



Activity Report of the Sustainability, Corporate Governance, Appointments and Remuneration Committee 2023

1. Introduction

The Sustainability, Corporate Governance, Appointments and Remuneration Committee (the “**Committee**”) of the Board of Directors of Prosegur Compañía de Seguridad, S.A. (“**Prosegur**” or the “**Company**”) has approved this activity report in accordance with article 19 of its Regulations.

2. Regulation

The Committee is a permanent internal body, of a consultative nature and without executive functions, with powers to report, monitor, advise and make proposals within its remit, and is governed by the provisions of the law, the Corporate Bylaws, article 17 et seq of the Board Regulations and these Regulations, of which the current wording may be consulted on the Company's website (<https://www.prosegur.com/accionistas-inversores/gobierno-corporativo>).

Those articles attribute the following functions to the Committee:

- In relation to sustainability:

“1. Periodically evaluate and review the Company’s environmental and social policy, in order for it to fulfill its mission to promote the corporate interest and take into account, where appropriate, the legitimate interests of the other stakeholders, ensuring that they are focused on the achievement of the Sustainable Development Objectives approved by the United Nations Organization.

2. Oversee the Company's environmental and social practices to ensure they are in line with the strategy and policy established, and the supervision and assessment of the processes relating to the different stakeholders.”

- In relation to the Company's corporate governance obligations:

“1. Periodically evaluate the effectiveness of the Company’s corporate governance system in order to ensure it fulfills its mission to promote the corporate interest and takes into account the legitimate interests of the stakeholders, and make the necessary proposals for their improvement.

2. Oversee compliance with the corporate governance rules and internal codes of conduct of the Company, ensuring that the corporate culture is aligned with its purpose and values.

3. Inform on amendments of the Regulations of the Company’s Board of Directors.

4. Report, prior to its approval by the Board of Directors, on the annual corporate governance report (except in relation to related-party transactions and risk control and management systems, which will be informed by the Audit Committee), and submit to the Board of Directors the annual proposal for approval of the annual report on directors' remuneration.

5. Report on situations of conflict of interest relating to directors and, in general, on the matters falling under its remit pursuant to the provisions of these Regulations.

6. Ensure that potential conflicts of interest do not jeopardize the independence of any external advice provided to the Committee.”

- In relation to the selection, appointment, re-election and removal of directors:

“1. Assess the necessary profile, competences, skills and experience of the most suitable persons for forming part of the different committees and of the Board of Directors. For these purposes, define the functions and skills required of the candidates who are to fill each vacancy and evaluate the time and level of dedication necessary to enable them to effectively discharge their remit, ensuring that nonexecutive directors have enough time available to them to properly perform their functions.

2. Report to the Board of Directors on gender diversity issues and to establish a target for the representation of the underrepresented gender on the Board of Directors and prepare guidelines on how to achieve this target.

3. Submit proposals for the appointment of independent directors to the Board of Directors for their designation by co-optation or for submission to the decision of the Shareholders' Meeting, as well as proposals for the reappointment or removal of such directors by the Shareholders' Meeting.

4. Report on the proposed appointments of the other directors of the Company for their designation by co-option or for submission to the decision of the Shareholders' Meeting, as well as proposals for their re-election or removal by the Shareholders' Meeting.

5. Run an annual check on compliance with the director selection policy and set out its findings in the annual corporate governance report.

6. Report on proposals for appointment or removal of offices on the Board of Directors, including the Secretary and the Deputy Secretary, and propose to the Board of Directors the members that are to form each of the committees.

7. Examine and organize the process for succession of the Chairman of the Board of Directors and of the chief executive of the Company and, if appropriate, to make proposals to the Board so that the handover takes place in a planned and orderly fashion.

8. Organize and coordinate the periodic evaluation of the Chairman of the Board of Directors and, at the same time, the periodic evaluation of the Board of Directors, the members thereof and the chief executive of the Company.”

- In relation to directors' remuneration:

“1. Propose to the Board of Directors the remuneration policy of directors, and the individual remuneration and other contractual conditions of the executive directors, ensuring they are respected.

2. Verify compliance with the remuneration policy set by the Company.

3. Periodically review the remuneration policy for directors, including remuneration systems based on, or linked to, the shares of the Company and their application, assessing the suitability and performance thereof, as well as ensuring that their individual remuneration is proportionate to the amounts paid to other directors of the Company.

4. Verify the information on directors' remuneration contained in the various corporate documents, including the annual report on directors' remuneration.”

- In relation to senior executives of the Company

“1. Report on proposals for appointment and removal of senior executives and propose to the Board of Directors the basic terms of their contracts.

2. Periodically review the remuneration policy for directors and senior executives, including remuneration systems based on, or linked to, the shares of the Company and their application, assessing the suitability and performance thereof, as well as ensuring that their individual remuneration is proportionate to the amounts paid to other directors and senior executives of the Company.

3. Verify the information on directors' and senior executives' remuneration contained in the various corporate documents, including the annual report on directors' remuneration.

4. Propose to the Board of Directors the remuneration policy for directors and general managers or those performing senior management functions under the direct supervision of the Board, executive committees or managing directors, as well as the individual remuneration, ensuring compliance therewith.

5. Receive information and, when appropriate, issue reports on the disciplinary measures to be imposed on the members of the Company's senior management team.”

3. Composition during the year

At December 31, 2023, the Committee was formed by:

DIRECTOR	POSITION	TYPE OF DIRECTOR
Mr. Fernando Vives Ruiz	Chairman	Independent director
Ms. Chantal Gut Revoredo	Board member	Proprietary Director
Mr. Fernando D'Ornellas Silva	Board member	Independent director
Mr. Ángel Duráñez Adeva	Board member	Independent director

The Committee secretary is Mr. Juan Luis Martín Carrera, who also holds the post of Human Resources Director of the Prosegur Group.

Article 5.1 of the Committee Regulations establishes that “*The Committee shall be made up of no less than three and no more than five non-executive directors appointed by the Board of Directors, with the knowledge, capacity and experience necessary to carry out its function.*”

At the date hereof, the majority of the members forming the Company's Committee are independent directors, which represent 75% of its total members.

The CVs of all of the members of the Committee are available on the corporate website (<https://www.prosegur.com/accionistas-inversores/gobierno-corporativo/consejos-adm-com-delegadas/perfiles-consejeros>).

4. Meetings held

During the 2023 financial year, the Commission met five times. In particular, the Commission held two face-to-face meetings and three telematic meetings:

Date	Type of meeting
February 23, 2023	Face-to-face meeting
April 27, 2023	Meeting held remotely
July 27, 2023	Meeting held remotely
September 28, 2023	Face-to-face meeting (universal)
October 26, 2023	Meeting held remotely

At four of the five meetings, all members of the Commission attended. Ms. Chantal Gut Revoredo and Mr. Fernando D'Ornellas Silva delegated their vote to Mr. Fernando Vives Ruiz at the meeting of October 26, 2023, with express instructions to vote in favour of all the items on the agenda.

5. Functions and tasks performed and significant activities carried out during the fiscal year

Meeting held on February 23, 2023

The Committee carried out the annual review of the category of directors, assessed the performance of the Board of Directors, of the Committees and of the Directors, during fiscal year 2023, reported favorably on the Annual Corporate Governance Report of the Company relating to fiscal year 2022 (except in relation to related-party transactions and risk control and management systems, which were informed by the Audit Committee), and on the annual report on directors' remuneration of 2022, and analyzed the composition of the Board of Directors and its Committees. It also approved the Commission's activity report for the financial year 2022.

Likewise, within the framework established by the Articles of Association and the Directors' Remuneration Policy currently in force, the Committee agreed to increase the remuneration for the chairman and members of the Board of Directors, on the basis of a corporate report prepared by Ernst & Young comparing the median and percentile remuneration of the IBEX-35, IBEX Medium CAP (the band to which the company belongs) and IBEX Small CAP companies. It also agreed to propose to the Board of Directors the variable remuneration for 2022 for the Executive Director and senior management.

Lastly, the Committee analyzed the Company's remuneration strategy and reported favorably on the revision of the Long-Term Incentive Plan 2021-2023, and the salary revision of different senior executives of the Company.

Meeting held on April 27, 2023

The Committee analysed the most relevant aspects of sustainability legislation in the European Union and, specifically, the regulation on corporate governance and reporting, the most relevant aspects of the results of the European Union taxonomy, the most relevant aspects of the Company in relation to the eligibility and alignment ratios of the Company's activities, the most relevant aspects of the Strategic Plan and the approximation of ESG objectives to the managers of each area and business of the Group.

The Committee also reported favourably on the update of the Director Candidate Selection Policy.

Finally, it proposed the re-election of Mr. Ángel Durández Adeva as independent director and reported favourably on the proposed appointment of Ms. Natalia Gamero del Castillo Calleja as independent director, and approved the report, jointly with the Board of Directors, regarding the aforementioned proposals for re-election and appointment.

Meeting held on July 27, 2023

The Committee analyzed the ESG assessment of “S&P Global Ratings” and the score obtained by the Company. In addition, it reported favourably on the proposed approval of a new Corporate Governance Policy, the proposed modification of the Tax Strategy Policy, the proposed modification of the Policy on Communication with Shareholders, Institutional Investors and Voting Advisors, the proposed approval of a new Information Security and Cybersecurity Policy, the proposal and modification of the Company's Human Rights Policy.

Likewise, in accordance with the provisions of Article 10 of the Regulations of the Board of Directors of the Company, the Committee agreed to report favourably on the appointment of a coordinating director and proposed Mr. Fernando Vives Ruiz, an independent director and expert in corporate governance of recognised prestige, to hold the post.

Meeting held on September 28, 2023

The Committee reported favourably on the reorganisation of the Company's senior management team with the aim of boosting the profitability of Prosegur Security, promoting growth in Alarms and focusing on the technological businesses, as well as restructuring the support lines to promote efficiency and quality of service.

Meeting held on October 26, 2023

The Committee discussed legislative developments in sustainability and the main actions to be taken by the Company in this area.

In addition, the Committee analysed the organisational structure of the business executives and support lines and the reinforcement of key positions in the Security and Cipher businesses and reported favourably on the appointment of the new Global General Manager of Cipher.

In addition, the Committee reported favourably on the change of non-director deputy secretary of both the Board of Directors and the Audit Committee and was informed of the level of performance of the Company's senior executives reporting to the Executive Director, the succession plans of the Company's management team.

Finally, the Committee reported favourably on the update of the Long-Term Incentive Plan 2021-2023.

6. Assessment and areas for improvement for 2024

The functioning of the Commission during 2023 has been assessed by an independent expert (Deloitte), the results of which have been presented to the Commission at the meeting held in February 2024.

The result of this assessment, in relation to the Commission, is that its functioning is perceived by the majority of its members as very positive. According to the interviews and the documentation reviewed by the expert, the discussions show a free, fluid and critical exchange of views.

In particular, the work carried out in the Committee on matters such as the Proposals for the Appointment and Removal of Senior Executives and the Remuneration Policy stands out.

As a result of this evaluation, an area for improvement has been identified as the preparation of a matrix with the necessary competencies of the Board of Directors, defining the skills and knowledge of the candidates for directors, especially those of executive and independent directors, and helping the Committee to define the functions that should correspond to each position to be filled, as well as the most appropriate skills, knowledge and experience for the Board.

7. Conclusion

The Committee considers that it has carried out its duties and fulfilled its responsibilities with diligence, efficiency, quality and professionalism, in compliance with the provisions of the Regulations of the Board of Directors and of the Sustainability, Corporate Governance, Appointments and Remuneration Committee.

8. Publication of the report

This report will be published on the Company's website sufficiently in advance of the Ordinary General Meeting in compliance with Recommendation 6 of the Code of Good Governance.

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