

REPORT DRAFTED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE ON ITS ACTIVITIES IN 2023

I. Introduction

Under article 48 of the Corporate Bylaws, article 14 of the Board of Directors Regulations and article 24 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.h 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 Appointments and Remuneration Committee has therefore drafted this report, which may also include proposals to improve the Company’s rules of governance, if appropriate.

In relation to the evaluation process of the Board of Directors, it is noted that the Company received assistance from the external consultancy PricewaterhouseCoopers Auditores, S.L., whose designation was proposed by the Appointments and Remuneration Committee at its meeting of 20 February 2023, and proposed to the Board of Directors in an effort to make the self-evaluation process of the Board more objective and independent, thus following the recommendations established for good practices applicable to corporate governance by the Corporate Enterprises Act and the Code of Good Governance of listed companies, inter alia.

This report corresponding to the activities of the Appointments and Remuneration Committee during the period 1 January to 31 December 2023 will, in accordance with article 14.6 of the Board of Directors Regulations and article 24.1 of the Appointments and Remuneration Committee Regulations, be available to shareholders and investors on the Company’s *website* (www.rovi.es) from the moment that the General Meeting of Shareholders is convened.

The content of this report complies with the recommendations in the Technical Guide 1/2019 of the Spanish National Securities Market Commission (the “**CNMV**”) on Appointments and Remuneration committees (the “**Technical Guide 1/2019**”), which are used as a reference for the Company.

II. Regulation, good governance framework and practical guidelines

The framework rules governing the organisation and operation of the Appointments and Remuneration Committee are established in the Corporate Bylaws, in the Board Regulations and the Appointments and Remuneration Committee Regulations, which are available for consultation online on the Company’s *website* (www.rovi.es).

In addition, as described in the Company’s Annual Corporate Governance Report for fiscal year 2023, the Appointments and Remuneration Committee complies with the Code of Good Conduct for listed companies and the Technical Guide 1/2019.

III. Composition

Article 48 of the Corporate Bylaws and article 14 of the Board of Directors Regulations, together with article 13.1 of the Appointments and Remuneration Committee Regulations, stipulate that the Appointments and Remuneration 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 the Committee members must be independent directors. The members of the Appointments and Remuneration Committee will be appointed taking into account their knowledge, skills and experience in relation to the work that they are called on to perform.

The President of the Appointments and Remuneration Committee must be an independent director, who

must be replaced every four years, and re-elected one year after his term expires.

The composition of the Appointments and Remuneration Committee at 31 December 2023 was as follows:

- (i) **Ms Fátima Bález García** (member of the Committee since 20 December 2019 and president since 14 December 2022) is an external independent director of ROVI. She was appointed director of the Company by co-option starting on 20 May 2019 and re-elected as director by the General Meeting of Shareholders on 20 October 2020.

Ms Bález 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 also held public office as Member of Parliament for Huelva (2000-2019), where she has discharged important duties in the economic sphere for the Partido Popular parliamentary group, and she served as President of the Lower House Foreign Affairs Committee (2018-2019).

Previously, she was a member of the board of directors of Radio Televisión de Andalucía, from November 1997 to June 2000. She began her professional career in private companies as head of Strategy and Business Development for a family business group (1993-1997), returning to the private sector in November 2019 as a consultant and business advisor. She has extensive international experience, representing Spain at EPSCO Council meetings, in the G-20, at Ibero-American Summits and at meetings of the OECD and the ILO, as well as other International Employment Forums.

Ms Bález is currently President of the CEOE Foundation and member of the Board of Directors of Avangrid, Inc. (Iberdrola Group), as an independent director, and President of the Sustainability and Governance Committee of this company.

- (ii) **Mr Marcos Peña Pinto** (member of the Committee since 9 May 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 Meeting of Shareholders on 12 June 2019, and was re-elected as a director for the statutory term at the General Meeting of Shareholders held on 14 June 2023. Mr Peña holds a degree in Law from the Complutense University of Madrid, and he has passed the Spanish Civil Service examination qualifying him as an Employment and Social Security Inspector.

Between 1984 and 1989, Mr Peña held the post of Employment Affairs Attaché at the Spanish embassy in Italy; subsequently, from 1991 to 1996, he served as Secretary General of Health at the Spanish Ministry of Health and Consumer Affairs, and as Secretary General of Employment and Labour Relations at the Ministry of Labour.

Between 2005 and 2006, he served as Expert Adviser on the Economic and Social Council, a body he subsequently chaired between 2006 and April 2020. As a consequence of his office as President of the Economic and Social Council, Mr Peña 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 specialized in the field of collective bargaining, serving as President of the Negotiating Committee for numerous collective agreements (e.g., Telefónica, RENFE, Repsol, Alcatel, Endesa, Astilleros, and 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.

- (iii) **Ms Teresa Corzo Santamaría** (member of the Committee since 14 December 2022) is an external independent director of ROVI. She was appointed director by co-option effective 14 December 2022, and re-elected for the four-year term stipulated by the Bylaws at the General Shareholders' Meeting held on 14 June 2023.

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 6 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 Behavioral Finance*, *Journal of Asset Management*, *Journal of Insurance and Financial Management*, *Spanish Economic Review* and *Economic Notes*.

Currently, Ms Corzo Santamaría is the non-executive president of the Board of Directors of Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR) and a member of the Remuneration Committee of that company since February 2020.

The criteria used by the Board of Directors to determine the composition of the Appointments and Remuneration Committee has taken into account technical knowledge with respect to the Company's sector of activity, expertise in corporate governance, analysis and strategic assessment of human resources, selection of directors and managers, performance of senior management functions, and the design of remuneration policies and plans for directors and senior managers, with respect to all the members of the Board, including those not independent.

Finally, the composition of the Appointments and Remuneration Committee reflects ROVI's commitment to diversity, not only of knowledge and experience, but also 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 Appointments and Remuneration Committee are performed by the same persons who hold these posts on the Board of Directors.

All the information on the members of the Appointments and Remuneration Committee is available on the Company's *website* (www.rovi.es).

The composition of the Committee in fiscal year 2023 therefore corresponds to the provisions of the

company's bylaws, the Board of Directors Regulations, the Appointments and Remuneration 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 President of the Committee is also an independent director.

IV. Functions and tasks carried out in 2023

The Appointments and Remuneration Committee, pursuant to article 14.2 of the Board of Directors Regulations and Chapter II of the Appointments and Remuneration Committee Regulations, has performed the tasks assigned to it in the 2023 financial year, including the following:

- **Re-election of Directors**

The Appointments and Remuneration Committee, in accordance with the Regulations of the Board of Directors and the recommendations on good corporate governance regarding the number of external independent directors, proposed to the Board of Directors candidates for the vacancy resulting from the resignation of Mr José Fernando Almansa-Moreno Barreda. To this end, the Committee evaluated several candidates, among them Ms Teresa Corzo Santamaría. Ms Corzo was co-opted onto the Board of Directors of ROVI, with the category of independent, at the meeting held on 14 December 2022. As a result, at the suggestion of the Appointments and Remuneration Committee, at the General Shareholders' Meeting of 14 June 2023, Ms Teresa Corzo Santamaría was re-elected as an external independent director of the Company.

Likewise, the Appointments and Remuneration Committee, in compliance with the provisions of the Policy regarding the composition of the Company's Board of Directors and Recommendation 14 of the Corporate Governance Code, reviewed the degree of compliance with the Policy regarding the composition of the Board of Directors during financial year 2023, and wrote a proposed amendment intended to, among other things, update the commitments made by ROVI involving diversity in the composition of its Board of Directors, and to introduce improvements of a technical nature. The competency matrix of the Board was also updated in view of the current composition of the Board. Following this, the Appointments and Remuneration Committee resolved to report favourably to the Board of Directors on the modification of this policy.

In addition, given the fact that the post of director was about to expire for Mr Marcos Peña Pinto, in compliance with the provision of article 529.i of the Corporate Enterprises Act and article 14.2 of the Rules of the Company's Board of Directors, and considering the policy on the composition of said board, the Appointments and Remuneration Committee approved and submitted to the Board of Directors a proposal to re-elect Mr Marcos Peña Pinto as independent director for the statutory period of four years, to be submitted to the General Shareholders' Meeting.

- **Annual report on the Directors' Remuneration**

In compliance with Article 14.2 of the Regulations of the Board of Directors, which reflects the provisions of Article 529.n g) of the Corporate Enterprises Act, in February 2023, the Appointments and Remuneration Committee approved, and subsequently submitted to the Board for approval, the Annual Director Remuneration Report for 2022, pursuant to Article 541 of the Corporate Enterprises Act, the model of which was established by Circular 4/2013, of 12 June 2013, of the National Securities Market Commission (the "CNMV") -as last amended by CNMV Circular 3/2021, of 28 September.

The Appointments and Remuneration Committee noted that the content of said report and the remuneration received by the directors in financial year 2022 were consistent with the content of the Director' Remuneration Policy, which was approved at the General Shareholders' Meeting of 14 June 2022, pursuant to the stipulations of article 529.r of the Corporate Enterprises Act.

- **Individual remuneration of directors (in particular, of executive directors)**

In compliance with the provisions of Article 14.2 of the Board Regulations and Article 11.b) of the Regulations of the Appointments and Remuneration Committee, during financial year 2023 the Appointments and Remuneration Committee has proposed to the Board of Directors, for its approval, the distribution of the remuneration agreed by the General Shareholders' Meeting for the Board, among the different directors of the Company, based on their dedication and the nature of their services, taking into account the functions and responsibilities attributed to each director, their membership in Board Committees and other objective circumstances that have been deemed relevant.

The Appointment and Remuneration Committee also proposed to the Board of Directors the distribution between the executive directors of (i) fixed remuneration, (ii) annual variable remuneration according to their executive duties corresponding to 2022, and (iii) vested variable remuneration for the executive directors with respect to 2022, all in accordance with the terms and conditions agreed between the executive directors and the Company in their corresponding employment and service provision contracts.

Similarly, the Appointment and Remuneration Committee proposed to the Board of Directors the setting of goals and parameters related to the variable remuneration of each executive director for financial year 2023, including the setting of a goal based on non-financial indicators of a social, environmental and climate change nature, and of compliance with corporate governance guidelines, codes of conduct and internal procedures (ESG).

Finally, as concerns the settlement of the 2019-2021 long-term incentives plan for the Company's executive directors, and in an effort to confirm each director's effective compliance with the goal, a percentage of the incentive payment was deferred to the first quarter of financial year 2023. Since certain circumstances were not proven to exist, such as a serious breach of ROVI's Code of Ethics by the beneficiary, nor qualifications in the external auditor's report that reduced the Company's profits, the Appointments and Remuneration Committee proposed to the Board of Directors that the deferred amounts be paid.

With regard to the contracts signed by executive directors with the Company, in 2023, the Appointments and Remuneration Committee reviewed and reported favourably on the amendment of these contracts in order to align them with the current Annual Remuneration Policy for Company Directors, and in particular the variable remuneration scheme.

- **Review of the classification of the directors**

As happens every year, the Appointments and Remuneration Committee submitted to the Company's Board of Directors the assessment of the classification of each of the directors. This information was incorporated into the Annual Corporate Governance Report for 2022.

The Committee analysed the professional and personal circumstances of each of the directors to determine whether they maintained the classification currently assigned to each of them. It concluded that there had been no significant variation in the circumstances of any of the directors of ROVI such that their respective classifications should be modified. The categories of all the directors were therefore maintained.

- **Assessment of the quality and efficiency of the performance of the Board of Directors**

In 2023, in order to comply with the provisions of Article 5.7 of the Regulations of the Board of Directors, which includes the provisions of Recommendation 36 of the Good Governance Code of Listed Companies, the Appointments and Remuneration Committee carried out an annual evaluation of the functioning of the Board of Directors during the 2022 financial year. This assessment demonstrated the efficiency and correct operation of the Board of Directors of ROVI without giving rise to significant changes in its internal organisation or in the procedures applicable to its activities.

The Board's evaluation consisted of analysing (i) the quality and efficiency of its operation; (ii) the size, composition and diversity of the Board and its Committees; (iii) the performance of the Chairman of the

Board and the Company's Chief Executive; (iv) the performance and contribution of the directors, with special emphasis on the presidents of the various committees; (v) the frequency and duration of meetings; (vi) the content of the agenda and the time dedicated to dealing with the various issues; (vii) the quality of the information received; (viii) the extent and opening of discussions; and (ix) the decision-making process within the Board, all in accordance with Recommendation 36 of the Good Governance Code, contained in section 7 of Technical Guide 1/2019. A plan of action has also been designed that, based on the results obtained, contains areas for improvement for the next financial year.

Finally, as mentioned at the start of this report, in accordance with Recommendation 36 of the Good Governance Code of listed companies, and in Recommendation 7 of Technical Guide 1/2019, the appraisal of the Board of Directors for financial year 2023 was carried out with assistance from the external consultant PricewaterhouseCoopers Auditores, S.L.

- **Remuneration policy of ROVI Senior Management**

The Appointments and Remuneration Committee, in compliance with the provisions of Article 14 of the Regulations of the Board of Directors and Article 11.a) of the Regulations of the Appointments and Remuneration Committee, which reflect the provisions of Article 529.n of the Corporate Enterprises Act, prepared an internal remuneration policy for senior executives of the Company for the year 2023, which was submitted to the Board of Directors for its approval.

The Appointments and Remuneration Committee also took into account the report submitted by the Company's Human Resources Department, so that it can, among other things, supervise the assessment of senior management and the basic conditions of their contracts, including the degree of compliance, during the 2022 financial year, with the criteria and objectives established in relation to the variable components of remuneration for senior management.

- **Re-election of the members of the Audit Committee and the Appointments and Remunerations Committee**

The General Shareholders' Meeting, at its meeting of 14 June 2023, approved the re-election of Company directors Mr Marcos Peña Pinto and Ms Teresa Corzo Santamaría for the statutory four-year term.

Therefore, in view of the powers conferred by Article 7(s) of the Regulations of the Appointments and Remuneration Committee, said Committee, after verifying that both candidates possessed the necessary knowledge, skills and experience in relation to the powers conferred on the Audit Committee and the Appointments and Remuneration Committee, reported favourably to the Board of Directors on the re-election of said directors to be part of the Audit Committee and the Appointments and Remuneration Committee, of which they had been members to date.

- **Appointment of members of the Company's Advisory Committee**

The Board of Directors, at its meeting of 14 December 2022, agreed to constitute the Advisory Committee as a permanent internal body of an informational and consulting nature, with no executive functions, with rights of information and advice within the scope of its authority.

Throughout the 2023 financial year, the Appointments and Remuneration Committee deemed it advisable to inform the Board of Directors, in compliance with Article 5.1 of the Regulations of the Advisory Committee, of the appointment of three new members to said Committee.

The Appointments and Remuneration Committee also reported favourably to the Board of Directors on the remuneration to be paid to the new members of the Committee as provided for in the corresponding contracts, as well as on the content and execution thereof.

- **Appointment of members of the Company's Senior Management Committee**

In accordance with the provisions of the Regulations of the Board of Directors and the Regulations of the Appointments and Remuneration Committee, the Appointments and Remuneration Committee agreed to

report favourably to the Board of Directors on the proposal to appoint a new member to the Executive Committee during the 2023 financial year. In particular, the members of the Appointments and Remuneration Committee analysed the candidate's knowledge, skills and experience, as well as the reasons for the proposed appointment.

- **Actions in environmental, social and governance (ESG) matters**

In 2023, the Appointments and Remuneration Committee carried out various actions related to ESG, including, in particular, the monitoring of ROVI's ESG Master Plan for 2023-2025 approved in 2022, and ROVI's Equality Plan for 2022-2026.

- **Monitoring of compliance with the economic and financial, non-financial and corporate information policy, communication policy, and policy on relations with shareholders, institutional investors and proxy advisors**

The Appointments and Remuneration Committee agreed to report on the compliance with the information policy on economic and financial, non-financial and corporate matters and on communication and shareholder relations, institutional investors and proxy advisors to the Board of Directors, in compliance with the provisions of recommendations 53 and 54 of the Code of Good Governance of listed companies and article 14.2 of the Board Regulations, by virtue of which the Appointments and Remuneration Committee is responsible for supervising the communication and shareholder and investor relations strategy.

- **Information given to the General Shareholders' Meeting on the Committee's activities**

In compliance with the CNMV Technical Guide on Appointments and Remuneration committees, this Committee (acting through its President) has reported to the General Shareholders' Meeting of on the Committee's activities and the relevant issues which took place during the year, related to matters within its competence, of which a summary is included in this report.

V. Meetings held by the Committee in 2023

In ordinary cases, and in accordance with article 19 of the Appointments and Remuneration Committee Regulations, the Appointments and Remuneration Committee meets every quarter. It may also meet at the request of any of its members and whenever called to meet by its President, 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 Appointments and Remuneration Committee met eight times in 2023, which allowed it to properly perform its functions. All its members attended all the eight meetings held by the Appointments and Remuneration Committee. The Committee has been assisted by the occasional participation of the members of senior management and of other managers at its meetings, when their presence was necessary or appropriate for them to inform the Committee on the materials within its competence, contributing with its vision in the decision-making process of the Committee members. 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 Appointments and Remuneration Committee will account for its activity and for the work carried out at the first full meeting 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 President and Secretary.

The Appointments and Remuneration 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 President

has the casting vote in case of a tie.

VI. Assessment of the operation and performance of the Appointments and Remuneration Committee. Conclusions

As indicated in the introduction of this report, the Company relied on the assistance of the external consultant PricewaterhouseCoopers Auditores, S.L. in the process of evaluating the Board of Directors and its committees, in order to make the process more objective and independent.

In particular, each of the members of the Board of Directors of ROVI and its committees was contacted for the purpose of their self-assessment and questionnaires. By this means, the members of the Committee and other directors assessed positively the current composition of the Committee, the level of preparation, knowledge, monitoring and execution of the work commissioned from the Committee by the Board of Directors; and the internal operation and formal aspects of this Committee. The conclusions of the assessment are set out in the report prepared by PricewaterhouseCoopers Auditores, S.L., which shows that the operation of the Appointments and Remuneration Committee was satisfactory during the 2023 financial year and that, therefore, the overall performance of its members should be rated positively.

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This report was drafted by the ROVI Appointments and Remuneration Committee on 26 February 2024 and approved by the Board of Directors at its meeting on the same date.

*THIS TRANSLATION IS FOR INFORMATION PURPOSES ONLY.
IN THE EVENT OF ANY DISCREPANCY BETWEEN THE SPANISH VERSION AND THE ENGLISH VERSION, THE SPANISH
VERSION SHALL PREVAIL.*