

REPORT PREPARED BY THE AUDIT COMMITTEE ON ITS ACTIVITIES IN FINANCIAL YEAR 2022

I. Introduction

Under article 47 of the Corporate Bylaws, article 13 of the Board of Directors Regulations and article 20 of the Audit Committee Regulations of Laboratorios Farmacéuticos Rovi, S.A. (“**ROVI**” or the “**Company**”), and in order for the Board of Directors to carry out the annual assessment of this Committee pursuant to article 5.7 of the Board of Directors Regulations and article 529 nonies of Royal Regulatory Decree 1/2010, of 2 July, approving the consolidated text of the Corporate Enterprises Act (Ley de Sociedades de Capital) (the “**Corporate Enterprises Act**”), the Committee shall draft an annual report on its performance, highlighting the main incidents, if any, arising in relation to the functions inherent to it. The Audit Committee is therefore drafting this report, which may also include, if it considers it appropriate, proposals to improve the Company’s rules of governance. The report shall also publicly indicate whether any self-assessment measure by the Committee has led to significant changes in its internal organisation and procedures.

This report corresponding to the activities of the Audit Committee during the period 1 January to 31 December 2022 will, in accordance with article 47.6 of the Corporate Bylaws, article 13.6 of the Board of Directors Regulations and article 20.1 of the Audit Committee Regulations, be available to shareholders and investors on the Company’s website (www.rovi.es) from the moment that the General Shareholders’ Meeting is convened.

The content of this report is in accordance with the recommendations of the Technical Guide 3/2017 of the National Securities Market Commission (the “**CNMV**”) on audit committees of public interest entities (the “**Technical Guide 3/2017**”), which are a reference for the Company.

II. Regulation, good governance framework and practical guidelines

The rules governing the organisation and functioning of the Audit Committee are established in the Articles of Association, the Board Regulations and in the Regulation of the Audit Committee, which are available for consultation online at the Company’s website (www.rovi.es).

In addition, as described in the Company’s Annual Corporate Governance Report for 2022, the Audit Committee complies with the CNMV’s Code of Good Conduct for listed companies and the Technical Guide 3/2017.

III. Composition

The aforementioned article 47 of the Corporate Bylaws and article 13 of the Board of Directors Regulations, together with articles 11, 12 and 13 of the Audit Committee Regulations, stipulate that the Audit Committee shall consist of at least three and not more than five directors, appointed by the Board of Directors from amongst its non-executive directors. In any case, the majority of its members must be independent directors. All the members of the Audit Committee, and in particular its Chairman, must be appointed taking into account their knowledge and experience in matters of accounting, auditing and financial and non-financial risk management, as well as their knowledge, skills and experience with respect to the Committee’s other duties. Overall, the members of the Audit Committee must have the technical knowledge appropriate to the sector of activity to which the Company belongs. At least one of the Committee members must have experience in information technology.

The Chairman of the Audit Committee must be an independent director and be appointed taking into account his or her knowledge and experience in accounting, auditing or both; he or she must be replaced every four years and may be re-elected after one year has elapsed from the time of his or her cessation.

The composition of the Audit Committee at 31 December 2022, was as follows:

- (i) **Mr Marcos Peña Pinto** (member of the Committee since 9 May 2019 and chairman since 12 June 2019) is an external independent director of ROVI. He was appointed director of the Company by co-option on 9 May 2019 and re-elected as director by the General Shareholders' Meeting on 12 June 2019. Mr Peña Pinto holds a degree in Law from the Complutense University of Madrid, and he has passed the Spanish Civil Service examination, qualifying him as a Labour and Social Security Inspector. Between 1984 and 1989, Mr Peña held the position of Employment Affairs Attaché at the Spanish Embassy in Italy. He then went on to serve as Secretary General of Health at the Spanish Ministry of Health and Consumer Affairs and Secretary General of Employment and Labour Relations at the Ministry of Labour between 1991 and 1996. Between 2005 and 2006, he served as Expert-Adviser on the Economic and Social Council, a body he subsequently chaired until April 2020. As a consequence of his period in office as Chairman of the Economic and Social Council, Mr Peña Pinto also automatically held a seat on the Spanish Council of State. In April 2020, Mr Peña was appointed a trustee of the CEOE Foundation (Spanish Confederation of Employers' Organisations). Among his other professional activities carried out, Marcos Peña has specialised in the field of collective bargaining, serving as Chairman of the Negotiating Committee for numerous collective agreements (e.g., Telefónica, RENFE, Repsol, Alcatel, Endesa, Astilleros, among others). Mr Peña Pinto has also acted as arbitrator and mediator in a number of labour disputes with national repercussions, and he is the author of countless publications and a regular newspaper columnist.
- (ii) **Ms Fátima Báñez García** (member of the Committee since 20 December 2019) is an external independent director of ROVI. She was appointed director of the Company by co-option starting on 20 December 2019 and re-elected as director by the General Shareholders' Meeting on 20 October 2020. Ms Báñez García holds degrees in Law and in Economics and Business Studies from the Comillas Pontifical University –ICADE E-3. She concluded her academic studies by earning a Postgraduate Degree in Business Administration from Harvard University, Boston, MA and completing the Public Management Leadership Programme at IESE Business School. She was Minister of Employment and Social Security of the Government of Spain from December 2011 until June 2018, and Acting Minister of Health, Social Services and Equality between August and November 2016. She was also Member of Parliament for Huelva (2000-2019), where she discharged important duties in the economic sphere for the Partido Popular parliamentary group, and she served as Chair for the Foreign Affairs Committee of the Lower House (2018-2019). Previously, she was a member of the Board of Directors of Radio Televisión de Andalucía, from November 1997 to June 2000. She began her professional career in private companies as head of Strategy and Business Development for a family business group (1993-1997), returning to the private sector in November 2019 as a consultant and business advisor. She has extensive international experience, representing Spain at EPSCO Council meetings, in the G-20, at Ibero-American Summits and at meetings of the OECD and the ILO, as well as other International Employment Forums. Ms Báñez is currently President of the CEOE Foundation a director of Avangrid, Inc. (Iberdrola Group).
- (iii) **Ms Teresa Corzo Santamaría** (member of the Committee since 14 December 2022) is an external independent director of ROVI. She was appointed director of the Company by co-optation effective 14 December 2022. Ms Corzo Santamaría holds a degree in Economics and Business Administration from the Comillas Pontifical University (ICADE), having obtained in 1996 a PhD in Economics and Business Administration from the University of Navarra and in 2003 the CFA (Chartered Financial Analyst) credential. Since then, she has been a member of CFA Spain and the CFA Institute. Between 1997 and 1998, she did a postdoctoral fellowship, specialising in finance, at the University of California Los Angeles (UCLA). Subsequently, upon her return to Spain, Ms Corzo Santamaría worked for six years at Renta 4, Sociedad de Valores

y Bolsa S.A. where she was an investment and financial analyst and performed other functions related to asset management, among others, the derivatives portfolio and international investment funds. With regard to her teaching career, it should be noted that Ms Corzo Santamaría worked as a collaborating lecturer in the area of finance at the Instituto de Empresa, later joining the Department of Financial Management at the Faculty of Economics of the Comillas Pontifical University (ICADE), where she has been teaching several subjects related to portfolio management and financial derivatives (options and futures) since 2005. In 2017, Ms Corzo Santamaría was appointed Dean of the Faculty of Economics and Business Administration at the Comillas Pontifical University (ICADE), a position she continues to hold today. And from August 2018 until August 2022, Ms Corzo Santamaría was a member of the Board of Directors of Deutsche Bank SAE, as well as of its Risk, Audit, Nomination and Remuneration Committees. As regards her research activities, Ms Corzo Santamaría has collaborated in several studies related to credit and market risk, having published numerous articles in international journals such as the *Journal of Behavioural Finance*, *Journal of Asset Management*, *Journal of Insurance and Financial Management*, *Spanish Economic Review* and *Economic Notes*.

In addition, the following director was a member of the Committee for most of 2022:

- (i) **Mr José Fernando de Almansa Moreno-Barreda** (member of the Committee from 9 June 2015 until 14 December 2022) was an external independent director of ROVI. He was appointed director of the Company by the General Shareholders' Meeting on 9 June 2015 for the four-year term stipulated by the Bylaws, and re-elected as director by the General Shareholders' Meeting held on 12 June 2019 for a further four-year term. Mr Almansa holds a degree in Law from the University of Deusto (Bilbao). He is a diplomat, having joined the Spanish Diplomatic Service on 2 December 1974. From 1976 to 1992, he served in the following positions: Secretary of the Spanish Embassy in Brussels, Cultural Attaché at the Spanish Embassy in Mexico, Head of the Coordination Department in the Sub-Directorate General for Eastern Europe, Director of Atlantic Affairs at the Directorate General of Foreign Policy for Europe and Atlantic Affairs, Political Attaché at the Office of Spain's Permanent Representative to the North Atlantic Council in Brussels, Minister-Consul General at the Spanish Embassy in the Soviet Union, Secretary General of the Spanish National Committee for the Fifth Centenary of the Discovery of America, and Sub-Director General for Eastern Europe Office at the Directorate General for European Foreign Policy. From 1993 to 2002 he was appointed by His Majesty King Juan Carlos I as Head of the King's Household, with the rank of minister, and appointed Privy Counsellor to His Majesty King Juan Carlos I. He was a director of Telefónica S.A. between 2003 and 2016, holding the presidency of the Board's International Affairs Committee serving on the boards of various Telefónica S.A. subsidiaries in Latin America. He has also held office as a director of the Mexican bank BBVA BANCOMER and TELEFÓNICA MÓVILES S.A. in Mexico. He is Chairman of ROVI's Advisory Committee.

Mr Almansa resigned as a ROVI director to enable ROVI to comply in 2022 with the good governance recommendation on diversity in the composition of the board of directors, thus making it easier for the Company to appoint a director of recognised prestige in that same financial year to fill the vacancy, also considering the proximity of the expiry of his term of office.

The criteria used by the Board to determine the composition of the Audit Committee took into account the directors' knowledge and experience in accounting, audit and risk management, as well as their knowledge, skills and experience in relation to the Committee's other duties. Overall, the members of the Committee must have the requisite technical expertise in relation to the sector in which the Company operates, and at least one of them must have experience in information technology.

Finally, the composition of the Audit Committee reflects ROVI's commitment to diversity of knowledge, experience, gender and age within its governing bodies, so that the decision-making process is enriched and diverse points of view are reflected in the debate on the issues within its scope of competence.

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

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

The composition of the Committee in 2022 therefore corresponds to the provisions of the Corporate Bylaws, the Board of Directors Regulations, the Audit Committee Regulations and the Corporate Enterprises Act, as it is exclusively composed of non-executive directors appointed by the Board of Directors, all of whom are independent; thus the Chairman of the Committee is also an independent director, which guarantees the impartiality and objectivity of the criteria of the Audit Committee.

IV. Meetings held by the Committee and their constitution in 2022

The Audit Committee meets ordinarily every quarter to review the periodic financial information that must be submitted to the securities market authorities, together with the information that the Board of Directors must approve and include as part of its annual public documentation. It may also meet at the request of any of its members and whenever called to meet by its Chairman, who must do so whenever the Board or its Chairman requests the issue or drafting of a report or the adoption of proposals; and, in any other case which is appropriate for the correct performance of its functions.

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

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

The Audit Committee met eight times in 2022. Therefore, it met as often as necessary to properly perform its functions. All of its members attended a total of six of the eight meetings of the Audit Committee. In those meetings in which a member has not been able to attend, they have granted their representation in writing and on an ad hoc basis for each meeting to another member of the Committee, including the appropriate instructions.

The meetings of the Committee were attended by the auditors, the head of internal audit and members of ROVI's management, in particular the First Vice Chairman of the Board and General Manager of Industrial Operations and Finance of ROVI, on those occasions when their presence was necessary. The above persons attended the meetings when invited by the Committee. Their attendance was limited to dealing with the items on the agenda for which they had been called, and in no cases were they present at the decision-making part of the meetings.

- The Company's auditor, KPMG Auditores, S.L. (KPMG), attended in order to report on the main aspects related to the audit work performed in relation to the years 2021 and 2022 together with their conclusions, as well as the aspects related to the limited review corresponding to the financial information of the first half of 2022.
- The Company's internal auditor, Ms Aránzazu Lozano Pirrongelli, attended in order to, among other things, present the report on the internal audit activities carried out during 2021; report on

the main aspects related to the financial information of the ROVI Group for 2021 and on the quarterly financial information for 2022; to report on the monitoring of related-party transactions and the internal control and risk management systems, as well as the annual work plan of the internal audit area for 2022; to report on the proposed modification of the Policy on Contracting and Relations with the Auditor and the Tax Strategy; to present the main changes introduced in ROVI's Internal Audit Statute; and the draft of the Anti-Fraud Policy and the Protocol for action in the event of fraud events.

- Mr Javier López-Belmonte Encina, First Vice Chairman of the Board and General Manager of Industrial Operations and Finance of ROVI, was present to report, among other things, on the progress of the business, the main aspects related to business trends and the risks associated with the business, as well as to report on certain related-party transactions.

Moreover, in compliance with the Technical Guide 3/2017 and the Audit Committee's annual work plan, the Committee has held periodic meetings with the Company's executive managers in 2022 in which presentations were made to report on its functional areas.

V. Functions and tasks carried out in 2022

Pursuant to its functions under articles 6 to 10 of its Regulations, article 13 of the Board of Directors Regulations and article 47 of the Corporate Bylaws, the Committee has focused the objectives of the meetings in 2022 on the following main activities:

- **Review of the periodic financial information**

As is the case each year, the Committee has supervised the process of drafting the individual and consolidated periodic financial information and its integrity which the Board of Directors must report to the market and to the CNMV in accordance with its periodic reporting obligations as a listed company.

Before submitting the information, the Committee has reviewed compliance with the regulatory requirements and the aspects required by the Technical Guide 3/2017, the appropriate delimitation of the scope of consolidation, and the proper application of the relevant accounting principles in the periodic financial information, which was reported in all cases within the legal deadlines.

Likewise, following the entry into force on 3 May 2021 of Law 5/2021, of 12 April, amending the revised text of the Corporate Enterprises Act and, among other regulations, Royal Legislative Decree 4/2015, of 23 October, approving the revised text of the Securities Market Law (the "**Law 5/2021**"), issuers whose shares are admitted to trading on a Spanish regulated market, as is the case of ROVI, are not obliged, as of said date, to submit to the CNMV and publish their interim management statements or quarterly financial reports.

Notwithstanding the foregoing, the Audit Committee and the Board of Directors considered it advisable to continue publishing quarterly information, both individual and consolidated, on a voluntary basis, and therefore this Committee has also reviewed, prior to their submission, ROVI's interim management statements corresponding to the first and third quarters of 2022.

- **Review of the annual accounts**

To ensure that the individual and consolidated annual accounts prepared by the Board of Directors are not presented to the General Meeting with qualifications in the audit report, the Audit Committee carried out tasks including:

- Review of the Company's accounts after meeting the auditor to review the main aspects related to the audit of the ROVI Group.

- Ensuring compliance with legal requirements and the correct application of the generally accepted accounting principles.
- Review of the periodic financial information to be submitted by the Board to the markets and their supervisory bodies.

The Audit Committee issued a favourable report to the Board of Directors before the preparation of the annual financial statements.

As a result, it is noted here that the audit reports on ROVI's individual and consolidated annual accounts corresponding to the year ended 31 December 2021 were presented without any qualifications. Similarly, the audit reports on ROVI's individual and consolidated financial statements for the year ended 31 December 2022 are not expected to be qualified.

Moreover, to ensure the correct performance of its supervisory function, the Audit Committee has been informed of the management decisions related to the most significant criteria with respect to the financial statements and other non-financial information.

Additionally, acting through its Chairman, the Audit Committee informed the General Shareholders' Meeting of questions raised in relation to matters that are within its competence and, in particular, informed the General Meeting of Shareholders in 2022 on the result of the audit, explaining how it has contributed to the integrity of financial information and the function performed by the Committee in this process.

- **External audit and auditor independence**

After examining the alternatives proposed, and given the level of compliance with the rules for appointing auditors approved by the Board of Directors, the Committee proposed in 2021 to the Board to re-elect KPMG Auditores, S.L. as auditor for 2022, and to approve its proposed fees and the terms and conditions of the corresponding service provision agreement. In turn, the Board of Directors proposed to the General Shareholders' Meeting the re-appointment of said audit firm as auditor of the Company and its Group for the 2022 financial statements.

The Ordinary General Shareholders' Meeting of the Company held on 14 June 2022 agreed to re-appoint KPMG Auditores, S.L. in accordance with the above terms and conditions.

The Audit Committee has supervised relations with the external auditor, establishing the appropriate forms of receiving information on any matters related to the process of carrying out the audit. It has also supervised compliance with the audit agreement, to ensure that the opinion on the annual accounts and the main content of the audit report were drafted clearly and precisely. Specifically, it has ensured that the external auditor holds a meeting with the plenary session of the Board of Directors to inform it about its work and the Company's accounting position and risks.

Law 22/2015, of 20 July, on Auditing and article 529 *quaterdecies* 4 f) of the Corporate Enterprises Act, require the Audit Committee to issue a report every year before the audit report, expressing an opinion on the independence of the auditor. Based on this requirement and the confirmation of independence received from the auditor, the Audit Committee has concluded that there are no objective reasons to question the independence of the auditor in 2022.

Moreover, in accordance with article 6.f) of the Audit Committee Regulations, in 2022 the Committee assessed the actions of the auditor and its contribution to the quality of the audit and the integrity of the financial information. For this purpose, with the aim of creating a framework for the auditor's assessment, the Audit Committee approved in advance a form prepared by the Company's internal audit department and submitted it to the Company's directors.

Once all the forms were received, the members of the Audit Committee concluded that the overall action of the auditor in 2021, as well as the preparation, knowledge and execution of the works carried out, had been satisfactory.

Finally, in 2022 the Audit Committee approved the annual schedule of the Committee's communications with the auditor for 2023, following the recommendations of the Technical Guide 3/2017, and establishing communications in person, by phone and by email with the auditor.

- **Authorisation for the provision of services permitted by the auditor**

Under article 529 *quaterdecies* 4.e) of the Corporate Enterprises Act, requiring the Audit Committee to authorise the external auditor to provide services other than those prohibited, the Audit Committee authorised the provision of professional services by the Company's auditor in certain subsidiaries of the ROVI Group.

- **Internal audit**

In 2022 the Audit Committee performed the functions related to the Company's internal audit which have been assigned to it under the Board Regulations, basically as follows: (i) ensure the independence and effectiveness of the internal audit function; (ii) approve the approach and the work plans, ensuring that its activity is focused mainly on significant risks for the Company; (iii) receive periodic information on its activity; and (iv) check that senior management takes into account the conclusions and recommendations made in its reports.

In accordance with ROVI's Internal Audit Charter, this must be reviewed at least once every two years. In view of the fact that the latest version was approved by the Board of Directors, following a favourable report from the Audit Committee, at its meeting of 3 December 2020, during 2022 the Audit Committee reviewed and agreed to report favourably to the Board on the proposed amendment of the Internal Audit Charter.

In addition, the Company's internal audit manager has periodically reported to the Audit Committee on the activities of this area. In this regard, the internal audit department prepared the internal auditors' annual work plan for 2022, which was reviewed and approved by the Committee. It also prepared a report of its internal audit activities carried out in 2021, which described the execution status of certain tasks commissioned by the Audit Committee during the year. The report was approved by the Committee itself. In addition, the Committee was informed of the progress of the work included in the 2022 Internal Audit Plan.

Furthermore, taking into account the functions of the Audit Committee, which include discussing with the auditors or audit firms the significant weaknesses of the internal control system found in the course of the audit -all this without infringing their independence, and submitting, if necessary, recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up-, the Committee has analysed, together with the internal audit manager, the contents related to the control and risk management systems, as well as the internal control systems in relation to the process of issuing the financial information included in sections E and F, respectively, of the Annual Corporate Governance Report.

- **Monitoring trading with the Company's treasury shares and the treasury share buy-back programme for their cancellation**

Throughout 2022, the Committee regularly analysed and became aware of the Company's treasury stock balance and transactions with treasury stock, information which, in any case, was sent monthly by e-mail to the members of the Committee.

At its February 2022 meeting, the Audit Committee reported favourably on the approval by the Company's Board of Directors of a second treasury share buy-back programme under the authorisation granted by the General Shareholders' Meeting held on 17 June 2021 under the regulations in force at that time. The CNMV has been informed every week of the transactions carried out with treasury shares under the share buy-back programme, and the Audit Committee at least every quarter.

In addition, for the purpose of verifying compliance with the requirements set forth in CNMV Circular 1/2017, of 26 April, on liquidity contracts, the Audit Committee has analysed and taken cognizance, at least quarterly, of the balance of the Company's treasury shares and of the transactions carried out with treasury shares under the liquidity contract in force.

- **Compliance with the corporate governance regulations and the obligations inherent to listed companies**

The Audit Committee worked to ensure compliance with the Internal Code of Conduct in the Securities Markets, the Board of Directors Regulations and, in general, the Company's rules on corporate governance in 2022, with no significant failures to comply being detected in this respect.

In addition, in 2022, this Committee reviewed the Annual Corporate Governance Report corresponding to 2021 which, in accordance with the wording of article 538 of the Corporate Enterprises Act, must be included in a separate section in the Management Report which accompanies the Annual Accounts. In relation to the aforementioned Annual Corporate Governance Report for 2021, the Committee has ensured compliance with the provisions of (i) Order ECC/461/2013, of 20 March, which determines the content and structure of the annual corporate governance report, the annual report on remuneration and other information instruments of listed public limited companies, savings banks and other entities that issue securities admitted to trading on official securities markets; and (ii) CNMV Circular 5/2013 of 12 June, which establishes the models for the annual corporate governance report of listed public limited companies, savings banks and other entities that issue securities admitted to trading on official securities markets -as last amended by CNMV Circular 3/2021 of 28 September.

In compliance with Technical Guide 3/2017 and Article 19 of the Audit Committee Regulations, in 2022, the members of the Committee approved the Committee's Annual Work Plan for 2022, as well as for 2023. Likewise, this Committee reviewed the current periodic training plan for its members to be applied during 2023, which aims to ensure the refreshing of their knowledge (among others, in accounting, corporate governance and securities market regulations, the specific regulatory framework of the entity's activity, internal and external auditing, risk management, internal control and technological advances relevant to the Company). This program includes, among others, the distribution of reading and other materials, summary notes on regulatory developments, as well as visits to ROVI's operating facilities.

Moreover, in compliance with the Technical Guide 3/2017 and the provisions of article 18.1 of the Committee's Regulations, in 2022 the Audit Committee reviewed the welcome programme for its new members approved in 2021. The purpose of the programme is for all the members of the Committee to have a similar minimum level of knowledge about the Company and thus make it easier for them to participate actively from the start. The programme consists of (i) delivery of the documents needed for the new members to perform their duties; (ii) new members signing documents by which they adhere to ROVI's internal regulations; and (iii) meetings with certain persons in the Company which provides the new members with details on the Company's operations and business.

- **ROVI Group's Regulatory Compliance Model**

The Audit Committee has reviewed the Company's Regulatory Compliance Model, and has not deemed it necessary to make any significant updates or modifications to it.

Likewise, the Committee has been informed by the Compliance Committee that during 2022 an independent review of the ROVI Group's Crime Prevention Model has been carried out by Deloitte; and approved the Compliance Training Plan for 2022 of the ROVI Group; the Annual Compliance Report prepared by the Company's Compliance Department; and the Annual Compliance Plan.

Finally, the Committee reported favourably to the Board on the approval of the Company's Anti-Fraud Policy, in accordance with ROVI's commitment to compliance and in order to establish the criteria to be followed by the Company and its subsidiaries in relation to the prevention, detection and management of fraud, both external and internal, as well as a Protocol for action in the event of fraud, which aims to establish the steps to be followed when possible fraud is reported or identified, in order to take the appropriate measures and mitigate future fraud events.

- **Related transactions**

In relation to its advisory task regarding related-party transactions contained in Articles 13.2 of the Board Regulations and 10 of the Committee Regulations, the Audit Committee reported to the Board of Directors on the related-party transactions that required its prior approval or report.

- **Risk control and management policy and systems of Internal Control over Financial Reporting ("ICFR")**

In compliance with article 13.2 of the Board Regulations and article 9 of the Committee Regulations, the Audit Committee has supervised compliance with the Risk Control and Management Policy which affects the attainment of corporate objectives in 2022. For these purposes, the Audit Committee has periodically reviewed the internal risk control and management systems to identify and manage the Company's main risks, as well as identifying them correctly in the Company.

In this regard, the Audit Committee, in view of the report presented by the head of Internal Audit on the main aspects related to risk management of the ROVI Group, has analysed and reported to the Board of Directors on the monitoring, analysis and compliance with the policy of control and management of risks that affect the achievement of corporate objectives. In particular, the following have been identified: (i) the different types of financial and non-financial risks faced by the Company, including among the financial and economic risks contingent liabilities and other off-balance-sheet risks; (ii) the risk level that the Company considers acceptable; (iii) the measures planned to mitigate the impact of the risks identified, if they materialise; and (iv) the internal information and control systems which may be used to control and manage said risks, including the contingent liabilities or off-balance-sheet risks. The risks which materialised in 2022 and earlier have also been monitored.

With respect to ICFR and in accordance with articles 47.2 of the Corporate Bylaws, article 13.2 of the Board of Directors Regulations and article 8 of the Committee Regulations, the Audit Committee has supervised the operation of internal control systems on the process of preparing and presenting regulated financial information on the Company and its Group to ensure its integrity and guarantee compliance with legal requirements and the correct application of generally accepted accounting principles, with the direct collaboration for this purpose of the internal and external auditors.

- **Review of plans, policies and strategies**

The Audit Committee has reviewed a report on the Company's Management which includes the strategic and business plans, the management objectives and annual budget to be followed, achieved and applied by the Company in 2022.

In addition, the Audit Committee reviewed and reported favourably to the Board of Directors on (i) the modification of the Policy on Contracting and Relations with the Auditor to include clarifications and greater detail in the procedure for contracting the auditor, which has been previously submitted by the Internal Audit Department; (ii) the update of the Company's Tax Strategy, which has been previously submitted by the Company's Finance Department; (iii) the draft of the Anti-Fraud Policy and the Protocol for action in the event of fraud; and (iv) the modification of ROVI's Code of Ethics, which has been previously submitted by ROVI's Compliance Committee to improve the current wording, highlight the key messages of the Code and propose a visual and layout improvement. Likewise, the Audit Committee, in compliance with the provisions of Article 13.2 (b) of the Board Regulations, Article 8 (d) of the Audit Committee Regulations and Article 12 of the Regulatory Compliance Statute, has approved (i) the Report on the activities of the Compliance Department carried out during 2021 and (ii) the annual compliance work plan for 2022.

- **Taking note of the operation of the Ethics Channel**

In accordance with the provisions of article 8 (g) of the Audit Committee Regulations and section 5.2 of the Regulatory Compliance Policy approved by the Board of Directors, the Audit Committee has reviewed the information received from the Compliance Department on the operation of the Whistleblowing Channel, a communication and complaint channel that allows employees to confidentially report any irregularities or breaches of regulations that may be found within ROVI.

VI. Assessment of the operation and performance of the Audit Committee Conclusions

The Committee positively assesses the incorporation of a new member who not only meets the requirements of professional qualifications, personal, professional and commercial honourability, as well as capacity and compatibility required by the Policy regarding the composition of ROVI's Board of Directors, but who will also contribute new perspectives, knowledge and experience that will enrich the debates and decision-making within the Committee. In particular, the appointment of a new female director is viewed positively as a manifestation of ROVI's commitment to promote gender diversity through the application of selection procedures free of any form of implicit bias.

The performance of the Audit Committee was satisfactory in 2022. Moreover, each of the members of the Board of Directors of ROVI and its committees were contacted for the purpose of their self-assessment through questionnaires and personal interviews held where necessary, by which the members of the Committee and other directors, assessed the current composition of the Committee, the level of preparation and execution of the work commissioned by the Board of Directors, together with the performance of its internal control and supervisory function with respect to changes in its areas of responsibility.

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This report was drafted by the ROVI Audit Committee on 20 February 2023 and approved by the Board of Directors at its meeting on the same date.