards value creation.
- e) Follow-up of social responsibility strategy and practice, and evaluation of degree of compliance.
- f) Supervision and evaluation of the way relations with various stakeholders are handled.
- g) Evaluation of everything related to non-financial risks to the company, including operational, technological, legal, social, environmental, political and reputational.
- h) Coordination of the process of reporting on diversity and reporting non- financial information in accordance with applicable rules and international benchmarks.

Complies [] Complies partially [] Explanation []

54. That the corporate social responsibility policy include principles or commitments which the company voluntarily assumes regarding specific stakeholders and identifies, as a minimum:
- a) The objectives of the corporate social responsibility policy and the development of tools to support it.
 - b) Corporate strategy related to sustainability, the natural environment and social issues.
 - c) Concrete practices in matters related to: shareholders, employees, clients, suppliers, social issues, the natural environment, diversity, fiscal responsibility, respect for human rights, and the prevention of unlawful conduct.
 - d) Means or systems for monitoring the results of the application of specific practices described in the immediately preceding paragraph, associated risks, and their management.
 - e) Means of supervising non-financial risk, ethics, and business conduct.
 - f) Communication channels, participation and dialogue with stakeholders.
 - g) Responsible communication practices that prevent the manipulation of data and protect integrity and honour.
- Complies [] Complies partially [] Explanation []
55. That the company reports, in a separate document or within the management report, on matters related to corporate social responsibility, following internationally recognised methodologies.
- Complies [] Complies partially [] Explanation []
56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgment of non-executive directors.
- Complies [] Explanation []
57. That only executive directors receive remuneration linked to corporate results or personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments whose value is indexed to share value, or long-term savings plans such as pension plans, retirement accounts or any other retirement plan.
- Shares may be given to non-executive directors under the condition that they maintain ownership of the shares until they leave their posts as directors. The forgoing shall not apply to shares that the director may be obliged sell in order to meet the costs related to their acquisition.
- Complies [] Complies partially [] Explanation []

58. That as regards variable remuneration, the policies incorporate limits and administrative safeguards in order to ensure that said remuneration is in line with the work performance of the beneficiaries and are not based solely upon general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk undertaken to achieve a given result.
- b) Promote sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with rules and internal operating procedures and risk management and control policies.
- c) Are based upon balancing short-, medium- and long-term objectives, permitting the reward of continuous achievement over a period of time long enough to judge creation of sustainable value such that the benchmarks used for evaluation are not comprised of one-off, seldom occurring or extraordinary events.

Complies [X] Complies partially [] Explanation [] Not applicable []

59. That a material portion of variable remuneration components be deferred for a minimum period of time sufficient to verify that previously established performance criteria have been met.

Complies [X] Complies partially [] Explanation [] Not applicable []

60. That remuneration related to company results takes into account any reservations which may appear in the external auditor's report which would diminish said results.

Complies [X] Complies partially [] Explanation [] Not applicable []

61. That a material portion of variable remuneration for executive directors is linked to the delivery of shares or instruments indexed to share value.

Complies [] Complies partially [X] Explanation [] Not applicable []

The long-term variable remuneration of the Executive Directors provides for settlement, at the beneficiary's choice, in cash alone, in ROVI shares alone, or through a mixed system of 50% in cash and 50% in shares. Although it is true that the annual variable remuneration system does not provide for giving shares or financial instruments indexed to the share value, since the Executive Directors are likewise significant indirect shareholders in the Company through their shareholdings in Norbel Inversiones, S.L., their professional performance and the Company's interests are in alignment with each other.

62. That once shares or options or rights to shares arising from remuneration schemes have been delivered, directors are prohibited from transferring ownership of a number of shares equivalent to two times their annual fixed remuneration, and the director may not exercise options or rights until a term of at least three years has elapsed since they received said shares.

The forgoing shall not apply to shares which the director may need to sell in order to meet the costs related to their acquisition.

Complies [X] Complies partially [] Explanation [] Not applicable []

63. That contractual arrangements include a clause which permits the company to seek reimbursement of variable remuneration components in the event that payment does not coincide with performance criteria or when delivery was made based upon data later deemed to be inaccurate.

Complies [X] Complies partially [] Explanation [] Not applicable []

64. That payments made for contract termination shall not exceed an amount equivalent to two years of total annual remuneration and that it shall not be paid until the company has verified that the director has fulfilled all previously established criteria for payment.

Complies [X] Complies partially [] Explanation [] Not applicable []

H. FURTHER INFORMATION OF INTEREST

1. If there is any aspect regarding corporate governance in the company or other companies in the group that have not been included in other sections of this report, but which are necessary in order to obtain a more complete and comprehensible picture of the structure and governance practices in the company or group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not redundant.

Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

3. The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. In such a case, name the code in question and the date the company began following it. It should be specifically mentioned that the company adheres to the Code of Good Tax Practices of 20 July, 2010.

Section 3 – The Company has adhered to the Code of Good Practice for the Pharmaceutical Industry, the standard code of Farmaindustria for personal data protection in the field of clinical research and pharmacovigilance, and to the Code of Ethical Standards for the promotion and advertising of non-prescription medicines not financed by the National Health System and other healthcare products.

Section A.2- Norbel Inversiones, S.L. increased its shareholding to 63.107% of the share capital on 16/05/2019.

Section A.3 – Although Mr Miguel Corsini Freese resigned as a director for the reasons stated in section C.1.2, it is necessary to mention the fact that he was the holder of 10 shares in Company at the time of his resignation.

This annual corporate government report was approved by the Board of Directors of the Company at its meeting held on :

[25/02/2020]

State whether any directors voted against or abstained from voting on this report.

[] Yes
[v] No



Laboratorios Farmacéuticos ROVI, S.A.

**Informe de auditor referido a la “Información
relativa al Sistema de Control Interno sobre la
Información Financiera (SCIIF)” de Laboratorios
Farmacéuticos ROVI, S.A. correspondiente al
ejercicio 2019**



Informe de auditor referido a la “Información relativa al Sistema de Control Interno sobre la Información Financiera (SCIIF)” de Laboratorios Farmacéuticos ROVI, S.A. correspondiente al ejercicio 2019

A los Administradores de Laboratorios Farmacéuticos ROVI, S.A.

De acuerdo con la solicitud del Consejo de Administración de Laboratorios Farmacéuticos ROVI, S.A. (la Sociedad) y con nuestra carta propuesta de fecha 28 de enero de 2020, hemos aplicado determinados procedimientos sobre la “Información relativa al SCIIF” adjunta en el apartado F del Informe Anual de Gobierno Corporativo de Laboratorios Farmacéuticos ROVI, S.A. correspondiente al ejercicio 2019, en el que se resumen los procedimientos de control interno de la Sociedad en relación a la información financiera anual.

Los Administradores son responsables de adoptar las medidas oportunas para garantizar razonablemente la implantación, mantenimiento y supervisión de un adecuado sistema de control interno, así como del desarrollo de mejoras de dicho sistema y de la preparación y establecimiento del contenido de la Información relativa al SCIIF adjunta.

En este sentido, hay que tener en cuenta que, con independencia de la calidad del diseño y operatividad del sistema de control interno adoptado por la Sociedad en relación a la información financiera anual, éste sólo puede permitir una seguridad razonable, pero no absoluta, en relación con los objetivos que persigue, debido a las limitaciones inherentes a todo sistema de control interno.

En el curso de nuestro trabajo de auditoría de las cuentas anuales y conforme a las Normas Técnicas de Auditoría, nuestra evaluación del control interno de la Sociedad ha tenido como único propósito el permitirnos establecer el alcance, la naturaleza y el momento de realización de los procedimientos de auditoría de las cuentas anuales de la Sociedad. Por consiguiente, nuestra evaluación del control interno, realizada a efectos de dicha auditoría de cuentas, no ha tenido la extensión suficiente para permitirnos emitir una opinión específica sobre la eficacia de dicho control interno sobre la información financiera anual regulada.

A los efectos de la emisión de este informe, hemos aplicado exclusivamente los procedimientos específicos descritos a continuación e indicados en la Guía de Actuación sobre el Informe del auditor referido a la Información relativa al Sistema de Control Interno sobre la Información Financiera de las entidades cotizadas, publicada por la Comisión Nacional del Mercado de Valores en su página web, que establece el trabajo a realizar, el alcance mínimo del mismo, así como el contenido de este informe. Como el trabajo resultante de dichos procedimientos tiene, en cualquier caso, un alcance reducido y sustancialmente menor que el de una auditoría o una revisión sobre el sistema de control interno, no expresamos una opinión sobre la efectividad del mismo, ni sobre su diseño y su eficacia operativa, en relación a la información financiera anual



de la Sociedad correspondiente al ejercicio 2019 que se describe en la Información relativa al SCIIF adjunta. En consecuencia, si hubiéramos aplicado procedimientos adicionales a los determinados por la citada Guía o realizado una auditoría o una revisión sobre el sistema de control interno en relación a la información financiera anual regulada, se podrían haber puesto de manifiesto otros hechos o aspectos sobre los que les habríamos informado.

Asimismo, dado que este trabajo especial no constituye una auditoría de cuentas ni se encuentra sometido a la normativa reguladora de la actividad de auditoría de cuentas vigente en España, no expresamos una opinión de auditoría en los términos previstos en la citada normativa.

Se relacionan a continuación los procedimientos aplicados:

1. Lectura y entendimiento de la información preparada por la entidad en relación con el SCIIF – información de desglose incluida en el Informe de Gestión – y evaluación de si dicha información aborda la totalidad de la información requerida que seguirá el contenido mínimo descrito en el apartado F, relativo a la descripción del SCIIF, del modelo de IAGC según se establece en la Circular nº 5/2013 de 12 de junio de 2013 de la Comisión Nacional del Mercado de Valores (CNMV), posteriormente modificada por la Circular nº 7/2015 de 22 de diciembre de 2015 de la CNMV y la Circular 2/2018 de 12 de junio de la CNMV (en adelante, las Circulares de la CNMV).
2. Preguntas al personal encargado de la elaboración de la información detallada en el punto 1 anterior con el fin de: (i) obtener un entendimiento del proceso seguido en su elaboración; (ii) obtener información que permita evaluar si la terminología utilizada se ajusta a las definiciones del marco de referencia; (iii) obtener información sobre si los procedimientos de control descritos están implantados y en funcionamiento en la entidad.
3. Revisión de la documentación explicativa soporte de la información detallada en el punto 1 anterior, y que comprenderá, principalmente, aquella directamente puesta a disposición de los responsables de formular la información descriptiva del SCIIF. En este sentido, dicha documentación incluye informes preparados por la función de auditoría interna, alta dirección y otros especialistas internos o externos en sus funciones de soporte al comité de auditoría.
4. Comparación de la información detallada en el punto 1 anterior con el conocimiento del SCIIF de la entidad obtenido como resultado de la aplicación de los procedimientos realizados en el marco de los trabajos de la auditoría de cuentas anuales.
5. Lectura de actas de reuniones del consejo de administración, comité de auditoría y otras comisiones de la entidad a los efectos de evaluar la consistencia entre los asuntos en ellas abordados en relación al SCIIF y la información detallada en el punto 1 anterior.
6. Obtención de la carta de manifestaciones relativa al trabajo realizado adecuadamente firmada por los responsables de la preparación y formulación de la información detallada en el punto 1 anterior.



Como resultado de los procedimientos aplicados sobre la Información relativa al SCIIF no se han puesto de manifiesto inconsistencias o incidencias que puedan afectar a la misma.

Este informe ha sido preparado exclusivamente en el marco de los requerimientos establecidos por el artículo 540 del texto refundido la Ley de Sociedades de Capital y por las Circulares de la CNMV a los efectos de la descripción del SCIIF en los Informes Anuales de Gobierno Corporativo.

KPMG Auditores, S.L.

A handwritten signature in blue ink, which reads 'José Ignacio Rodríguez Prado'. The signature is written in a cursive style and is positioned above a horizontal line.

José Ignacio Rodríguez Prado

25 de febrero de 2020