

**SUCCESSION PLAN FOR THE CHAIRMAN, CHIEF EXECUTIVE AND  
SENIOR MANAGEMENT OF  
LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

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## Preliminary Title

### **Article 1. Approval and modification.**

The Board of Directors of Laboratorios Farmacéuticos Rovi, S.A. (“**ROVI**” or the “**Company**”), at the proposal of the Appointments and Remunerations Committee, has approved this plan (the “**Plan**”) for the succession of the chairman of the Company’s Board of Directors (the “**Chairman**”), the chief executive (the “**Chief Executive**”) and the senior management members (“**Senior Management**”).

The Company’s Board of Directors approved this Plan unanimously at its meeting on 25 February, 2020, acting on a report from the Appointments and Remunerations Committee, pursuant to article 529 *quindecies* 3.f) of the Spanish Companies Act (*Ley de Sociedades de Capital*), and article 8.c) of the Regulations governing ROVI’s Appointments and Remunerations Committee.

### **Article 2. Purpose and background.**

The purpose of this Plan is to ensure an orderly succession of the Chairman of the Board of Directors and the Company’s Chief Executive; and, in the event there is an unforeseen absence of the Chairman or the Chief Executive, to identify the persons who may temporarily assume their functions; as well as the procedure to follow in order to limit the impact on the correct operation of the corporate bodies until the Board of Directors appoints a new Chairman and/or Chief Executive. All of the above in accordance with the applicable law and best corporate governance practice. This Plan also deals with the mechanisms and protocols for the succession of the Senior Management posts in the Company.

The Plan conceives the succession of the Chairman and Chief Executive as a process started de facto by the Chairman of the Board of Directors at the time the Board of Directors was established and members of the López-Belmonte family joined it as directors (linked to origins of the Group's foundation). They are also the main partners of the Company’s controlling shareholder, who as of the approval date of this Plan, holds 63% of the share capital of ROVI. Within this context, the Board of Directors has been handling the succession of the executive posts and other positions on the Board through the delegation of executive functions and other powers in these Board members. These members have received comprehensive training with respect to all the functional areas of ROVI Group, ensuring a process of continuous succession over time, led throughout the years by the Chairman and founder of ROVI. The aim has been to anticipate the succession and minimise any risks or uncertainties that are usually associated with these processes.

For this purpose, the Board of Directors and the Appointments and Remunerations Committee shall take into account the background and, in particular, the character of the Company when applying this Plan, whose aim is to mitigate the impact of succession on the corporate organisation and preserve the trust of its stakeholders, including shareholders, commercial partners, customers, suppliers and employees.

The Board is responsible for appointing one or more chief executives or, where appropriate, doing away with this post; accordingly, this Plan must not be considered as a limitation to these powers.

## **Title I. Succession process**

### **Article 3. Chairman's succession process: notification in advance.**

In the event that the Chairman expresses to the Board of Directors his intention to resign from office on a certain date, the chairman of the Appointments and Remunerations Committee, assisted by the coordinating director, if there is one, will be responsible for planning, driving and coordinating the process for his succession, ensuring that it takes place in an orderly fashion and that the candidate is selected within the period determined by the Board of Directors when it receives the Chairman's communication.

Unless the Chairman expressly refuses, he will continue to perform the duties inherent to his position until the Board of Directors appoints a new Chairman.

Once the Chairman's communication declaring his intention not to continue in the post has been received, the Appointments and Remunerations Committee shall hold a meeting as soon as possible to determine the schedule for the succession process, subject to any deadline possibly set by the Board of Directors.

Once the meetings with the members of the Board of Directors have been concluded, and external advice has been received, where appropriate, pursuant to article 10 below, the Appointments and Remunerations Committee will submit to the Board of Directors the details of one or more proposed candidates to succeed the Chairman, recommending, if it deems it appropriate, one of them.

If the candidate chosen by the Board of Directors is not a member of the Board of Directors, the Appointments and Remunerations Committee must first inform the Board of Directors of the need to appoint the candidate as a director. This will require an ordinary director selection process to be initiated (either by the co-option procedure or the corresponding proposal for a resolution to the General Shareholders' Meeting).

The resolution of the Board of Directors on the appointment of the new Chairman shall be taken before the departure of the outgoing Chairman takes effect. The latter will therefore take part in the deliberation and voting of said resolution. The provisions of the Articles of Association and the Board of Directors Regulations shall be applicable with respect to the casting vote of the Chairman of the Board of Directors.

During the Chairman's succession process, the coordinating director will participate in the meetings of the Appointments and Remunerations Committee with voice but no vote, if he is not a member.

### **Article 4. Chairman's succession process: unforeseen departure.**

If the Chairman resigns from his post unexpectedly, or if he departs from his post for any reason before the Board of Directors has appointed a new Chairman, his functions will be temporarily assumed by the vice-chairman; —and, if there is more than one vice-chairman, in the order determined by the Board— or, if this is not possible, by the coordinating director, until a new Chairman is finally appointed. Where necessary, the executive functions of the Chairman will automatically be temporarily assumed by the Chief Executive.

As soon as the unforeseen departure of the Chairman is confirmed to be final, the acting chairman shall call a meeting of the Board of Directors as soon as possible to begin the succession process as provided in this Plan for the case of notification in advance.

The Appointments and Remunerations Committee shall meet within a maximum of 24 hours after the unforeseen departure of the Chairman is confirmed, and issue its proposal for one or more candidates to succeed the Chairman within a maximum of three days.

The aforementioned report shall be submitted to the Board of Directors which, at the meeting it will hold within a maximum of 24 hours after receiving the report from the Appointments and Remunerations Committee, must appoint a new Chairman, in accordance with the process set out for the case of notification in advance as per the previous article. The provisions of the Articles of Association and the Board of Directors Regulations regarding the casting vote of whoever temporarily holds the position of Chairman of the Board of Directors shall also apply.

#### **Article 5. Chief Executive's succession process: notification in advance.**

When the Chief Executive declares his intention to resign from his post, the Chairman must propose one or more candidates for the position to the Appointments and Remunerations Committee.

The Appointments and Remunerations Committee will interview the candidate(s) proposed by the Chairman and draft a report assessing the knowledge, skills and experience needed to occupy the position.

The Appointments and Remunerations Committee may, if it deems it necessary, carry out a round of individual meetings between the candidate(s) and one or all of the members of the Board of Directors to obtain their opinion on the proposed candidates.

Once this report has been issued, the chairman of the Appointments and Remunerations Committee will submit the proposal for the appointment of the new Chief Executive to the Board of Directors for approval, if appropriate.

The resolution passed by the Board of Directors on the appointment of the new Chief Executive shall be taken before the departure of the outgoing Chief Executive takes effect. The latter will therefore take part in the deliberation and voting of said resolution. The provisions of the Articles of Association and the Board of Directors Regulations regarding the casting vote of the Chairman of the Board of Directors shall also apply.

During the Chief Executive's succession process, the Coordinating Director will participate in the meetings of the Appointments and Remunerations Committee with voice but no vote, if he is not a member.

**Article 6. Chief Executive's succession process: unforeseen departure.**

If the Chief Executive resigns from his post unexpectedly, or for some reason leaves his post before the Board of Directors has appointed a new Chief Executive, his functions will be temporarily assumed by the Chairman, who will convene the Board of Directors for a meeting immediately so that it can grant him the powers considered appropriate until the appointment of a new Chief Executive, in accordance with the process set out in case of notification in advance as per the previous article. The provisions of the Articles of Association and the Board of Directors Regulations regarding the casting vote of the Chairman of the Board of Directors shall also apply.

**Article 7. Chairman and Chief Executive's succession process: unforeseen departure.**

If there is an unforeseen departure of the Chairman and the Chief Executive simultaneously, the functions of the Chairman will be temporarily assumed by the first deputy chairman of the Board of Directors. Any executive functions of the Chief Executive and of the Chairman shall be assumed temporarily by the second deputy chairman of the Board of Directors (or, if there is no second deputy chairman, the deputy chairman). This triggers the process under article 4 for the appointment of the Chairman due to an unforeseen departure; and, once it has been concluded, article 6 on the appointment of the Chief Executive due to an unforeseen departure shall apply. The provisions of the Articles of Association and the Board of Directors Regulations regarding the casting vote of whoever temporarily holds the position of Chairman of the Board of Directors shall also apply.

**Article 8. Knowledge, skills and experience required from the candidates for succeeding the Chairman of the Board of Directors and the Chief Executive.**

The candidates to succeed the Chairman of the Board of Directors and the Chief Executive of the Company must meet the conditions and requirements included in the Selection Policy for Directors approved by ROVI.

The aim is for the search and selection process not to include any implicit or explicit bias that reduces the universe of possible candidates or that discriminates between candidates, whether positively or negatively, on the grounds of their personal characteristics.

In particular, candidates must be of persons of good repute, appropriate for the post and with professional good standing, competency, experience, qualifications, training, availability and commitment to their functions. Specifically, the Chairman and the Chief Executive must each combine in the appropriate form, amount and proportion, as much knowledge, expertise and experience as possible, including the following (this list must be updated and reviewed periodically in accordance with the requirements of the

Company and its Group, the strategy that has been defined, and the general situation of the markets and the business): (a) general knowledge of the main sectors and markets and those in which ROVI Group operates; (b) availability and commitment to his function; (c) experience in management, leadership and business strategy as a director or senior executive; (d) the highest level of ethics and personal good repute; (e) the highest level of loyalty to the Company's project; (f) suitability and excellent relations with the Chief Executive; and, (g) an appropriate profile and qualities for sharing the cultural values of ROVI and helping to foster them.

**Article 9. Senior Management succession process: in advance and unforeseen communication.**

When any member of Senior Management declares his intention to resign from office, the Chief Executive must propose one or more candidates for the position to the Appointments and Remunerations Committee, which will inform the Board of Directors on their appointment, as well as the basic conditions of their contracts.

If any member of Senior Management retires from his post unexpectedly, the functions will be assumed by the Director in whose area the vacancy took place, and who may opt to delegate such functions to one or more members of Senior Management. The process of appointing a new Senior Management member will then be initiated.

The candidates for succeeding the members of Senior Management must each be of good repute, suitable for the position and of recognised professional standing, competence, experience, qualifications, training, availability and commitment to his function. He must also have the appropriate profile and qualities to share the cultural values of ROVI and to help foster them. Specifically, the candidates to succeed members of Senior Management must each, in the form, amount and proportion appropriate to the post, have the greatest possible knowledge, skills and experience, including those that are included in the Senior Management competency matrix attached in Annex I to this Plan.

**Article 10. Participation by external advisors in the candidate search and selection process.**

For the purpose of carrying out the search and selection of candidates for the vacant positions, the Appointments and Remunerations Committee may, if it deems it necessary, and with prior approval from the Board of Directors, obtain support from an external advisor of recognised good standing to support it in the selection of potential candidates.

The external advisor must be hired in writing and approved by the Board of Directors, subject to a prior favourable report from the Appointments and Remunerations Committee. All the members of the Board of Directors may access and review the content of the commission.

To provide the services, the external advisor must agree to assume and comply with the criteria established in this succession plan.

## **Title II. Monitoring, update and verification of compliance with the Plan.**

### **Article 11. Plan monitoring and update.**

Every three years, the Appointments and Remunerations Committee must review the suitability of the Plan and its appropriateness to the Company's needs and changes in the markets and agree, where necessary, to propose to the Board of Directors the modifications and updates it deems appropriate at any time to adapt it to the new needs and circumstances of the Company and its Group.

Any change to this Plan will require a decision by the Board of Directors, subject to a prior favourable report from the Appointments and Remunerations Committee, pursuant to article 529 *quindecies* 3.f) of the Spanish Companies Act (*Ley de Sociedades de Capital*), and to article 8.c) of the Regulation of ROVI's Appointments and Remunerations Committee.

### **Article 12. Reporting and verification of compliance with the Plan.**

The Appointments and Remunerations Committee and the Board shall verify the compliance of the Plan when the succession process for the Chairman or Chief Executive is initiated and, if necessary, they must report the general principles of this Plan and of its application in the Annual Corporate Governance Report.