

**APPENDIX I**  
**ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES**

**ISSUER IDENTIFICATION**

**YEAR END DATE**

**31/12/2020**

**C.I.F. A-28430882**

**Company name:**

**PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.**

**Registered office:**

**CALLE PAJARITOS, 24 28007 MADRID. SPAIN**

## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

### A. CAPITAL STRUCTURE

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

Date of last change	Share capital (Euros)	Number of shares	Number of voting rights
03/11/2020	€32,916,253.32	548,604,222	548,604,222

Remarks
On 29 October 2020, under item nine on the agenda, the General Shareholders' Meeting adopted a resolution to reduce capital by redeeming 24,885,623 treasury shares, each with a par value of 0.06 euros, thus reducing the share capital, which formerly stood at 34,409,390.70 euros, to the new and current figure of 32,916,253.32 euros.

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

Yes

No

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

Name of shareholder	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
MS. MIRTA MARÍA GIESSO CAZENAVE	0.364%	5.993%			6.357%

Breakdown of the indirect holding:

Name of indirect shareholder	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights
MS. MIRTA MARÍA GIESSO CAZENAVE	AS INVERSIONE S, S.L.	5.993%		5.993%

State the most significant shareholder structure changes during the year:

Most significant changes	
FMR LLC:	
<ul style="list-style-type: none"> <li>01/01/2020: increase in shareholding from 6.195% to 7.272%</li> <li>15/01/2020: reduction in shareholding from 7.272% to 6.752%</li> <li>02/04/2020: reduction in shareholding from 6.752% to 5.069%</li> <li>08/04/2020: reduction in shareholding from 5.069% to 4.992%</li> <li>31/07/2020: reduction in shareholding from 4.992% to 2.277%</li> </ul>	
Invesco Limited:	
<ul style="list-style-type: none"> <li>09/01/2020: reduction in shareholding from 3.561% to 2.960%</li> <li>03/02/2020: reduction in shareholding from 2.960% to 1.935%</li> <li>02/03/2020: reduction in shareholding from 1.935% to 0.975%</li> </ul>	
Fidelity Investment Trust:	
<ul style="list-style-type: none"> <li>28/01/2020: reduction in shareholding from 5.006% to 4.281%</li> <li>31/07/2020: reduction in shareholding from 4.281% to 1.655%</li> </ul>	

A.3 Complete the following tables on the members of the Board of Directors with voting rights in the company:

Name of director	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights	% of voting rights <u>that can be transmitted</u> through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MS. HELENA IRENE REVOREDO DELVECCHIO	0.00%	59.409%	0.00%	0.00%	59.409%	0.00%	0.00%
MR. CHRISTIAN GUT REVOREDO	0.349%	0.00%	0.00%	0.00%	0.349%	0.00%	0.00%
MR. ÁNGEL DURANDEZ ADEVA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<b>Total percentage of voting rights held by the Board of Directors</b>	59.758%
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Remarks
Ángel Durandez Adeva owns 0,001% of direct voting rights, corresponding to 5,371 shares.

Breakdown of the indirect holding:

Name of director	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% voting rights than can be transmitted through financial instruments
Ms. Helena Irene Revoredo Delvecchio	Gubel, S.L.	59.368%	0.00%	59.368%	0.00%
Ms. Helena Irene Revoredo Delvecchio	Prorevisa, S.L.	0.040%	0.00%	0.040%	0.00%

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

Name of related party	Nature of relationship	Brief description
N/A		

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

Name of related party	Nature of relationship	Brief description
PROACTINMO, S.L.U. and PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Commercial	<p>Lease agreement executed with Proactinmo, S.L.U. (controlled by Gubel, S.L.) for the building located at calle Santa Sabina, 8, in Madrid.</p> <p>Lease agreement executed with Proactinmo, S.L.U. for the building located at calle Pajaritos, 24, in Madrid.</p> <p>Lease agreement executed with Proactinmo, S.L.U. for the building located at calle San Máximo, 3 and 9, in Madrid.</p> <p>Lease agreement executed with Proactinmo, S.L.U.</p>

		(controlled by Gubel, S.L.) for the building located at calle Juan Ignacio de Tena, 6, in Madrid.
PROACTINMO, S.L.U. and PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Commercial	Agreement to provide security services to Proactinmo, S.L.U. (controlled by Gubel, S.L.)
EUROFORUM ESCORIAL S.A. and PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Commercial	Hotel services agreement with Grupo Euroforum (controlled by Gubel, S.L.).
EUROFORUM ESCORIAL S.A. and PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Commercial	Service level agreement with Grupo Euroforum (controlled by Gubel, S.L.).
GUBEL, S.L. and PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Commercial	Agreement to provide security services to Gubel, S.L.
AGROCINEGÉTICA SAN HUBERTO, S.L. and PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	Commercial	Services agreement

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

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

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
Ms. Chantal Gut Revoredo	Ms. Helena Irene Revoredo Delvecchio	Gubel, S.L.	Direct family member
Mr. Christian Gut Revoredo	Ms. Helena Irene Revoredo Delvecchio	Gubel, S.L.	Direct family member

Remarks
<b>Name or company name of related director:</b> Christian Gut Revoredo

<p><b>Name or company name of related significant shareholder:</b> Helena Irene Revoredo Delvecchio</p> <p><b>Description of the relationship:</b> Helena Irene Revoredo Delvecchio is Christian Gut Revoredo's mother. Helena Irene Revoredo Delvecchio is a controlling shareholder of GUBEL, S.L. and Christian Gut Revoredo, a shareholder of GUBEL, S.L., controls 59.368% of the Company.</p> <p><b>Name or company name of related director:</b> Chantal Gut Revoredo</p> <p><b>Name or company name of related significant shareholder:</b> Helena Irene Revoredo Delvecchio</p> <p><b>Description of the relationship:</b> Helena Irene Revoredo Delvecchio is Chantal Gut Revoredo's mother. Helena Irene Revoredo Delvecchio is a controlling shareholder of GUBEL, S.L. and Chantal Gut Revoredo, a shareholder of GUBEL, S.L., which controls 59.368% of the Company.</p>
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A.7 State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Corporate Enterprises Law (*Ley de Sociedades de Capital* or "LSC"). If so, describe these agreements and list the party shareholders:

Yes

No

Parties to the shareholders' agreement	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable
<ul style="list-style-type: none"> <li>- Helena Irene Revoredo Delvecchio</li> <li>- Christian Gut Revoredo</li> <li>- Chantal Gut Revoredo</li> <li>- Bárbara Gut Revoredo</li> <li>- German Gut Revoredo</li> </ul>	59.368%	<p>Syndication agreement of GUBEL, S.L. under which (despite certain transfers of shares between shareholders, as a result of which Helena Revoredo now owns less than 50% of GUBEL, S.L.) Ms. Revoredo will continue to control said company, without interruption, within the meaning of article 42 of the Commercial Code, because she is able to exercise, by virtue of the syndication agreement, the majority of the voting rights of said company.</p> <p>This agreement was reported to the Spanish Securities</p>	5 years

		Market Commission (CNMV) as a relevant fact on 31 January 2020, with registration number 286282.	
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State whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes

No

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

N/A

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

Yes

No

Name of individual or company
MS. HELENA IRENE REVOREDO DELVECCHIO

Remarks
Via the company Gubel, S.L.

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

At year-end:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
5,260,042	0	0.96%

(\*) Through:

Name or company name of the shares' direct owner	Number of direct shares
N/A	
<b>Total:</b>	

Explain any significant changes during the year:

<b>Explain significant changes</b>
<p>As of 31 December 2020 the Company's share capital stood at 32,916,253.32 euros (2019: 35,920,761.72 euros) divided into 548,604,222 shares (2019: 598,679,362 shares) of the same class and series, each with a par value of 0.60 euros, totally subscribed and paid in.</p> <p>As of 31 December 2020 the Company owned 5,260,042 treasury shares.</p> <p>During 2020 the Company has published six forms on treasury shares with the Spanish Securities Market Commission (CNMV), pursuant to Spanish legislation, reporting:</p> <ul style="list-style-type: none"> <li>(i) The net position of a total of 37,183,775 shares (6.21%) on 28 January 2020</li> <li>(ii) The net position of a total of 43,348,507 shares (7.24%) on 19 March 2020</li> <li>(iii) The net position of a total of 43,724,411 shares (7.30%) on 15 November 2020</li> <li>(ii) The net position of a total of 55,533,807 shares (9.28%) on 31 July 2020</li> <li>(iii) The net position of a total of 34,459,177 shares (6.01%) on 26 October 2020</li> <li>(ii) The net position of a total of 5,077,531 shares (0.93%) on 2 December 2020</li> </ul>

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

<p>The General Shareholders' Meeting of Prosegur Compañía de Seguridad, S.A., (hereinafter the "<b>Company</b>"), held on 29 October 2020, resolved to authorize the derivative acquisition of treasury shares directly or via subsidiaries, in the terms literally transcribed below:</p> <p>1.- To authorize the derivative acquisition of shares in Prosegur Compañía de Seguridad, S.A. by the Company and its subsidiaries pursuant to the provisions of the Spanish Companies Act, in compliance with the requirements stipulated in applicable legislation at all times and under the following conditions:</p> <ul style="list-style-type: none"> <li>a) The shares may be acquired directly by the Company or indirectly via its subsidiaries, in the form of sale and purchase, exchange or any other legally-valid transaction.</li> <li>b) The par value of the shares acquired, plus, where applicable, that of those already held, directly or indirectly, must not exceed the maximum legally allowed at any given time.</li> <li>c) The purchase price per share shall be, at least, the par value and, at most, the market value on the day of the purchase plus 10%.</li> <li>d) This authorization is granted for a period of five years.</li> </ul> <p>It is expressly stated that this authorization may be used in full or in part for the acquisition of treasury shares to be delivered or transferred to directors or employees of the Company or companies belonging to its group, either directly or as a result of their exercising option rights, all within the framework of remuneration systems linked to the market value of shares in Prosegur Compañía de Seguridad, S.A.</p> <p>2.- By virtue of that which is contemplated in the final paragraph of Subarticle 146.1.a) of the Spanish Corporations Act, it is permitted that shares acquired by the Company or its subsidiaries by way of this authorization may be, in full or in part, transferred to employees or directors of the Company or its subsidiaries, either directly or as a result of exercising option rights held by them.</p> <p>3.- To empower the Board of Directors, with express powers to sub-delegate and in the broadest possible terms, to exercise this authorization and to perform the rest of the provisions contained herein.</p> <p>4.- Terminate, in the part unused, the authorization granted in point seven of the agenda for the Ordinary General Shareholders' Meeting held on 27 April 2016.</p> <p>On 30 September 2020 the Company's Board of Directors resolved to carry out a treasury shares repurchase program by making use of the authorization conferred at the General Shareholders' Meeting held on 29 October 2020, which was reported to the Spanish Securities Market Commission (CNMV) on 5 November 2020 in communication of other relevant information</p>
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number 5531.

A.11 Estimated free float:

	%
Estimated free float	32.93

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

Yes

No

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

Yes

No

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

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

Yes

No

Where applicable, state the different types of shares and, for each category of share, the rights and obligations they entail.

## B. GENERAL SHAREHOLDERS' MEETING

B.1 State whether there are any differences between the quorum established by the LSC for General Shareholders' Meetings and those set by the company and if so, describe them in detail.

Yes

No

B.2 State whether there are any differences in the company's manner of adopting corporate resolutions and the manner for adopting corporate resolutions described by the LSC and, if so, explain:

Yes

No

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

The Board of Directors submits the proposals for changing or adding to the company Bylaws to the general shareholders' meeting with the corresponding directors' report on those changes to the Bylaws.

All the documentation relating to the changes to the Bylaws is made available to shareholders when the general shareholders' meeting is announced where the changes are approved.

The announcement of the general shareholders' meeting gives details of the shareholders' right to examine and obtain all the documentation in this regard at the company's registered address, and also to request it to be sent to them immediately and free of charge.

With regard to majorities, article 17.2 of the General Shareholders' Meeting Regulations stipulates that, for the General Shareholders' Meeting to validly approve a change to the Bylaws, shareholders holding at least fifty per cent (50%) of the subscribed capital with a right to vote must be present or represented at the first meeting announced. The attendance of shareholders holding twenty-five per cent (25%) of this capital will be sufficient at the second meeting.

When shareholders representing less than (50%) of subscribed capital with a right to vote attend, the agreements mentioned in the above paragraph may only be adopted validly with the vote in favor of two thirds (2/3) of the capital present or represented at the General Shareholders' Meeting.

- B.4 Give details of attendance at General Shareholders' Meetings held during the year of this report and the previous two years:

Date of General Meeting	Attendance data				Total
	% physically	% represented by	% remote voting		
			Electronic	Other	
29/10/2020	12.08%	74.10%	0.00	0.07%	86.25%
<b>Of which, free float:</b>	0.01%	74.10%	0%	0.07%	74.18%
04/06/2019	0.46%	88.88%	0.00	0.00	89.34%
<b>Of which, free float</b>	0.22%	43.16%	0.00%	0.00%	43.38%
29/05/2018	4.82%	75.90%	0.00%	0.00%	80.72%
<b>Of which, free float:</b>	4.18%	27%	0.00%	0.00%	31.18%

- B.5 State whether any item on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason:

Yes

No

- B.6 State whether the bylaws contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or on remote voting:

Yes

No

<b>Number of shares required to attend General Meetings</b>	1,000
<b>Number of shares required for remote voting</b>	1,000

<b>Remarks</b>
Shareholders with a right to attend may issue their votes, prior to the General Meeting, on proposals related to agenda items in the call notice of any General Meeting in hand, by post or by remote means.  In addition, shareholders with the right to attend the General Meeting may attend using electronic or remote telematic communication means, subject to a resolution by the Board of Directors, which will indicate in the call notice the eligible means that meeting the legal requirements to guarantee the shareholders' identity, the effectiveness of their rights and the correct conduct of the meeting.

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

Yes

No

<b>Explanation of the decisions that must be submitted to the approval of the General Shareholders' Meeting, other than those established by law</b>
Pursuant to article 2.10 of the Company's General Shareholders' Meeting Regulations, any transactions with an effect equivalent to the Company's liquidation must be submitted to the approval of the General Shareholders' Meeting.  In any case, these are matters implicitly attributed to the General Shareholders' Meeting by the applicable statutory provisions.

- B.8 State the address of and way to access, on the company website, information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

<a href="http://www.prosegur.com/accionistas_inversores/junta_general_accionistas">http://www.prosegur.com/accionistas_inversores/junta_general_accionistas</a>
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## C. COMPANY ADMINISTRATIVE STRUCTURE

### C.1 Board of Directors

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

<b>Maximum number of directors</b>	15
<b>Minimum number of directors</b>	5
<b>Number of directors set by the General Shareholders' Meeting</b>	8

C.1.2 Complete the following table on board members:

Name of director	Representative	Director category	Position on the board	Date first appointed to Board	Last re-election date	Method of selection to Board
MS. HELENA REVOREDO DELVECCHIO		Proprietary	CHAIR	30/06/1997	04/06/2019	General Shareholders' Meeting resolution
MR. ISIDRO FERNÁNDEZ BARREIRO		Other external	DEPUTY CHARMAN	19/06/2002	04/06/2019	General Shareholders' Meeting resolution
MR. CHRISTIAN GUT REVOREDO		Executive	MANAGING DIRECTOR	30/06/1997	04/06/2019	General Shareholders' Meeting resolution
MS. CHANTAL GUT REVOREDO		Proprietary	DIRECTOR	30/06/1997	04/06/2019	General Shareholders' Meeting resolution
MR. FERNANDO D'ORNELLAS SILVA		Independent	DIRECTOR	27/04/2016	04/06/2019	General Shareholders' Meeting resolution
MR. EUGENIO RUIZ-GÁLVEZ PRIEGO		Other external	DIRECTOR	27/06/2005	29/10/2020	General Shareholders' Meeting resolution
MR. FERNANDO VIVES RUIZ		Independent	DIRECTOR	29/05/2012	29/05/2018	General Shareholders' Meeting resolution
MR. ÁNGEL DURÁNDEZ ADEVA		Independent	DIRECTOR	29/05/2017	29/10/2020	General Shareholders' Meeting resolution

<b>Total number of Directors</b>	8
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State whether any directors, either through resignation or by decision of the Shareholders' Meeting, have left the Board during the period subject to this report:

Name of director	Director type at time of leaving	Date of last appointment	Date director left	Specialized committees of which he/she was a member	Indicate whether the director left before the end of the term
N/A					

C.1.3 Complete the following tables on board members and their categories:

### **EXECUTIVE DIRECTORS**

Name or company name of director	Posting in organizational chart of the company	Profile
MR. CHRISTIAN GUT REVOREDO	MANAGING DIRECTOR	Economics and Business graduate from CUNEF and MBA from the INSEAD Business School (Fontainebleau, France). Director of Prosegur Cash, S.A. since 2016. Member of the Board of Trustees of Fundación Prosegur. Director of Euroforum since 2006 Became a full member of Prosegur's Executive Management in 2004, with the position of General Manager Spain. Worked in the Mergers & Acquisitions Department of Rothschild Bank from 1998 to 2001.

Total number of executive directors	1
Percentage of Board	12.50%

### **EXTERNAL PROPRIETARY DIRECTORS**

Name or company name of director	Name or company name of the significant shareholder represented or that has proposed their appointment	Profile
MS. HELENA IRENE REVOREDO DELVECCHIO	GUBEL, S.L.	Bachelor in Business Administration and Management from Universidad Católica de Buenos Aires, and PADE (Senior Management Program) at IESE Business School. Chairperson of Fundación Prosegur since 1997. Chairperson of Euroforum since 2004. She is also a member of the Board of Trustees for the Queen Sophia Higher School of Music and the Príncipe de Asturias Foundation and also collaborates

		<p>with the Royal Association of Friends of the Reina Sofia National Art Gallery, the Amigos Museo del Prado Foundation and the Teatro Real (Royal Theatre) in Madrid, where she was appointed Chair of the International Board in 2015 and Deputy Chairman of the Board of Trustees in 2020.</p> <p>She has been awarded the Juan Lladó award, the most prestigious award granted in Spain for cultural patronage and research, as well as the Gold Medal from the Senior Management Forum, the Ramón Borredá Trophy, and the Montblanc Arts Patronage Award.</p>
MS. CHANTAL GUT REVOREDO	GUBEL, S.L.	<p>Economics and Business graduate from Universidad Complutense (Colegio Universitario de Estudios Financieros CUNEF) and has an MBA from IESE Business School.</p> <p>Chair of the Board of Directors of Euroforum since 2001.</p> <p>Director of Prosegur Cash, S.A. since 2017.</p> <p>Member of the Board of Trustees of Fundación Prosegur</p> <p>Head of Business Development at Gubel, S.L.</p> <p>Member of the International Advisory Council of the Hispanic Society (New York)</p>

<b>Total number of proprietary directors</b>	2
<b>Percentage of Board</b>	25%

### **EXTERNAL INDEPENDENT DIRECTORS**

<b>Name or company name of director</b>	<b>Profile</b>
MR. FERNANDO D'ORNELLAS SILVA	<p>Bachelor in Law and Economics from ICADE E3 and an MBA from IESE Business School.</p> <p>Director of Meliá Hotels International since 2012.</p> <p>Chief Executive Officer of Grupo Bergé between 2007 and 2012.</p> <p>Director of Endesa S.A. between 2007 and 2009.</p>
MR. FERNANDO VIVES RUIZ	<p>Doctor of Law, Comillas Pontifical University (ICADE).</p> <p>Degree in Economics and Business Science, Comillas Pontifical University (ICADE).</p> <p>Executive Chairman of the J&amp;A Garrigues, S.L.P. law firm.</p> <p>Professor of Business Law, Comillas Pontifical University (ICADE).</p> <p>Member of the Consultative Committee of the National Securities Market Commission.</p>

MR. ÁNGEL DURÁNDEZ ADEVA	<p>Bachelor in Economics, Professor of Commercial Law, Chartered Accountant and a founding member of Registro de Economistas Auditores. Joined Arthur Andersen in 1965, where he was a partner from 1976 to 2000. Until March 2004, ran Fundación Euroamérica and was a founding trustee.</p> <p>He is currently a Board Member at Quantica Producciones, S.L. and Ideas4all, S.L., Chairman of Arcadia Capital, S.L., Member of Fundación Independiente, Vice-President of Fundación Euroamérica, Chairman of Fundación Foro de Foros and advisory director of the Presidency of ABT Spanish Desk.</p>
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<b>Total number of independent directors</b>	3
<b>Percentage of the Board</b>	37.5%

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

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

Name of director	Description of the relationship	Statement of the Board
MR. FERNANDO VIVES RUIZ	Executive Chairman of the J&A Garrigues, S.L.P. law firm, which provides legal and tax advisory services to the Company of a recurrent and ordinary nature.	<p>The firm J&amp;A Garrigues, S.L.P. has been providing Prosegur Group, in a recurring manner and since long before the appointment of Fernando Vives as a director of the Company, legal and tax advisory services, within the ordinary course of business and in market conditions. As part of these services, the firm acts as Secretary to the Board of Directors, for which it receives the same remuneration as that of a non-executive director.</p> <p>Prosegur does not work exclusively with the firm J&amp;A Garrigues, S.L.P., receiving legal and tax advice from other firms. The fees received by J&amp;A Garrigues, S.L.P. from Prosegur are not significant for the firm in material terms and nor do they represent a significant amount on Prosegur's accounts.</p> <p>In addition, the provision of these services is performed through other partners in the firm other than Fernando Vives, whose remuneration as a partner of J&amp;A Garrigues, S.L.P. is totally independent and not linked in any way to the firm's invoicing to Prosegur. Therefore, the Board of Directors considers that the business relationship between the firm J&amp;A</p>

		<p>Garrigues, S.L.P. and Prosegur, due to its recurring nature in the ordinary course of business, its non-exclusivity and its scant importance in the aforementioned terms, does not in any way affect the independent nature of Fernando Vives for performing the position of director of Prosegur and being classified as independent.</p> <p>Prosegur also provided manned guarding services to J&amp;A Garrigues, S.L.P. in 2020.</p>
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### **OTHER EXTERNAL DIRECTORS**

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

Name of director	Reason	Company, director or shareholder to whom the director is related	Profile
MR. ISIDRO FERNÁNDEZ BARREIRO	Completion of the legal period of consecutive years as director for consideration as independent director	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	<p>Degree in industrial engineering and MBA from IESE.</p> <p>Executive Vice-President of Uralita, S.A.</p> <p>Executive Vice-President of Corporación Financiera Alba, S.A. from 2006 to 2013.</p> <p>Vice-President of Balboa Participaciones, S.A. from 2011 to 2013.</p> <p>Director of ACS from 2003 to 2008.</p>
MR. EUGENIO RUIZ-GÁLVEZ PRIEGO	Completion of the legal period of consecutive years as director for consideration as independent director	PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.	<p>Civil engineers from ETS in Madrid and MBA from Graduate School of Business of Stanford University.</p> <p>Board member at Ebro Foods (formerly Azucarera Ebro, S.L.) from 2000 to 2016, and CEO until 2009.</p> <p>CEO of the Uralita, S.A. from 1993 to 1997 and Deputy Chairman from 1997 to 2000.</p> <p>Board member at Corporación Financiera Alba, S.A. from 2010 to 2015.</p>

<b>Total number of other external directors</b>	2
<b>Percentage of the Board</b>	25%



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

Name of director	Date of change	Previous status	Current status
N/A			

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

	Number of female directors				% of directors for each category			
	Financial year 2020	Financial year 2019	Financial year 2018	Financial year 2017	Financial year 2020	Financial year 2019	Financial year 2018	Financial year 2017
<b>Executive</b>	0	0	0	0	0%	0%	0%	0%
<b>Proprietary</b>	2	2	2	2	25%	25%	25%	25%
<b>Independent</b>	0	0	0	0	0%	0%	0%	0%
<b>Other External</b>	0	0	0	0	0%	0%	0%	0%
<b>Total:</b>	2	2	2	2	25%	25%	25%	25%

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

Yes

No

Partial policies

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

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

Description of policies, objectives, measures and how they have been implemented, including results achieved.
<p>The Company's policy for selecting candidates for directorships is a key element of its corporate governance strategy as transparency in actions is one of the Company's key objectives. This policy states that candidates for directorships shall be selected based on an analysis by the Board of Directors of the needs of the Company and its group following the advice and a report from the Sustainability, Corporate Governance, Appointments and Remuneration Committee.</p> <p>Candidates should include reputable, suitable individuals of acknowledged solvency, skill, experience, qualification, training, availability and commitment to the function, whose conduct and professional experience are aligned with the principles set out in the Code of Ethics. Moreover, appointments must promote diversity of knowledge, experiences, origins, nationalities and gender within the Board of Directors.</p>

A key objective is to help have the right balance in the Board of Directors overall that enriches its decision-making process and provides differing viewpoints to the debate of issues under its remit and prevent any type of implicit bias that may imply discrimination and, in particular, that may undermine the selection of directors.

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

In the event that there are few or no female directors or senior managers in spite of any measures adopted, please explain the reasons that justify such a situation:

Explanation of measures
<p>The policy for selecting candidates for the office of director, approved by the Board of Directors at the meeting held on 24 February 2016 states that selecting candidates for the office of director will start with an analysis of the needs of the Company and the group of companies whose company is dominant, which shall be carried out by the Board of Directors with the advice and report provided by the Appointments Committee. Among other conditions, people will be sought whose appointment favors diversity of knowledge, experiences, nationalities and gender within the Board of Directors.</p> <p>The Policy for selecting candidates for the office of director must ensure that the number of female directors represents thirty percent of the total membership of the Board of Directors. The Company currently has a 25% female presence on its Board of Directors, being one of the female directors the Chairman of the Board. Nevertheless, the Company will carefully analyze the possibilities of increasing this percentage in the future.</p>

- C.1.7 Explain the conclusions of the appointments committee regarding verification of compliance with the policy aimed at favoring an appropriate composition of the board of directors.

The Company currently has a 25% female presence on its Board of Directors, being one of the female directors the Chairman of the Board. Nevertheless, the Company will carefully analyze the possibilities of increasing this percentage in the future.

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

Name of shareholder	Reason
N/A	

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

Yes

No

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

Name of director or committee	Brief description
MR. CHRISTIAN GUT REVOREDO	The Managing Director has been delegated all the powers of the Board of Directors, except for those that may not be delegated by Law, by the Bylaws, or the Board Regulations.

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

Name of director	Name of group member	Position	Does the director have executive powers?
MR. CHRISTIAN GUT REVOREDO	PROSEGUR CASH, S.A.	Chair	Yes
MS. CHANTAL GUT REVOREDO	PROSEGUR CASH, S.A.	Director	No

C.1.11 List any directors, or representatives of legal-person directors, of your company who are members of the board of directors, or representatives of legal-person directors, of other companies listed on regulated markets which are not group companies, and have communicated that status to the Company:

Name of director	Name of listed company	Position
MR. FERNANDO D'ORNELLAS SILVA	MELIA HOTELS INTERNATIONAL S.A.	DIRECTOR

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

Yes

No

C.1.13 State total remuneration received by the Board of Directors, itemized as follows:

Board remuneration in financial year (thousand euros)	1,997
Amount of vested pension interests for current members (thousand euros)	
Amount of vested pension interests for former members (thousand euros)	

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

Name of individual or company	Position
MR. JOSÉ MARÍA PENA	Global Director of Security
MR.FRANCISCO LANZUELA DE ALVARO	Global Director of Alarms
MR.FERNANDO ABOS PUEYO	Global Risk and Resource Management Manager
MR.ANTONIO RUBIO MERINO	Chief Financial Officer
MR.MIGUEL SOLER RUIZ-BOADA	Head of Internal Audit
MR.RODRIGO ZULUETA GALILEA	Chairman of Prosegur Latam
MR.JAVIER CABRERIZO BARRERA	Chief Operating Officer
MR.JAIME RON ALPAÑES	Head of the Office of the Managing Director

<b>Number of women in senior management</b>	
Percentage of total membership of senior management	0

<b>Total senior management remuneration (thousand euros)</b>	2,461
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C.1.15 State whether the Board Regulations were amended during the year:

Yes

No

Description of amendment
<p>(i) On 29 July 2020 a Board meeting was held at which directors decided unanimously, following a report by the Audit Committee, to amend the Board Regulations. This amendment was aimed at updating the functioning and the powers of the Board of Directors and its Standing Committees and bringing them into line with the reform of the Code of Good Governance of Listed Companies implemented in June 2020, as well as with other regulations that have been implemented since the last time the Regulations were amended. The main changes made to the Regulations were as follows:</p> <ol style="list-style-type: none"> <li>To attribute to the Appointments and Remuneration Committee (currently known as the "Sustainability, Corporate Governance, Appointments and Remuneration Committee") the authority to prepare the report that is to precede the amendment of the Regulations, as well as the power to propose such amendment.</li> <li>To amend article 4 of the Regulations with a view to updating its contents and including the measures used to make the Board Regulations public and to have them registered at the Commercial Registry pursuant to articles 528 and 529 of the Corporate Enterprises Law.</li> <li>To have the non-delegable functions of the Board of Directors include the approval of non-financial information pursuant to article 529 ter of the Corporate Enterprises Law, under subarticle 5.3.m). Furthermore, to eliminate as a non-delegable power of the Board of Directors, the structural definition of the group of companies under subarticle 5.3.n), because such power is set forth under paragraph b)(iii) of the same article. Also, to include a new non-delegable power of the Board of Directors which consists of ensuring that the strategy and activity of the Company and its group is in line with the principles of sustainable development in ESG (Environment, Social and Governance) matters, under a new paragraph q). Also, to include a reference to the Sustainable Development Goals (SDG) fostered by the United Nations, with a view to formalizing the Company's commitment to the attainment of those Goals.</li> </ol>

4. In connection with subarticles 15.1 and 15.5, to amend subarticle 1 on the composition of the Executive Committee, to include the fact that, should it be set up, it must be formed by at least two non-executive directors, at least one of which must be independent. Also, to eliminate subarticle 5 so that the Regulations do not include the reference to the minimum number of Executive Committee meetings, considering that, should this Committee be set up, the number of meetings should be consistent with the Committee's workload at any given time. As a result of this amendment, subarticles 6 and 7 of article 15 are renumbered as 5 and 6.
5. In connection with article 16, to amend subarticle 1 on the composition of the Audit Committee in compliance with recommendation number 29 of the Code of Good Governance and with a view to stipulating that Audit Committee Members, as a whole, be designated having regard to, inter alia, their knowledge and experience in matters of financial and non-financial risk management.

With respect to subarticle 3 on the powers of the Audit Committee, to amend letters b), d), g), h), i), n), o) p) and (former) q), which, together with part of letter o) of subarticle 3 –after being amended– will begin to form part of the authorities of the Appointments and Remuneration Committee, pursuant to recommendations 8, 42.2.c), 42.1.b), 42.1.a), 45, 42.1.c), 53, 54.a), 54.b) and 54.c) of the Code of Good Governance, respectively. To eliminate letters r) and s), having regard to the amendments made in recommendation 54.g) and h) of the Code of Good Governance and, as a result, to renumber the remaining paragraphs, to include a new letter t) pursuant to which the Audit Committee retains among its authorities that of reporting on the Annual Corporate Governance Report, with regard to related-party transactions and risk control and management systems, prior to its approval by the Board of Directors.

6. In connection with subarticle 17.3, to include two new powers of the Appointments and Remuneration Committee, so that the Committee has powers in the Company's environmental and social matters, pursuant to recommendations 54.c) and 42.1.d) of the Code of Good Governance, respectively. Also, to include as a new power of the Appointments and Remuneration Committee (new letter r)), powers in corporate governance matters pursuant to recommendations 53 and 54 c) of the Code of Good Governance, related to reporting on the Annual Report on Directors' Remuneration and on the Annual Corporate Governance Report (except with regard to related-party transactions and risk control and management systems, which will be reported by the Audit Committee), prior to their approval by the Board of Directors.
7. To include a new subarticle 7 in article 18, aimed at bringing the Regulations into line with the Bylaws, having regard to technological advances and the technical enhancements and mechanisms they provide for holding and attending meetings remotely, in the interest of making it easier for directors to attend meetings.
8. To amend article 24 on the grounds for removing directors, having regard to the recommendations of the Code of Good Governance.
9. In connection with the amendments introduced in article 17 regarding the authorities attributed to the Appointments and Remuneration Committee in matters of corporate governance, to amend subarticle 43.3, so that the Committee has the authority to report on the Annual Corporate Governance Report, prior to its approval by the Board of Directors.

(ii) On 30 September 2020 a Board meeting was held at which directors decided unanimously, following a report by the Appointments and Remuneration Committee, to amend the Board Regulations. The amendment was aimed at updating the name of the Appointments and Remuneration Committee and bringing it into line with the reform of said regulation approved by the Board of Directors on 29 July 2020.

In this connection, the name of the Appointments and Remuneration Committee was amended, and shall hereafter be called the "Sustainability, Corporate Governance, Appointments and Remuneration Committee" and, accordingly, articles 3, 10, 12, 14, 17, 18, 20, 21, 22, 24, 28, 29, 34, 36 and 43 were amended with a view to replacing all references to this Committee ("Appointments and Remuneration Committee" with the new name ("Sustainability, Corporate Governance, Appointments and Remuneration Committee").

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

(i) Selection.

In the policy selecting candidates for director of the Company, it is established that the selection shall be carried out by the Board of Directors with the advice and report provided by the Sustainability, Corporate Governance, Appointments and Remuneration Committee.

Candidates must be honorable, suitable individuals of acknowledged solvency, skill, experience, qualification, training, availability and commitment to their duties. Specifically, the candidates must be upstanding professionals whose conduct and professional career is in line with the principles in the Group's Code of Ethics as well as with the Group's mission, vision and values.

Candidates will also be sought whose appointment favors diversity of knowledge, experiences, nationalities and gender within the Board of Directors.

(ii) Appointment.

The Company's Bylaws provide that the Board of Directors shall comprise, at least, five and, at most, fifteen members to be appointed at the General Shareholders' Meeting.

The appointment of Directors at the company is subject to the decision of the General Shareholders' Meeting. Only on certain occasions, in accordance with the provisions of the Spanish Companies Act, may directors be appointed through co-option, and this decision is then ratified at the next General Shareholders' Meeting. The Board shall ensure that the composition of the body, external directors constitute a majority over executive directors, and reduce their number to a minimum.

In accordance with the provisions of article 20 of the Regulation of the Board of Directors, proposals for the appointment of directors which the Board of Directors decides to submit to the General Shareholders' Meeting and the decisions regarding appointments by co-option must be subject to the corresponding proposal (in the case of independent directors) or report (in the case of other directors) issued by the Sustainability, Corporate Governance, Appointments and Remuneration Committee.

The proposals must always be submitted with a justification report by the Board of Directors which assesses the skill, experience and merit of the candidate. Any proposal for appointing or re-electing a non-independent director must also be preceded by a report from the Sustainability, Corporate Governance, Appointments and Remuneration Committee. The foregoing also applies to natural persons that have been appointed representatives of directors that are legal entities.

Pursuant to article 9 of the Sustainability, Corporate Governance, Appointments and Remuneration Committee, said Committee is in charge of assessing the necessary profile, skills, knowledge and experience of the persons most suitable to form part of the various Board committees; reporting to the Board on matters related to gender diversity and establishing a representation target for the sex least represented on the Board; submitting proposals to the Board for the appointment of independent directors, for their designation by cooptation or for their submission to the decision of the General Shareholders' Meeting, and to report on proposals for appointment to and removal from office on the Board of Directors, including the proposal of members of its standing committees.

(iii) Re-election.

Directors are appointed for a term of three years, and may be re-elected once or more times for equal periods.

Notwithstanding the above, independent directors may not remain in the post for a term of more than twelve consecutive years, unless they become proprietary, executive or other external directors.

Proposals for the re-election of directors which the Board of Directors decides to submit to the General Shareholders' Meeting for approval must entail a formal preparation process, necessarily involving a report by the Sustainability, Corporate Governance, Appointments and Remuneration Committee, evaluating the quality of the work and professional dedication of the directors proposed during the previous term.

(iv) Assessment.

In accordance with the provisions of article 17 of the Board Regulations, the Sustainability, Corporate Governance, Appointments and Remuneration Committee will organize and coordinate the periodic assessment of the Chair of the Board of Directors and, with this, the

periodic assessment of the Board of Directors, of its members and of the top executive of the Company.

(v) Termination.

In accordance with Article 24 of Board Regulations, Directors will cease to hold office when their appointment's term elapses and when it is so decided by the Shareholders' Meeting or the Board of Directors pursuant to their legal or bylaw-based powers.

The Board may only propose that the appointment of an independent director be terminated before the end of his or her term when there is just cause as determined by the Board with the aid of a report from the Sustainability, Corporate Governance, Appointments and Remuneration Committee.

Directors must make their office available to the Board of Directors and, if deemed necessary by the latter, tender their resignation formally in the situations described in C.1.19 of this report.

Directors leaving office before the end of their term, either through resignation or by decision of the Shareholders' Meeting, must give sufficient explanation of the reasons for their resignation or, in the case of non-executive directors, their opinion on the reasons for the decision of the Shareholders' Meeting, in a letter addressed to all members of the Board of Directors. Irrespective of the disclosure of all of the foregoing in the Annual Corporate Governance Report, insofar as it is important to investors, the Company should make public, with the least possible delay, the resignation or removal of the director, including sufficient reference to the reasons or circumstances given by the director.

C.1.17 Explain how the annual assessment of the board has given rise to significant changes in its internal organization and to procedures applicable to its activities:

<b>Description of amendment</b>
The annual assessment did not give rise to changes as they were not considered necessary. The Company performs a self-assessment in accordance with its internal rules and regulations, which allows it to evaluate the quality and efficiency of the meetings of the Board of Directors, the operation of its committees, and the accessibility to the material required for the preparation of the Board meetings. Given the satisfactory assessment of the internal organization and the procedures applied to the activities of the Board of Directors and the board committees, no changes were required.

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

<b>Description of the assessment process and assessed areas</b>
In accordance with Article 5 of the Board Regulations, one of the main missions of the Board of Directors is the general supervisory function highlighting among others overseeing its own organization and operation. Article 17 of the Board Regulations highlights that the Sustainability, Corporate Governance, Appointments and Remuneration Committee will organize and coordinate the periodic assessment of the Chair of the Board of Directors and, with this, the periodic assessment of the Board of Directors, of its members and of the top executive of the Company. The Company does not have an external advisor so the Sustainability, Corporate Governance, Appointments and Remuneration Committee will perform the assessment directly.

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

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

In accordance with article 24.3, directors must make their office available to the Board of Directors and, if deemed necessary by the latter, tender their resignation formally in the following cases:

- (i) When the directors no longer hold the executive positions which their appointment as directors were linked to or when the reasons for their appointment no longer exist. Specifically, in the case of nominated directors, when the shareholder(s) that proposed, required or determined their appointment sell(s) or transfer(s) their participation partially or in full and, as a consequence, the shareholder(s) no longer hold a significant or sufficient equity participation to justify the appointment.
- (ii) When they meet any of the legally defined criteria for incompatibility or prohibition.
- (iii) When they are taken to court for a suspected crime or are the object of disciplinary proceedings initiated by the supervisory authorities due to a serious or very serious incident.
- (iv) When they receive a serious warning from the Audit Committee because they breached their obligations as directors.
- (v) When their presence on the Board of Directors can affect the Company's credit or reputation or in any way jeopardize its interests, when situations arise that affect them, whether or not related to their actions at the Company itself.

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

Yes

No

If so, please describe any differences.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, to be appointed as Chair of the Board of Directors.

Yes

No

C.1.22 State whether the Bylaws or the Board Regulations establish any limit as to the age of directors:

Yes

No

C.1.23 State whether the Bylaws or the Board Regulations establish any term limits for independent directors other than those required by law:

Yes

No

C.1.24 State whether the Bylaws or the Board Regulations establish specific proxy rules for votes at Board meetings, how they are to be delegated and, in particular, the maximum number of delegations that a director may have, as well as if any limit regarding the category of director to whom votes may be delegated and whether a director is required to delegate to a director of the same category. In the event, give a brief outline of these rules.

Article 23.5 of the Company's Bylaws stipulate that, when absent, directors may arrange to be represented at meetings of the Board of Directors by other directors via written proxy, which, to the extent possible, should contain voting instructions. In any event, non-executive directors may only delegate their representation to another non-executive director.

Furthermore, in accordance with the provisions of article 19.1 of the Board Regulations,



directors shall make every effort to attend meetings of the Board of Directors and, when they cannot attend personally, they shall try to ensure that their representation is conferred upon another member of the same group and includes the relevant instructions. In any event, non-executive directors may only delegate their representation to another non-executive director.

C.1.25 State the number of meetings held by the Board of Directors during the year, and if applicable, the number of times the Board met without the Chair in attendance. Meetings where the Chair sent specific proxy instructions are to be counted as attended.

<b>Number of Board meetings</b>	8
<b>Number of Board meetings without the Chair in attendance</b>	0

<b>Remarks</b>
The Board of Directors also adopted resolutions by written consent (without holding a meeting) on one occasion.

State the number of meetings held in the year by the various Board committees:

<b>Number of meetings held by the Audit Committee</b>	5
<b>Number of Meetings held by the Sustainability, Corporate Governance, Appointments and Remuneration Committee</b>	3

<b>Remarks</b>
The Audit Committee also adopted resolutions by written consent (without holding a meeting) on one occasion and the Sustainability, Corporate Governance, Appointments and Remuneration Committee on four occasions throughout 2020.

C.1.26 State the number of meetings held by the Board of Directors during the year and the data on attendance by its members.

<b>Number of meetings in situ when at least 80% of directors attended</b>	8
<b>% of attendance over total votes during the year</b>	98.43%
<b>Number of meetings in situ or representations made with specific instructions of all directors</b>	8
<b>% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year</b>	100%

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

Yes

No

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

Name	Position
MR. ANTONIO RUBIO MERINO	CHIEF FINANCIAL OFFICER

C.1.28 Explain any measures established by the Board of Directors to ensure that the financial statements submitted by the Board to the General Shareholders' Meeting are prepared in compliance with accounting regulations.

The Company's Finance Department operates stringent controls over the individual and consolidated accounts to ensure that they are in line with generally accepted accounting principles in Spain and IFRS, and all Prosegur companies are audited by the same auditor: Ernst & Young, S.L.

Article 8 of the Audit Committee Regulations states that, inter alia, the Audit Committee's duties including ensuring that the Board of Directors seeks to present a financial statement to the General Shareholders' Meeting based on an audit report with no limitations or reservations. In the exceptional event of reservations, the Chair of the Audit Committee must explain the situation and ensure that the auditors clearly explain the content and scope of these limitations and reservations to the shareholders, providing shareholders with a summary of their opinion when the call to the General Shareholders' Meeting is published.

Lastly, Article 44 of the Board Regulations stipulates that the Board of Directors shall seek to provide a final version of the accounts with no scope for qualification in the auditor's opinion. However, when the Board of Directors considers that its own criterion should prevail, it shall publicly explain the content and scope of the discrepancy.

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

Yes

No

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

Name of the secretary	Representative
MR. ARNAU TAPIAS MONNÉ	

Remarks
On 24 February 2021, the Board of Directors approved the appointment of Mr. Antonio Rubio Merino as the new secretary non-director of the Board of Directors of the Company, as well as the dismissal of Mr. Arnau Tapia Monné and Ms. María Caño Cadahía from their posts as secretary non-director and deputy secretary non-director, respectively.

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

Article 9 of the Audit Committee Regulations states that the Audit Committee has powers of information, advice and proposal in relation to the statutory auditor:

- Submit proposals for selecting, appointing, re-electing and replacing external auditors to the Board of Directors; assume responsibility for applying the selection process in accordance with the legal requirements, and assume responsibility for the contractual terms and conditions and for regularly collecting information from the auditor about the

audit plan and its execution; and ensure the independent performance of its duties.

- In the event that the external auditor resigns, examine the circumstances which caused said resignation.
- Ensure that the external auditor's remuneration for his or her work does not compromise its quality or independence.
- Ensure that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks accomplished and regarding the development of its accounting and risks faced by the company.
- Ensure that the company and the external auditor comply with applicable rules regarding the rendering of services other than auditing, proportional limits on the auditor's billing, and all other rules regarding the auditor's independence.
- Establish and maintain adequate relationships with the external auditor so as to receive information about any issues that may pose a threat to the auditor's independence, which will then be assessed by the Committee; and any other information in relation to account auditing; when appropriate, authorize services that are not prohibited pursuant to the law; and any other communications stipulated in the account auditing legislation and auditing rules. In any case, the Audit Committee must receive an annual declaration from the account auditor regarding his/her independence from the company or companies that are directly or indirectly linked to the Audit Committee. The auditor must also provide detailed and individual information about any additional services that have been provided by the auditor and paid for by these companies, or any additional services provided by individuals or companies linked to the auditor pursuant to the legislation in force.
- Issue an annual report, before the account audit report, in which it declares whether or not the auditor's independence is compromised. In all events, this report must contain an opinion about the substantiated assessment of the provision of each and every additional service mentioned above (individually and as a group), which is different from legal auditing and in connection with the independence system or the regulations on account auditing.

Article 22.2 of the Audit Committee Regulations, "Relations with shareholders and other stakeholders" states that the report on the Audit Committee's operate shall include, among other aspects, its opinion on the auditor's independence.

Article 24 of the Audit Committee Regulations, "Relations with the statutory auditor" states that:

- Relations between the Audit Committee and the Company auditor will respect its independence pursuant to these Regulations and applicable regulation.
- The Audit Committee will receive information from the auditor on a regular basis, regarding the audit plan and the outcome of its execution; will monitor the recommendations proposed by the auditor; and may require its cooperation where deemed necessary.
- The Committee will ask the auditor for an annual certification of the independence of the firm as a whole and of the team members participating in the audit process of the Group's annual accounts, as well as information on additional services of any kind provided by the auditors or by the persons associated with them in accordance with the provisions of the accounting legislation. The auditor shall also include a statement in the annual certification that it sends to the Audit Committee in which it reports on compliance with the application of the internal quality assurance procedures and independence safeguards that have been implemented.
- The Audit Committee must authorize, where appropriate in accordance with and on the terms of the legislation in force, the contracting of the auditor for services other than audit services.
- The Audit Committee must be informed when professionals from any of the Group's auditing firms join any Group company.

In this regard, Article 44 of the Board Regulations stipulates that the Board of Directors shall refrain from hiring the services of audit firms whose fees, for all items, are higher than five percent of its total revenues during the last financial year, and it must publicly disclose the global fees which Prosegur has paid to the audit firm for any services other than auditing.

Regarding financial analysts and investment banks as well as with regard to the rating agencies, at present no procedure is established in order to ensure the independence of the same, although Prosegur has always acted transparently with them and their criteria have always been based on the principles of professionalism, solvency and independence in their views.

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

Yes

No

Outgoing auditor	Incoming auditor
KPMG	Ernst & Young, S.L.

Remarks
The General Shareholders' Meeting held on 4 June 2019 resolved to appoint Ernst & Young, S.L. as the auditor of the Company and of its consolidated tax group for 2020, 2021 and 2022.

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

Yes

No

C.1.32 State whether the audit firm provides any non-audit services to the company and/or its Group and, if so, the fees paid and the percentage of such amount over the fees billed for audit services to the company and/or Group:

Yes

No

	Company	Group Companies	Total
Amount billed for non-audit services (thousand euros)	254	561	815
Amount billed for non-audit services/Amount for audit work (in %)	111,89%	29,68%	38,50%

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

Yes

No

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

	Individual	Consolidated
Number of consecutive years	1	1

	Individual	Consolidated
Number of years audited by the current audit firm/number of fiscal years the company has been audited (by %)	3.03	3.02

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

Yes

No

Provide details of the procedures
In accordance with Article 18 of the Board Regulations, the call shall be sent at least three days in advance and shall always include the meeting's agenda and any relevant information. Articles 26 and 27 of the Board Regulations establish the powers of information of directors and the right to request expert assistance.

C.1.36 State whether the company has established rules whereby directors must report and, if applicable, resign, where situations involving them arise, whether or not related to their actions at the company itself, which may damage the company's standing and reputation. If so, provide details:

Yes

No

Explain the rules
Pursuant to subarticles 24.3 and 24.4, of the Board Regulations, directors must make their office available to the Board of Directors and, if deemed advisable, tender their resignation formally in the situations described in section C.1.19. Pursuant to subarticle 24.4 of the Board Regulations, directors must inform the Board of Directors of any criminal proceedings in which they are defendants and any disciplinary proceedings brought against them by the supervisory authorities due to a serious or very serious breach. In both cases, directors must report on any subsequent actions. After the Board has been informed or has in any way become aware of any of the aforesaid situations, or where a director's continued membership on the Board affects the Company's credit or reputation or in any way jeopardizes its interests, when situations arise that affect the director, whether or not related to the director's actions at the Company itself, the Board of Directors must analyze the case as soon as possible and, having regard to the specific circumstances, decide, following a report from the Sustainability, Corporate Governance, Appointments and Remuneration Committee, whether or not any measure should be taken, such as opening an internal investigation, asking the director to resign or proposing the director's removal. The Annual Corporate Governance Report should also contain a report in this connection, unless there are special circumstances that justify the situation, which must be placed on record in the minutes. All of the foregoing is notwithstanding the information to be disclosed by the company, if appropriate, when the related measures are adopted. All details shall be carefully described in the Annual Corporate Governance Report.

C.1.37 State, unless special circumstances have arisen and have been placed on record in the minutes, whether the Board has been informed, or has otherwise become aware, of any situation involving a director, whether or not related to his/her action at the company itself, which may damage the company's standing or reputation:

Yes

No

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

- Syndicated credit facility for 200 million euros between Prosegur Compañía de Seguridad, S.A. and a syndicate of credit institutions, dated 10 February 2017. At 31 December 2020, the capital drawn down amounted to 40 million euros. In the event of a change of control, creditors would no longer be obliged make available the amounts
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requested by the Company and would be entitled to request early repayment.

- Syndicated credit facility for 300 million euros between Prosegur Cash, S.A. and a syndicate of credit institutions, dated 10 February 2017. At 31 December 2020, the capital drawn down amounted to 155 million euros. In the event of a change of control, creditors would no longer be obliged make available the amounts requested by the Company and would be entitled to request early repayment. Both facilities were novated and renewed on 7 February 2019. The novation affects the terms of the facilities, which are more favorable than previously, and extends the duration of both by five years (to 7 February 2024), which has been extended until February 2026.
- Syndicated credit facility for 700 million Australian dollars between the Company and Prosegur Australia Investments Pty Limited for a term for three years. In April 2020 the agreement was amended to a maturity from 2021 to 2023.
- The issuance by Prosegur Cash, S.A. on 4 December 2017, under the Company's fixed-income securities issuance program (i.e. the Euro Medium Term Note Program), 600 million euros of ordinary bonds maturing on 4 February 2026. In the event of a change of control, bondholders may request the resale of the bonds if the change of control brings a downgrade in credit rating to below investment grade (i.e. below BBB-).
- On 8 February 2018 simple bonds were issued for a par value of 700,000 thousand euros, maturing on 8 February 2023. The bonds are listed on the secondary market, on the Irish Stock Exchange. An annual coupon of 1.00%, payable at the end of each year, accrues on them.

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

Number of beneficiaries	1
Type of beneficiary	Description of agreement
DIRECTOR	One director has a golden parachute clause in their contract including severance in the event of involuntary dismissal by the Company.

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

	Board of Directors	General Shareholders' Meeting
Body authorizing the clauses	X	

	Yes	No
Is the General Shareholders' Meeting notified of these clauses?		X

C.2 Committees of the Board of Directors

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

**AUDIT COMMITTEE**

Name	Position	Category
MR. FERNANDO D'ORNELLAS SILVA	CHAIR	Independent
MR. ANGEL DURANDEZ ADEVA	MEMBER	Independent
MR. ISIDRO FERNANDEZ BARREIRO	MEMBER	Other External

% of proprietary directors	0%
% of independent directors	66.67%
% of other external directors	33.33%

Remarks

Explain the functions attributed to this committee and any additional responsibilities provided for by law, and describe the rules and procedures it follows for its organization and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercised, in practice, each of the functions attributed to it by law, in the Bylaws or in other corporate resolutions.

<p>In accordance with Article 16 of the Board Regulations:</p> <p>1. The Audit Committee consists of between three and five non-executive directors appointed by the Board of Directors. They must have the dedication, skills and experience necessary for performing their duties in the Committee. The members of the Audit and Compliance Committee, especially its chair, shall be appointed based on their knowledge and experience in accounting, auditing and risk management, both financial and non-financial. The majority of the members of the Audit Committee must be independent directors.</p> <p>2. The Board of Directors shall appoint the Chair of the Audit Committee from among the independent directors that are part of the Committee. The Committee shall choose a Secretary who does not need to be a director or a member of the Committee</p> <p>The Chair of the Audit Committee is elected for a term of up to four years. At the end of this period, the Chair may not be re-elected until at least one year has elapsed since his/her term without prejudice to the possibility of holding his/her position as a Committee member or being re-elected as one.</p> <p>3. Without prejudice to the duties assigned by the company by-laws or Board of Directors, the Audit Committee shall perform the following basic duties:</p> <p>a) Inform the General Shareholders' Meeting about matters that relate to the Committee's scope of action particularly the outcome of audits. The Committee shall explain how the audit contributed to the integrity of financial information and the Committee's role in the process.</p> <p>b) Ensure that the financial statements which the Board of Directors presents to the General Shareholders' Meeting are prepared in accordance with accounting legislation, and in cases where the auditor has included any qualifications in his audit report, to clearly explain to the Shareholders' Meeting, through the Chairman of the Audit Committee the Committee's opinion on their contents and scope, making available to the shareholders, at the time of publication of the call of the Shareholders' Meeting, a summary of that opinion along with the rest of the proposals and reports.</p>
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c) Submit proposals for selecting, appointing, re-electing and replacing external auditors to the Board of Directors; assume responsibility for applying the selection process in accordance with the legal requirements, and assume responsibility for the contractual terms and conditions and for regularly collecting information from the auditor about the audit plan and its execution; and ensure the independent performance of its duties.

d) As for the external auditor: (i) if the external auditor resigns, analyze the circumstances behind this decision; (ii) ensure that the external auditor's remuneration does not compromise the quality or independence of his/her work; (iii) oversee that the Company communicates, through the Spanish National Securities Market Commission of the change of auditor and adds a statement about any potential disagreements with the auditor and, if applicable, explains the nature of these disagreements; (iv) ensure that the external auditor meets with the full session of the Board of Directors on an yearly basis to report about his/her work and the progress of the Company's accounting situation and risks; (v) oversee compliance with the auditing contract and ensure that the opinion about the financial statement and the main content of the audit report is written clearly and accurately; and (vi) ensure that the Company and the external auditor comply with applicable rules on audit service provision, limits on concentration of auditing business and, in general, all other rules about the independence of auditors.

e) Establish and maintain adequate relationships with the external auditor so as to receive information about any issues that may pose a threat to the auditor's independence, which will then be assessed by the Committee; and any other information in relation to account auditing; when appropriate, authorize services that are not prohibited pursuant to the law; and any other communications stipulated in the account auditing legislation and auditing rules. In any case, the Audit Committee must receive an annual declaration from the account auditor regarding their independence from the company or companies that are directly or indirectly linked to the Audit Committee. The auditor must also provide detailed and individual information about any additional services that have been provided by the auditor and paid for by these companies, or any additional services provided by individuals or companies linked to the auditor pursuant to the legislation in force.

f) Issue an annual report, before the account audit report, in which it declares whether or not the auditor's independence is compromised. In all events, this report must contain an opinion about the substantiated assessment of the provision of each and every additional service mentioned above (individually and as a group), which is different from legal auditing and in connection with the independence system or the regulations on account auditing.

g) Supervise internal auditing particularly (i) guarantee that internal auditing is independent and efficient; (ii) propose the selection, appointment and termination of appointment of the manager of the internal audit service; (iii) propose the budget for the service; (iv) approve or propose the approval to the Board of Directors of the guidance and of the annual work plan for the internal audit and the annual activities report, ensuring that its activity is focused mainly on relevant risks (including reputational); (v) receive periodic information about its activities; and (vi) verify that senior management takes the conclusions and recommendations in its reports into account.

h) Oversee and evaluate the preparation and presentation of mandatory financial information and submit recommendations or proposals to the administration body aimed at safeguarding integrity. In connection to this, the Committee is responsible for overseeing and evaluating the preparation and integrity of the financial and non-financial reporting as well as the systems for control and management of financial and non-financial risk in relation to the Company and the Group, including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption, and review compliance with regulations, and ensure correct delimitation of the consolidation perimeter and the correct application of accounting criteria. The Board of Directors must be duly informed.

i) Oversee the efficacy of the Company's internal control and the risk management systems (including tax risks) and discuss any significant weaknesses of the internal control system with the account auditor which have been detected during auditing. Independence must never be compromised. Following from this, and when appropriate, the Committee must submit recommendations or proposals to the Board of Directors and indicate the follow-up time frame. In this context, it must propose the risk control and management policy to the Board of Directors. This policy must at least identify or determine: (i) the type of financial or non-financial risks (operational, technological, financial, legal, social, environmental, political and reputational risks or those related to corruption) to which the Company is exposed, including among the financial or economic risks contingent liabilities and other off-balance-sheet risks; (ii) a risk control and management model based on different levels which includes a specialized risk committee where the industry standards so establish or the Company deems appropriate; (iii) the risk level which the Company deems to be acceptable; (iv) the measures for mitigating the impact of identified risks were they to materialize; and (v) the control and information systems used to control and manage risks.

j) Oversee the operation of the risk control and management unit which must: (i) guarantee that the risk control and management systems work properly, specifically guaranteeing that all



major risks affecting the Company are identified, managed and quantified; (ii) actively participate in drawing up the risk strategy and making important decisions about risk management; and (iii) ensure that the risk control and management systems mitigate risks appropriately and in accordance with the policy defined by the Board of Directors.

k) Analyze and report on the economic conditions, accounting impact and, when appropriate, proposed exchange ratio for operations that involve structural and corporate changes and have been planned by the Company, before they are submitted to the Board of Directors.

l) Inform the Board of Directors beforehand of any matters required by law and the corporate by-laws, specifically: (i) the financial information which the Company must disclose periodically; and (ii) creation or acquisition of equity participation in special purpose vehicles or companies headquartered in countries or territories that are considered to be tax havens.

m) Review offering prospectuses and any other relevant information that the Board of Directors must supply to the markets and its supervisory bodies.

n) Establish and supervise a system that enables employees and other individuals related to the Company such as directors, shareholders, suppliers, contractors or subcontractors, to communicate irregularities of potential importance, including any financial and accounting irregularities, or any other kind, related to the Company that are detected within the Company or its Group. That mechanism must guarantee confidentiality and in any case establish cases in which communications may be made anonymously, respecting the rights of the accuser and the accused.

o) The Audit Committee must receive information and, when appropriate, generate a report about all the actions and decisions made by the Regulatory Compliance Division when performing its duties, and in particular, pursuant to the Company's internal code of conduct in matters relating to the Securities Market..

p) Supervise the application of the general policy on the reporting of financial and non-financial and corporate information and the communication with shareholders and investors, voting advisors and other interest groups. Moreover, monitor the Company's form of communication and relationship with small and medium-size shareholders.

q) Report on related-party transactions or transactions that involve or may involve conflicts of interest under the terms set forth by law and by this Regulation.

r) Ensure in general that internal control policies and systems established are effectively applied in practice.

s) Inform, prior to its approval by the Board of Directors, on the annual corporate governance report with regard to related-party transactions and risk control and management systems.

Provisions in c), e) and f) in this section are without prejudice to the regulations on account auditing.

4. The Audit Committee shall meet periodically depending on the needs and at least four times a year.

5. Any member of the Company's or Group's management team or staff required to do so must attend the Audit Committee meetings and collaborate and provide access to the information they have access to. The Audit Committee may also require that account auditors attend its sessions.

6. To better perform its duties, the Audit Committee may request advice from external professionals. In this event, Article 27 herein shall apply. Furthermore, when performing its duties, the Audit Committee may invite any of the Company's employees or executives to its meetings and it may even determine that no other executive shall be present.

7. The Chair of the Audit Committee must inform the Board of Directors of the topics discussed and the decisions made by the Committee during the first Board meeting after the Committee's session. Additionally, the Audit Committee's minutes must be available to the directors..

The Committee's main actions in the year were:

- Review of the financial statements and communications regarding the Group's financial performance and governance.

- Evaluation of the terms and conditions of related-party transactions.

- Follow-up of internal audit activities, review of the effectiveness of internal control processes and review of the main risks to which the Company is exposed.

- Recommendation to re-appoint the external auditor and recommendation regarding its fees, terms of engagement and independence.

- Approval of non-audit services for the year ended 31 December 2020.

The Audit Committee discharges the duties attributed to it by holding regular meetings with the Committee members and the heads of internal and external audit. Moreover, the Committee makes presentations to the Board of Directors to inform the rest of the Company's directors of the main issues under the Committee's remit and to comply with the rest of its basic duties relative to the Board.

Identify the directors who are members of the Audit Committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chair of this committee was appointed.

<b>Name of directors with experience</b>	MR. FERNANDO D'ORNELLAS SILVA MR. ÁNGEL DURANDEZ ADEVA / MR. ISIDRO FERNANDEZ BARREIRO
<b>Date of appointment of the Chair</b>	29/05/2017

### **SUSTAINABILITY, CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE**

<b>Name</b>	<b>Position</b>	<b>Category</b>
MR. FERNANDO VIVES RUIZ	CHAIR	Independent
MR. ANGEL DURANDEZ ADEVA	MEMBER	Independent
MR. FERNANDO D'ORNELLAS SILVA	MEMBER	Independent
MR. ISIDRO FERNANDEZ BARREIRO	MEMBER	Other External
MS. CHANTAL GUT REVOREDO	MEMBER	Proprietary

<b>% of proprietary directors</b>	20.00%
<b>% of independent directors</b>	60.00%
<b>% of other external directors</b>	20.00%

Explain the duties attributed to this committee and any additional responsibilities provided for by law, and describe the rules and procedures it follows for its organization and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions attributed thereto by law, in the Bylaws or other corporate resolutions.

<p>In accordance with Article 17 of the Board Regulations:</p> <ol style="list-style-type: none"> <li>1. The Sustainability, Corporate Governance, Appointments and Remuneration Committee consists of between three and five non-executive directors appointed by the Board of Directors. They must have the knowledge, skills and experience necessary for performing their duties in the Committee. Most of the members of the Sustainability, Corporate Governance, Appointments and Remuneration Committee must be independent directors.</li> <li>2. The Board of Directors shall appoint the Chair of the Sustainability, Corporate Governance, Appointments and Remuneration Committee from among the independent directors that are part of the Committee. The Committee shall choose a Secretary who does not need to be a director or a member of the Committee.</li> <li>3. Without prejudice to the duties assigned by the Bylaws and the Regulations of the Board of Directors, the Sustainability, Corporate Governance, Appointments and Remuneration Committee shall perform the following basic duties: <ol style="list-style-type: none"> <li>a) Assess the skills, knowledge and experience required in the Board of Directors. To this end, the Committee shall define the necessary duties and skills that the candidates must possess to fill the vacancy. The Committee must also determine the time and dedication necessary for effectively performing their duties and confirm that non-executive directors have enough free time to perform their duties correctly.</li> </ol> </li> </ol>
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- b) Inform the Board of Directors about matters in connection with gender diversity and set a representation objective for the least represented gender in the Board of Directors and draw up guidelines for achieving this objective.
  - c) Submit proposals for appointments to the Board of Directors (for appointment by co-option or submission to the General Shareholders' meeting) for independent directors, and submit proposals for re-electing or dismissing these directors to be decided by the General Shareholders' Meeting.
  - d) Submit proposals for appointments of other directors by co-option or submission to the General Shareholders' meeting, and submit proposals for re-electing or terminating the appointment of these directors to be decided by the General Shareholders' Meeting.
  - e) On an annual basis, verify compliance with the policy on the selection of directors and report thereon in the annual corporate governance report.
  - f) Submit proposals for appointments and removal of positions in the Board of Directors, including the Secretary and Vice Secretaries, and submit proposals for the members of each of the Board's committees to the Board of Directors.
  - g) Examine and organize the succession of the Board's Chair and the Company's top executive and, when appropriate, submit proposals to the Board of Directors so that the succession is orderly and planned.
  - h) Organize and coordinate the periodic assessment of the Board's Chair and, in conjunction, the periodic assessment of the Board of Directors, its members and the Company's top executive.
  - i) Submit proposals to the Board of Directors for appointments and termination of appointment of senior executives and the basic terms and conditions of their contracts.
  - j) Submit a proposal to the Board of Directors for the remuneration policy for directors and general managers or senior managers that are directly subordinate to the Board, to executive committees or managing directors; and submit a proposal for individual remuneration and other contractual terms and conditions for executive directors and ensure compliance therewith.
  - k) Check that the Company's remuneration policy is complied with.
  - l) Periodically review the remuneration policy for directors and senior executives, including remuneration schemes with or referenced to Company shares and the application thereof; analyze their suitability and pay and ensure that their individual remuneration is proportional to the remuneration of other Company directors and senior executives.
  - m) Check the information about remuneration for directors and senior executives in corporate documents, including the annual report on remuneration for directors.
  - n) Report on conflict of interest of directors and, in general, on the matters covered in chapter IX of this Regulation attributed to the Sustainability, Corporate Governance, Appointments and Remuneration Committee.
  - o) Ensure that possible conflicts of interest do not compromise the independence of external advisory services provided, when appropriate, to the Committee.
  - p) Periodically evaluate and review the Company's corporate governance system and environmental and social policy in order to ensure that they fulfil its mission of promoting social interests and take into account the legitimate interests of the other interest groups, as appropriate.
  - q) Supervise the Company's environmental and social practices to ensure that they comply with the strategy and policies established, and to supervise and evaluate processes relating to the different interest groups.
  - r) Review the Company's corporate responsibility policy to ensure that it aims to create value; supervise the strategy and practices with regard to corporate social responsibility and assess compliance therewith; and assess the relationship processes with stakeholders, to propose make the necessary proposals for their improvement and monitor the compliance with corporate governance rules and codes of conduct of the Company, while also ensuring that the culture is aligned with its purpose and values. It also corresponds to the Sustainability, Corporate Governance, Appointments and Remuneration Committee to receive information and, in its case, to issue reports on the disciplinary measures to be applied, where appropriate, to the members of the Company's senior management.
  - s) Inform, prior to its approval by the Board of Directors, on the annual corporate governance report (except with regard to related-party transactions and risk control and management systems), and submit to the Board of Directors the annual proposal for approval of the annual report on remuneration for directors.
4. The Sustainability, Corporate Governance, Appointments and Remuneration Committee must consider the suggestions from the Chair, the members of the Board of Directors, executives or shareholders. Specifically, any director may request that the Sustainability,

Corporate Governance, Appointments and Remuneration Committee consider potential candidates for director positions and decide accordingly.

5. The Sustainability, Corporate Governance, Appointments and Remuneration Committee shall consult with the Chair of the Board of Directors and the Company's top executive, especially in matters relating to the executive directors and senior executives.

6. The Sustainability, Corporate Governance, Appointments and Remuneration Committee shall meet every time the Board of Directors or its Chair requests a report or that proposals be adopted and, in any event, whenever it is advisable for correct performance of its duties. In any case, it shall meet once a year to prepare information about remuneration for directors to be approved by the Board of Directors and include in its annual public documentation.

7. The Chair of the Sustainability, Corporate Governance, Appointments and Remuneration Committee shall inform the Board of Directors about any issues discussed and decisions made by the Committee. Additionally, the Committee's minutes must be available to the directors.

The Committee's main actions in the year were:

- Evaluation of the performance of the Board of Directors.
- Review of the composition of the Board of Directors and preparation of proposals for the re-election of directors.
- Verification of the director selection policy.
- Verification of the incentive scheme and variable remuneration of directors.

The Committee discharges the duties attributed to it by holding regular meetings with the Committee members, allowing attendance by management personnel from the various areas under its remit to better fulfil its duties. Moreover, the Committee makes presentations to the Board of Directors to inform the rest of the Company's directors of the main issues under the Committee's remit and to comply with the rest of its basic duties relative to the Board.

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

	Number of female directors							
	2020		2019		2018		2017	
	Number	%	Number	%	Number	%	Number	%
<b>Audit Committee</b>	0	0.00%	0	0.00%	0	0.00%	0	0.00%
<b>Sustainability, Corporate Governance, Appointments and Remuneration committee</b>	1	20.00%	1	20.00%	1	20.00%	1	20.00%

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

**SUSTAINABILITY, CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE**

The organization and operation of the Board of Directors' committees are regulated in the Bylaws, in the Board Regulations (Article 17) and specifically in the Sustainability, Corporate Governance, Appointments and Remuneration Committee Regulations approved on 29 October 2020; these documents are available for consultation on the Company's website.

At the meetings held on 20 July and 30 September 2020, the Board of Directors approved the amendment to the Board Regulations attributing new powers to the Sustainability, Corporate

Governance, Appointments and Remuneration Committee Regulations, as stated in section C.1.15.

The Sustainability, Corporate Governance, Appointments and Remuneration Committee prepares an annual report on its activity.

#### **AUDIT COMMITTEE**

The organization and operation of the Board of Directors' committees are regulated in the Bylaws, in the Board Regulations (Article 16) and specifically the Audit Committee Regulations approved by the Board on 19 December 2017; these documents are available for consultation on the Company's website.

At the meeting held on 29 July 2020, the Board of Directors approved the amendment to the Board Regulations attributing new powers to the Audit Committee, as stated in section C.1.15.

Also on 29 July 2020 the Board of Directors approved the amendment to the Audit Committee Regulations aimed at updating them and bringing them into line with the new wording of the Code of Good Governance of Listed Companies implemented in June 2020.

The Audit Committee prepares an annual report on its activity.

## **D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS**

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

Subarticle 5.3.p) of the Board Regulations establishes, as a power of the Board of Directors that cannot be delegated, the approval, after a report by the Audit Committee, the transactions completed between the Company or the group's companies and its directors (in compliance with Articles 229 and 230 of the Corporate Enterprises Act), or shareholders that hold a significant equity interest (either individually or as a group), including shareholders that are represented in the Company's Board of Directors or the Board of Directors of other companies in the same group, or transactions with people related to these ("related-party transactions"), in accordance with the terms and conditions herein.

Pursuant to subarticle 16.3.q) of the Board Regulations, notwithstanding other tasks assigned to it in the Bylaws or by the Board of Directors, the basic responsibilities of Audit Committee will include that of reporting on related-party transactions or transactions that entail or could entail conflicts of interest, as stipulated by law and in the Audit Committee Regulations; pursuant to subarticle 16.3.s), the Committee will have the power to report on the Annual Corporate Governance Report, with regard to related-party transactions and risk control and management systems, prior to its approval by the Board of Directors.

Article 39 of the Board Regulations states that after a report by the Audit Committee, the Board of Directors formally reserves the right to approve any transactions completed between the Company or the group's companies and directors or shareholders that hold a significant equity participation (either individually or as a group), including shareholders that are represented in the Company's Board of Directors or the Board of Directors of other companies in the same group or transactions with people related to these ("related-party transactions").

Under no circumstance shall a related-party transaction with a shareholder be authorized without a prior report by the Audit Committee which assesses the transaction from the point of view of equal treatment of shareholders and market conditions.

In the case of transactions during ordinary corporate business that are common or recurring, it shall only be necessary for the Board of Directors to issue a prior, generic authorization for the line of transactions and their execution conditions. However, a report must first be submitted by the Audit Committee.

Nevertheless, the Board's authorization shall not be necessary if the transactions fulfil the following three conditions: (i) they are conducted in connection with contracts whose conditions are standardized and apply to a high number of customers; (ii) they are conducted at general prices or rates set by the good or service providers; and (iii) their value does not exceed one percent of the Company's annual revenue in accordance with the audited financial statement regarding the last closed financial year as of the date of the transaction.

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

Name of significant shareholder	Name of company within the group	Nature of the relationship	Type of transaction	Amount (thousand euros)
GUBEL, S.L.	Proactinmo, S.L.	Commercial	Leases	3,200
GUBEL, S.L.	Euroforum Escorial, S.A.	Commercial	Provision of services	89
GUBEL, S.L.	Agrocinegetica San Huberto, S.L.U.	Commercial	Provision of services	384

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

Name of director or manager	Name of the company or entity within its group	Relationship	Type of transaction	Amount (thousand euros)
MS. HELENA IRENE REVOREDO DELVECCHIO	Proactinmo, S.L.	Controls Proactinmo, S.L.	Leases	3,200
MR. CHRISTIAN GUT REVOREDO	Proactinmo, S.L.	His mother controls Proactinmo, S.L.	Leases	3,200
MS CHANTAL GUT REVOREDO	Proactinmo, S.L.	Her mother controls Proactinmo, S.L.	Leases	3,200
MS. HELENA IRENE REVOREDO DELVECCHIO	Euroforum Escorial, S.A.	Controls Euroforum Escorial, S.A.	Provision of services	89
MR. CHRISTIAN GUT REVOREDO	Euroforum Escorial, S.A.	His mother controls Euroforum Escorial, S.A.	Provision of services	89
MS CHANTAL GUT REVOREDO	Euroforum Escorial, S.A.	Her mother controls Euroforum Escorial, S.A.	Provision of services	89
MS. HELENA IRENE REVOREDO DELVECCHIO	Agrocinegetica San Huberto, S.L.U.	Controls Agrocinegética San Huberto, S.L.	Provision of services	384
MR. CHRISTIAN GUT REVOREDO	Agrocinegetica San Huberto, S.L.U.	His mother controls Agrocinegética San Huberto, S.L.	Provision of services	384
MS CHANTAL GUT REVOREDO	Agrocinegetica San Huberto, S.L.U.	Her mother controls Agrocinegética San Huberto, S.L.	Provision of services	384

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

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

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
SIS Cash Services Private Ltd.	Loan Indian subsidiary (consolidated by the equity method)	2,191

- D.5 Describe the significant transactions between the company or entities of the group and other related parties that have not been reported in the previous sections:

Name of related party	Brief description of the transaction	Amount (thousand euros)
Gubel, S.L.	Provision of security services	15
Proactinmo, S.L.U. Euroforum Escorial, S.A. (controlled by Gubel, S.L.)	Provision of security services	250
Euroforum Escorial, S.A. (controlled by Gubel, S.L.)	Provision of services	36

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

<p>In accordance with article 33 of the Board Regulations, directors must inform the Board of Directors, in the person of its Chair or Secretary, of any director or indirect conflict of interest that involves them.</p> <p>To detect, determine and resolve possible conflicts of interest with directors, the Board Regulations of Prosegur establish certain mechanisms:</p> <p>-Disclosure obligations: in accordance with Article 38 of the aforementioned Rules and Regulations, the directors must notify the Company of all the posts they hold and all the activities they perform at other companies or entities and, in general, of any other fact or situation that may prove relevant for their actions as administrators of the Company.</p> <p>-Obligations to abstain: in accordance with article 33 of the Board Regulations: unless they have obtained the waiver stipulated in Article 230 of the Spanish Companies Act, directors must refrain from:</p> <p>a) making transactions with the Company, except for ordinary operations that are not very relevant, under standard conditions for the customers; this means transactions whose information is not necessary to present fairly the company's assets, financial situation and P&amp;L;</p> <p>b) obtaining advantages or remuneration from third parties outside of the Company and its group in connection with their duties, except for simple gestures of courtesy; and</p> <p>c) in general, attending and participating in decision-making and voting that affect matters which place them in a position of conflict of interest.</p> <p>With regard to significant shareholders, Article 39 of the Board Regulations stipulates that it is up to said body to be informed of any transaction by the Company with a significant shareholder and/or with any other related party in accordance with applicable regulations, and no transactions may be authorized unless a report has previously been issued by the Audit Committee, assessing the transaction from the standpoints of equal treatment of shareholders and market conditions.</p>
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D.7 State whether the company is controlled by another entity, within the meaning of article 42 of the Commercial Code, listed or not, and has, directly or through its subsidiaries, business relationships with said entity or any of its subsidiaries (other than those of the listed company) or pursues activities related to those of any of them.

Yes

No

State whether it has reported publicly and precisely on the respective areas of activity and possible business relationships between, on one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries.

Yes

No

**State the respective areas of activity and possible business relationships between, on one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries, and identify where these aspects have been publicly reported**

The business relationships between GUBEL, S.L. and the Company are described in section A.5. above.

Identify measures taken to resolve potential conflicts of interest between the other controlling company of the listed subsidiary and other group companies:

**Measures taken to resolve potential conflicts of interest**

The main duties of the Company's Audit Committee include the reporting on certain transactions carried out with directors, with shareholders who hold, individually or in with others, a significant shareholding, including shareholders represented on the Board of Directors of the Company or of other companies of the Group, or with persons related thereto (the "Related-Party Transactions"), prior to their approval by the Board of Directors.

Article 39 of the Board of Directors' Regulations states that:

After a report by the Audit Committee, the Board of Directors formally reserves the right to approve any transactions completed between the Company or the group's companies and directors or shareholders that hold a significant equity participation (either individually or as a group), including shareholders that are represented in the Company's Board of Directors or the Board of Directors of other companies in the same group or transactions with people related to these ("related-party transactions").

2. Under no circumstance shall a related-party transaction with a shareholder be authorized without a prior report by the Audit Committee which assesses the transaction from the point of view of equal treatment of shareholders and market conditions.

3. In the case of transactions during ordinary corporate business that are common or recurring, it shall only be necessary for the Board of Directors to issue a prior, generic authorization for the line of transactions and their execution conditions. However, a report must first be submitted by the Audit Committee.

4. Nevertheless, the Board's authorization shall not be necessary if the transactions fulfil the following three conditions: (i) they are conducted in connection with contracts whose conditions are standardized and apply to a high number of customers; (ii) they are conducted at general prices or rates set by the good or service providers; and (iii) their value does not exceed one percent of the Company's annual revenue in accordance with the audited financial statement regarding the last closed financial year as of the date of the transaction.

## E. RISK CONTROL AND MANAGEMENT SYSTEMS

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

Prosegur considers that the efficient management of risks is key to ensure the creation of value and guarantee the Company's success. In this connection and at the proposal of the Company's Audit Committee, on 29 July 2020 the Board of Directors approved a new Risk Control and Management Policy for the Company.



For this purpose, it has a robust risk management and control system implemented in its various areas of activity. The Company analyses, controls and assesses the relevant factors that might affect its daily management to meet its business objectives. Accordingly, it safeguards the assets and interests of customers, employees and shareholders.

Prosegur's Risk Management System works comprehensively and continuously, consolidating management by area, business unit, activity, subsidiaries, geographical areas and areas of support at corporate level.

Prosegur engages in control activities through suitable policies and procedures that help to prevent and detect the materialization of risks and, should they occur, to mitigate, compensate or correct their impact. Thus, Prosegur aims to ensure that the risks it assumes are compatible with its short-term and long-term goals.

Prosegur maintains suitable risk control and management and assumes a controlled level of risk that enables it to:

- attain approved strategic objectives;
- contribute the maximum level of security to its shareholders;
- defend the interests of shareholders, customers and other groups interested in the development of Prosegur;
- protect its results and its reputation;
- guarantee, on an ongoing basis, financial stability and strength.

The risk control and management system is based on procedures and methodologies that make it possible to identify and assess risks, with a view to attaining these objectives.

Actions aimed at controlling and mitigating risks are summarized below:

- Continued identification, assessment and prioritization of critical risks based on their possible impact on Prosegur's relevant goals;
- Risk assessment in accordance with procedures based on key indicators which make it possible to control them, develop their management and monitor their progress over time;
- Periodic monitoring of the effectiveness of the measures applied by risk managers in order to prevent and mitigate the impact of the materialization of some of the risks;
- Review and analysis of results by the Risk Committee.
- System supervision by the Audit Committee.

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

Within its general supervisory function, the Board of Directors is the most senior body in charge of determining Prosegur's general policies and strategies with regard to risk control and management, delegating to the Audit Committee the powers of reporting, advising and proposing with regard thereto and the power to supervise the risk control and management unit.

The Risk Committee, as a risk control and management unit of Prosegur guarantees that the risk control and management systems work properly, specifically guaranteeing that all major risks affecting Prosegur are identified, managed and quantified; it actively participates in drawing up the risk strategy and making important decisions about risk management; and it ensures that the risk control and management systems mitigate risks appropriately.

The Risk Committee, of which the Head of Internal Audit is automatically a member, holds periodic meetings with a view to explaining the findings and conclusions of the assessment of critical risks, including non-financial risks, which it performs as part of its functions. The Head of Internal Audit periodically prepares the Critical Risk Management Assessment Report, in which he or she explains in

detail the significant aspects of the assessment of critical risks and the main conclusions, which is later reviewed jointly with the Risk Committee. The report is then forwarded to the Audit Committee and the Head of Internal Audit appears before the Committee to explain the main conclusions detailed in the assessment report. The Audit Committee performs a detailed analysis of the conclusions explained by the Head of Internal Audit and, as the case may be, resolves to adopt the appropriate measures.

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

1. Digital transformation. Technological choice and rhythm of change
2. Cybersecurity, cyberattacks, loss or theft of company or customer confidential information.
3. Security and software defects and incidents in the IT infrastructure.
4. Transactions in highly competitive markets. Pressure on prices and margins.
5. Transactions in highly regulated markets. Risk of non-compliance with regulations, including applicable tax regulations in each market and/or as a group. Unfavorable regulatory change. Increase in the intervention of governments or regulators.
6. Devaluation of currency and restriction of the movement of capital.
7. Reputational risks. Negative publicity regarding name. Loss of brand value.
8. Difficulty obtaining the results projected in the alarms business plan.
9. Damage to company assets and to assets held under its care.
10. Inadequate management of indirect costs.
11. Decline in liquidity generation or in cash management.
12. Occupational risks related to health and safety at work.
13. Corruption and fraud risks.

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

Prosegur has defined a model for the identification of critical risk and a procedure for the evaluation and supervision of its management through key risk indicators. The identification of critical risks and their prioritization is updated annually according to a model that, basically, considers the risks related to Prosegur's main business and corporate objectives.

The indicators-based evaluation model identifies significant parameters (indicators) that provide a useful measure of how each risk is managed. The indicators are chosen considering that (i) they may be applied consistently in all countries; (ii) they allow measurable comparisons to be made over time and between countries; and (iii) they allow the persons responsible to evaluate risk management and anticipate situations of non-compliance with objectives that are relevant for Prosegur.

According to the above criteria, the indicators are usually:

- Values that may be easily obtained from accountancy or other similarly reliable records
- Budgeted figures, which allows limits to be defined for the indicator.

As a general rule, the tolerance levels (acceptable risk level) are defined considering a percentage of the limit of the indicator in each country. These tolerance levels are consistent with economic indicators used in the application of local and corporate incentive programs.

In the case of risks that do not allow the identification of indicators with the general criteria that has been defined, the party responsible for their management proposes alternative methods for the assessment and supervision of their management that are validated by the Risk Committee.

E.5 State what risks, including tax risk, have materialized during the year.

Risks that have materialized during the year are inherent in the business model, Prosegur's activity and the markets in which it operates, mainly due to incidents involving assets held, so that they tend to recur in each financial year. The risk control and mitigation systems planned for these risks have worked adequately, and consequently none of them has had a significant impact either on Prosegur's activity or on its results.

The outbreak of the coronavirus COVID-19 and its global spread has triggered a global health crisis. The

COVID-19 pandemic is not only an unprecedented health emergency, but also an economic and social emergency, whose magnitude and consequences pose one of the most serious challenges for all organizations. Prosegur has not been unaffected by the effects of the pandemic caused by COVID-19 in 2020. In order to face this situation, the Company has continuously monitored the evolution of events and their impact throughout the year, establishing different measures aimed at guaranteeing the health and safety of all its employees, customers and collaborators and maintaining excellence in the provision of its services. Among the measures adopted, the following stand out:

- The creation of a Global Crisis Committee at the beginning of the year to promote agility in decision-making and critical actions. In turn, local Crisis Committees were replicated to adapt measures according to the health situation in each country.
- Preparation of protocols for action in the event of Covid-19, distribution and implementation in all countries where we operate, adapted to the regulations enacted and following the recommendations of the relevant health and administrative authorities.
- Coordination of the collection of protective material, which favored the supply of the most exposed personnel from the outset.
- The establishment of remote working as a preventive measure for all personnel whose duties allow it. Prosegur's main services have been declared essential in most of the countries where the Company operates. In this complex context, our teams have developed a fundamental role and are providing services in a wide range of sectors, some as critical as health infrastructures, logistics centres or food distribution chains.

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

Prosegur periodically and repeatedly identifies, assesses and prioritizes the risks it considers to be critical, considering their impact on relevant objectives, in particular. In order to do this, it has a management and reporting system through which it controls and manages risks, which provides a graphic representation of the diagnostic of the risk assessment process, determined through the interaction of probability and the impact of risks on the different processes, on the activities and on the functions of a business or support areas. It contributes to performing a review of the internal control that is there to mitigate the impact of the risks.

Depending on the type of risk and its relevance, Prosegur management and the parties directly responsible for its management have established appropriate procedures to allow the effects of any risk that may materialize to be prevented, detected, avoided, mitigated, compensated or shared.

The findings of the risk control and management are periodically reviewed and analyzed by the Risk Committee. The entire risk management system and its results are supervised by the Audit Committee, which submits to the Board of Directors any issues that should, given their relevance or material nature, be discussed by the Board.

## F. INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS RELATED TO THE FINANCIAL REPORTING PROCESS (ICFR)

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

### F.1 Control environment

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

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

The Board Regulations of Prosegur, as updated in September 2020, provides under article 5 that the Board has a general supervisory function. Save in the matters reserved to the authority of the General

Shareholders' Meeting, the Board of Directors is the Company's top decision-making body.

In this connection, pursuant to article 5 of the Board Regulations, the Board has the specific obligation to exercise the following powers directly: to determine "the Company's general policies and strategies and, specifically (i) the strategic or business plan, as well as the annual management goals and budget; (ii) the investment and funding policy; (iii) the structural definition of the group of companies; (iv) the corporate governance policy for the Company and the group of which the Company is the parent; (v) the corporate social responsibility policy; (vi) the remuneration and performance assessment policy for senior executives; (vii) the policy on treasury shares and, particularly, its limits; (viii) the dividend policy; (ix) the risk control and management policy (including tax risks) and the supervision of internal reporting and control systems".

Pursuant to Article 16 of the Board Regulations, the Audit Committee will have, inter alia, the responsibility "to oversee the preparation and presentation of mandatory financial information and submit recommendations or proposals to the managing body aimed at safeguarding their integrity. In this connection, the Audit Committee is responsible for overseeing and assessing the preparation process and the integrity of financial and non-financial reporting, as well as the systems for control and management of financial and non-financial risks related to the Company and to the group, including operating, technological, legal, social, environmental, political and reputational risks or risks related to corruption, reviewing compliance with regulatory requirements; and ensuring correct delimitation of the scope of consolidation and the correct application of accounting standards, duly reporting to the Board of Directors"; "to oversee the efficacy of the Company's internal control and the risk management systems (including tax risks); to discuss with the auditor any significant weaknesses in the internal control system which were detected during the audit, all of the foregoing without ever compromising its independence. For such purpose, and if appropriate, the Committee may present recommendations or proposals to the Board of Directors and indicate the follow-up time frame. In this context, it must propose the risk control and management policy to the Board of Directors. This policy must at least identify or determine: (i) the types of financial or non-financial risks (operating, technological, legal, social, environmental, political and reputational risks, including risks related to corruption) to which the Company is exposed, including among the financial or economic risks contingent liabilities and other off-balance sheet risks; (ii) a multi-level risk control and management model, which includes a specialized risk committee where industry regulations so provide or the Company deems this to be appropriate; (iii) the risk level considered acceptable by the Company; (iv) measures aimed at mitigating the impact of identified risks were they to materialize; and (v) the control and information systems to be used to control and manage those risks"; "to oversee the operation of the Company's risk control and management unit which must: (i) guarantee that the risk control and management systems work properly, specifically guaranteeing that all major risks affecting the Company are identified, managed and quantified; (ii) actively participate in drawing up the risk strategy and making important decisions about risk management; and (iii) ensure that the risk control and management systems mitigate risks appropriately and in accordance with the policy defined by the Board of Directors.

Additionally, pursuant to article 1 of the Audit Committee Regulations, the Committee, as a collective body, is specifically responsible for advising the Board of Directors and supervising and controlling the processes used to prepare and file the financial information, for the independence of the auditor and for the efficiency of the internal risk control and management systems, notwithstanding the responsibility of the Board of Directors.

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

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

Pursuant to its regulations, the Board of Directors of Prosegur undertakes, in particular, to exercise, directly, the power to appoint and remove the Company's managing directors, as well as to establish the conditions of their contracts, and to appoint and remove the directors answering directly to the Board of Directors or any of its members, as well as to establish their basic contractual conditions, which includes their remuneration.

The design and review of the organizational structure and definition of the lines of responsibility and authority are proposed by the Managing Director and validated by the Sustainability, Corporate Governance, Appointments and Remuneration Committee. The Human Resources Department is in

charge of updating the information on the organizational chart after the amendment has been validated, and posting on the intranet.

The responsibilities, duties, profile of the post and skills necessary for each post, are defined by each direct superior and validated by the heads of the related departments, based on the post evaluation policy for the Prosegur Group, with the help of experts from the Human Resources Department.

This organizational structure is materialized in an organizational chart showing the relationships between the different business and support departments making up Prosegur. The Company's organizational chart is located on the corporate intranet and can be accessed by its personnel.

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

The Company has a Code of Ethics and Conduct, approved by the Board of Directors on 28 October 2013, which is applicable to all companies belonging to the Prosegur group in all businesses and activities performed by Prosegur in all the countries where it operates. It is binding on all members of the governing bodies, executives and personnel of Prosegur. The Code of Ethics and Conduct offers guidelines on how all Prosegur's professionals are to conduct themselves. It reflects their daily commitment to act in accordance with common principles and standards, in the development of their relationships with all interest groups affected by their activity: employees, shareholders, customers and users; suppliers and associates; authorities, public authorities and regulatory bodies; competitors and the society in which it is present.

All Prosegur's professionals are obliged to know and comply with the Code of Ethics and Conduct, and to collaborate in facilitating its implementation, as well as to report any breaches of which they become aware.

The Code establishes that anyone who, by action or omission, is in breach of the Code of Ethics and Conduct will be subject to the disciplinary measures that, in accordance with current labor regulations and internal policies and procedures, are applicable in each case. All breaches reported will be analyzed through an enquiry process conducted by a team of impartial experts led by the compliance official, who will present his/her findings and, if appropriate, propose any corrective measures to be implemented, notifying the persons who have identified or reported the breach.

Within the section of the Code of Ethics and Conduct on statutory compliance, express mention is made to the preparation of financial information in a comprehensive, clear and accurate manner, using the appropriate accounting records, and to report it through transparent communication channels that enable the market and, in particular, Prosegur's shareholders and investors to have permanent access to it.

Likewise, the section concerning the use and protection of resources refers to the need to ensure that all economically significant transactions performed on Prosegur's behalf are listed clearly and accurately in the appropriate accounting records, which represent a true and fair view of the transactions performed, and that they are available to the internal and external auditors.

The Code of Ethics and Conduct is available on the Prosegur corporate website.

The Code of Ethics and Conduct also explains in its third section that Prosegur employees accept the rules summarized in the Code and are bound to comply with them after signing it. New employees receive a hard copy of the Code of Ethics and Conduct with the documentation given to them when they join the Company.

Employees of Prosegur receive training courses related to the Code of Ethics and of Conduct on the Prosegur Corporate University platform.

- Whistleblower Channel, that makes it possible to inform the Audit Committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organization, stating, as the case may be, whether the channel is confidential and whether anonymous reporting is possible so as to respect the rights of the accuser and the accused.

Prosegur has a Complaints Channel in place to enable any interested party to report safely, anonymously and confidentially any incidents or irregularities that contravene Prosegur's Code of Ethics and Conduct, including any of a financial and accounting nature which take place during the pursuit of the Company's activities.

The Complaints Channel is a communication tool that is available on the website <https://www.prosegur.com>, as well as on the Company's intranet, which is always available and provides the necessary anonymity to protect persons using it.

The Internal Audit Department confidentially manages communications received and conveys its findings to the Audit Committee.

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

Prosegur pays particular attention to the continuous training and development of its professionals for the proper performance of their functions.

The personnel forming the Finance Department (mainly the Tax and Financial Information Department) and the Internal Audit Department, continually attend training sessions to keep abreast of regulatory and legal changes.

The Company receives periodic training from organizations that allow it to constantly refresh the knowledge of employees involved in preparing the Group's financial statements and reviewing financial information.

Furthermore, for the management of training processes, Prosegur has an online platform (Prosegur Corporate University) from which Company personnel can obtain the training that they need and that is made available to them.

## F.2 Assessment of financial information risks

Report on at least the following:

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

- Whether the process exists and is documented.

Every year, the Finance Department identifies, using the ICFR scope matrix, the risks affecting financial reporting from the standpoint of accounting records and potential non-compliance with accounting standards. After analyzing the risks, it documents the design of the controls that mitigate them.

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

The ICFR scope matrix is aimed at identifying the accounts and entries that have significant risk associated with them, whose potential impact on financial reporting is material and, which therefore require special attention. In this regard, in the process of identifying the significant accounts and breakdowns a series of quantitative variables (balance of the account) and qualitative variables (complexity of transactions; changes and complexity of regulations; need to use estimates or projections; application of judgement and qualitative importance of the information, among others) are considered.

This ICFR scope matrix is based on the balance sheet and consolidated global income statement included in the latest audited Consolidated Financial Statements that are available. Said matrix is updated every year, after the Consolidated Financial Statements are prepared. In 2020, the scope matrix

was last updated based on the figures contained in the Financial Statements as of 31 December 2019.

For each of these significant accounts and breakdowns included in the scope matrix, the associated critical processes and sub-processes have been defined, and the risks that might generate errors and/or fraud in financial reporting have been identified, covering all the financial reporting objectives (existence and occurrence; completeness; valuation; presentation, breakdown and comparability; and rights and obligations).

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

The identification of the consolidation perimeter is carried out each month. The changes in the consolidation perimeter are recorded in the Group consolidation software system, where the map of the structure of ownership of the companies within the perimeter is permanently updated.

The Business Development Department and the Legal Department are in charge of informing the Finance Department of the transactions they intend to carry out in their areas, where those transactions could affect the structure of the group and the consolidation perimeter.

The Finance Department, through the Tax Department, keeps a record of all the entities included in the consolidation perimeter, the means of control or influence, the legal format and the type of direct or indirect participation of all the companies. It is continuously updated and allows historical changes in the perimeter to be tracked.

In accordance with the provisions of the Board of Directors Regulations (subarticle 16.3.k), the Audit Committee is responsible for analyzing and reporting the economic conditions, accounting impact and, where appropriate, the exchange ratio proposed for the structural and corporate changes that have been planned by the Company before submission to the Board of Directors.

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

Each year the Internal Audit Department identifies all manner of critical risks (operating and business, technological, financial, interest rates, exchange rates, legal, tax, social, regulatory, reputational, environmental, political, corruption and those related to fraud) which, were they to materialize, could have an adverse effect on the Company's attainment of relevant goals.

- The governing body within the company that supervises the process

Supervision of ICFR efficiency is the responsibility of the Audit Committee. The Internal Audit Department uses specific programs to verify the internal control of financial information under the supervision of the Audit Committee.

### F.3 Control activities

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

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

The parent company's annual financial statements, the annual consolidated Prosegur accounts and quarterly and half-yearly consolidated financial statements are all reviewed by the Audit Committee prior to being prepared by the Board of Directors, in accordance with Article 16 of its Regulations. The Audit Committee reviews any other relevant information prior to publication through the regulatory bodies.

The Board of Directors approves and, where applicable, formulates the financial information presented, which is later published via the Spanish Securities Markets Commission and presented to third parties. Prosegur conducts periodic reviews of the financial information it prepares, as well as of the description of the ICFR, in order to ensure information quality. The Finance Department is in charge of preparing the description of ICFR in coordination with the departments involved. This process culminates in the review by the Audit Committee and it is, therefore, also approved in the Annual Corporate Governance Report, validated by the full Board of Directors.

The Finance Department has described the flow of activities and controls on significant transactions which affect the financial statements. The documentation of these flows defines the applicable rules of action and the information systems used for the process of closing accounts. Personnel involved in the process of preparing financial information are continuously trained and informed with regard to the procedures for the accounting closure of Individual and Consolidated Financial Statements and Accounts. The documents detail the basic areas for preparing, reviewing and approving consolidated accounting closures and accounting closures for companies belonging to the Group.

Prosegur discloses financial information to the securities markets on a quarterly basis. The Finance Department is ultimately responsible for financial reporting. In the description of the flow of activities in the accounting closure process, the control activities that ensure the reliability of the information are identified. The corporate areas within the Finance Department analyze and supervise the information prepared.

The Finance Department has documented the risk of error or fraud in financial reporting and the controls that affect all critical processes/sub-processes. These processes cover the various kinds of transaction that may have a material impact on the financial statements (acquisitions, sales, personnel expenses, etc.), and the specific consolidation and reporting process.

In this regard, Prosegur has identified all the processes necessary to prepare the financial information, in which it has used relevant judgements, estimates, valuations and projections, considering all of them to be critical.

The documentation of each of these critical processes comprises:

- Flow charts for each of the sub-processes
- Risk matrices and controls that include:
  - Details of the internal procedures and rules approved by the Department, and regulating said sub-processes.
  - Description of the key and non-key controls mitigating each of the risks identified.

For each control, the following have been identified:

- Organizational structures and/or functions of persons in charge of each of the key and non-key controls identified.
- Frequency of the controls.
- Level of automation of the controls.
- Type of control: preventive or detective.
- Existence of fraud risk
- Business to which it applies
- Details of the information systems affecting the controls

The specific review of the relevant judgements, estimates and valuations for quantifying goods, rights and obligations, revenues and expenses and any other commitments listed in the Individual and Consolidated Financial Statements is performed by the Financial Department with the collaboration of the rest of Prosegur's Support Departments. Assumptions based on business performance are analyzed jointly with the Business Departments.

The Chief Financial Officer and the Managing Director analyze the reports issued and approve financial information before it is presented to the Audit Committee and the Board of Directors.

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

The Information Security Department, headed by the Global CISO, is found under the corporate area of Operations, dependent on the COO, and provides support to all countries in which Prosegur has a presence. The Information Security Department has the following responsibilities:

- To align the information security objectives with the main strategic business lines
- To undertake Prosegur's information security as a global activity integrated within the business
- To coordinate and approve the proposals received for projects linked to information security.
- To provide the necessary resources for developing information security initiatives.



- To identify and assess security risks in respect of business needs.
- To raise the awareness of and train Company employees with regard to information security.

The tasks attributed to the Information Security Department include drawing up the 2021-2023 Strategic Plan, which includes the necessary improvements in such matters and serves as a guide for the ongoing cultural process related to information security. This plan is to be approved in the first quarter of 2021.

Control of access to information systems is managed by assigning a personalized username and password. Periodically, users must change their passwords in the systems in accordance with robust configuration measures. The entity has implemented controls in the management of user access to the systems; specifically it has set up controls with regard to registration, deregistration and assignment of privileges to users. Periodic reviews are performed on consolidation user permits and, furthermore, certain accesses and actions by users in the systems can be reviewed on demand.

A procedure has been established for controlling access to the Prosegur Data Processing Center. This access is restricted to authorized personnel and all accesses are registered.

There is a change table process that manages the system production passes for all applications housed in the Prosegur servers.

Prosegur systems and information are backed up and in a redundant infrastructure that allows business continuity.

As part of its continuous improvement, Prosegur will continue to strengthen the information security management processes in all countries and systems with financial impact.

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

The recurring activities in the process of preparing financial information are not outsourced by Prosegur. Occasionally Prosegur requests advice from independent experts in situations of the following kind:

- a) assessment of the tax impact of corporate restructuring transactions;
- b) tax advice at subsidiaries for preparing tax returns subject to specific regulations;
- c) fair value measurements of certain assets, branches of activity or businesses;
- d) checks of the effectiveness of the money laundering prevention system;
- e) valuation of the assignment of the purchase price of new companies.

When hiring external advisers, depending on the amounts involved, decision-making processes involve the consideration of at least three proposals from the cost and professional qualification standpoints. Prosegur contracts the services of experts for work that underpins valuations, judgements or accounting calculations only when those experts are registered with the relevant collegiate or similar bodies and are provided by firms of recognized prestige in the market. The corporate Finance and Legal Departments supervise the results of assessments, calculations or valuations performed by third parties in the accounting, legal and tax areas. In addition, the relevant departments of Prosegur have appropriate personnel to validate the conclusions of the reports issued.

**F.4 Information and communication**

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

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

The Corporate Financial Reporting Department, which is an integral part of the Finance Department, is responsible for preparing, issuing, publishing and subsequently implementing the Accounting Standards applicable to Prosegur under the internal certification of the 3P process management system (Prosegur's Policies and Processes). It also analyses and resolves the queries, doubts or conflicts regarding the interpretation and appropriate application of each of the policies.

Among the functions of the Corporate Financial Reporting Department is the analysis of International Financial Reporting Standards, in order to comply with:

- The establishment of Support Standards or procedures to help personnel in relation to the process of preparing financial information.

- The analysis of transactions requiring specific accounting treatment.
  - The resolution of queries regarding the application of specific accounting standards.
  - The evaluation of possible future impacts on the financial statements, as a result of new developments or changes to international accounting standards.
  - The list of external auditors in relation to the criteria applied, and the accounting estimates and judgements.
  - The resolution of any doubt arising from the various interpretations of the standards.
- Prosegur's accounting procedures (3P accounting rules) are updated annually. There is good communication with all of the managers involved in preparing financial information and updates made after the latest changes to regulations are also distributed and made available to employees with accounting duties.

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

The process of compiling and preparing consolidated financial information is centralized. The first phase of this process begins at the subsidiaries of the Prosegur Group, based on enterprise resource planning (ERP) platforms under the supervision of the Financial Department, which ensures that the financial information of the companies is reliable, complete and consistent. Based on the subsidiaries' financial statements, and through IT systems programmed to extract and aggregate data, the individual and consolidated financial statements are compiled and analyzed.

There is a half-yearly reporting process for obtaining the necessary information for the line items of the consolidated annual accounts and interim consolidated financial statements. Prosegur's Accounting Plan is applied at all Prosegur's subsidiaries for the purposes of compiling information for the consolidation of financial statements.

**F.5 Supervision of system performance**

Describe at least the following:

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

In accordance with the provisions of subarticle 16.3 of the Board Regulations, among the basic responsibilities of the Audit Committee are the following:

- To inform the General Shareholders' Meeting about matters that relate to the Committee's scope of action particularly the findings of audits, explaining how the audit contributed to the integrity of financial information and the Committee's role in the process.
- To ensure that the financial statements which the Board of Directors presents to the General Shareholders' Meeting are prepared in accordance with accounting legislation and, where the auditor has included any qualifications, explain clearly at the Shareholders' Meeting, through the Chair of the Audit Committee, the Committee's opinion on their contents and scope, a summary of said opinion being made available to the shareholders, together with all other proposals and reports by the Board, upon publication of the call to the meeting.
- To submit proposals for selecting, appointing, re-electing and replacing external auditors to the Board of Directors; assume responsibility for applying the selection process in accordance with the legal requirements, and to assume responsibility for the contractual terms and conditions and for regularly collecting information from the auditor about the audit plan and its execution; and ensure the independent performance of its duties.
- With regard to the external auditor: (i) in the event that the external auditor resigns, to examine the circumstances which caused said resignation; (ii) to ensure that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence; (iii) to insist that the company files a relevant fact with the Spanish Securities Markets Commission (CNMV) when there is a change of auditor, along with a statement of any differences that arose with the outgoing

auditor and, if applicable, of the contents thereof; (iv) to ensure that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks accomplished and regarding the development of its accounting and the risks to which the company is exposed; (v) to oversee compliance with the auditing contract and ensure that the opinion about the financial statement and the main content of the audit report is written clearly and accurately; and (vi) to ensure that the Company and the external auditor comply with applicable rules regarding the rendering of services other than auditing, proportional limits on the auditor's billing, and all other rules regarding the auditor's independence.

- To establish and maintain adequate relationships with the external auditor so as to receive information about any issues that may pose a threat to the auditor's independence, which will then be assessed by the Committee; and any other information in relation to account auditing; when appropriate, to authorize services that are not prohibited pursuant to the law; and any other communications stipulated in the account auditing legislation and auditing rules. In any case, the Audit Committee must receive an annual declaration from the account auditor regarding his/her independence from the company or companies directly or indirectly linked to it, as well as detailed and individual information about any additional services provided and the related professional fees received from said companies by the auditor, or by individuals or companies linked to the auditor pursuant to the legislation in force.

- To issue an annual report, before the account audit report, in which it gives an opinion on whether or not the auditor's independence has been compromised. In all events, this report must contain an opinion on the substantiated assessment of the provision of each and every additional service mentioned in the preceding point (individually and as a group), which is different from legal auditing, and in connection with the rules on independence or the regulations on account auditing.

- To supervise internal auditing and in particular (i) to guarantee that internal auditing is independent and efficient; (ii) to propose the selection, appointment and removal of the manager of the internal audit service; (iii) to propose the budget for the service; (iv) to approve, or propose that the Board of Directors approves, the guidelines and annual work schedule for internal auditing and the annual activity report, ensuring that such activity is focused primarily on relevant risks (including reputational risks); (v) to receive periodic information about its activities; and (vi) to verify that senior management takes the conclusions and recommendations in its reports into account.

- To oversee the preparation and presentation of mandatory financial information and submit recommendations or proposals to the managing body aimed at safeguarding integrity. In this connection, to supervise the preparation process and integrity of financial and non-financial information, as well as the financial and non-financial risk control and management systems relative to the company and to the group, including operating, technological, legal, social, environmental, political and reputational risks, or risks related to corruption, monitoring compliance with regulatory requirements, the suitable definition of the consolidation perimeter, and the correct application of accounting standards, reporting of all of the foregoing to the Board of Directors.

- To oversee the efficacy of the Company's internal control and the risk management systems (including tax risks) and discuss any significant weaknesses of the internal control system with the account auditor which have been detected during auditing, without ever compromising the auditor's independence. Following from this, and when appropriate, the Committee may submit recommendations or proposals to the Board of Directors and indicate the follow-up time frame. In this context, it must propose the risk control and management policy to the Board of Directors. This policy must at least identify: (i) the types of financial or non-financial risks (operating, technological, legal, social, environmental, political and reputational, including those related to corruption) to which the Company is exposed, including among the financial or economic risks contingent liabilities and other off-balance sheet risks; (ii) a multi-level risk control and management model, which includes a specialized risk committee where industry regulations so provide or the Company deems this to be appropriate; (iii) the risk level considered acceptable by the Company; (iv) measures aimed at mitigating the impact of identified risks were they to materialize; and (v) the control and information systems to be used to control and manage those risks..

- To oversee the operation of the risk control and management unit which must: (i) guarantee that the risk control and management systems work properly, specifically guaranteeing that all major risks affecting the Company are identified, managed and quantified; (ii) actively participate in drawing up the risk strategy and making important decisions about risk management; and (iii) ensure that the risk control and management systems mitigate risks appropriately and in accordance with the policy defined by the Board of Directors.

- To analyze and report on the economic conditions, accounting impact and, when appropriate, proposed exchange ratio for operations that involve structural and corporate changes and have been planned by the company, before they are submitted to the Board of Directors.

- To inform the Board of Directors beforehand of any matters required by law and in the bylaws, specifically: (i) the financial information which the Company must disclose periodically; and (ii) creation or acquisition of equity participation in special purpose vehicles or companies headquartered in countries or territories that are considered to be tax havens.

- To review offering prospectuses and any other relevant information that the Board of Directors must supply to the markets and its supervisory bodies.

- To establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any irregularities of potential significance, including those of a financial or accounting nature, or of any other nature, related to the company, which they observe in the company or its group. This mechanism must

ensure confidentiality and, in all cases, provide for the possibility of making communications anonymously, with respect for the rights of the accuser and the accused.

- To receive information and, where appropriate, issue a report on all actions taken and decisions made by the Regulatory Compliance Department when performing its duties, and in particular, in relation to the Company's Internal Code of Conduct for matters relating to the Securities Market;
- To oversee the application of the general policy related to the communication of financial, non-financial and corporate information, as well as communications with shareholders and investors, voting advisors and other interest groups; monitoring the way in which the entity communicates with and relates to small- and medium-sized shareholders.
- To oversee the application of the general policy related to the communication of financial, non-financial and corporate information, as well as communications with shareholders and investors, voting advisors and other interest groups; monitoring the way in which the Company communicates with and relates to small- and medium-sized shareholders.
- To report on related-party transactions or transactions that involve or may involve conflicts of interest on the terms set forth by law and in the Board Regulations.
- To ensure, in general, that the internal control policies and systems are applied effectively in practice.
- To report on the Annual Corporate Governance Report, with regard to related-party transactions and risk control and management systems, prior to its approval by the Board of Directors.

• Prosegur has an Internal Audit Department that is functionally dependent upon the Audit Committee. Its objectives and functions include (i) assisting the Audit Committee in the objective compliance with its responsibilities, (ii) verifying the adequate management of risks, and (iii) ensuring the completeness and reliability of accounting information.

The Internal Audit Department has prepared a schedule for reviewing the ICFR which is executed regularly in two-year periods and integrated in the annual work schedules submitted for approval to the Audit Committee.

The Internal Audit Department also updates its verification schedules continuously so as to adapt them to any changes made by the Financial Reporting Department to the ICFR.

In 2020 significant processes were reviewed in relation to financial information in Spain and other European and Latin American subsidiaries.

The Internal Audit Department verifies the state of execution of the recommendations included in its audit reports, including those concerning ICFR verification. In 2020, two half-yearly reports were issued on the state of execution of the recommendations issued to the members of the Audit Committee.

The Risk Committee, as a risk control and management unit of Prosegur guarantees that the risk control and management systems work properly, specifically guaranteeing that all major risks affecting Prosegur are identified, managed and quantified; it actively participates in drawing up the risk strategy and making important decisions about risk management; and it ensures that the risk control and management systems mitigate risks appropriately.

Additionally, the Internal Audit Department conducts quarterly assessments of critical risk management, which may include financial reporting risk, based on key risk indicators, their comparison with the established limits and their performance over time. The findings are presented to the Corporate Risk Committee for analysis and to the Audit Committee for supervision of their management.

F.5.2 Whether there is a procedure by which the account auditor (in accordance with the contents of the Auditing Standards (*Normas Técnicas de Auditoría* or NTA), internal auditor and other experts may communicate with senior management and the Audit Committee or senior managers of the company regarding significant weakness in internal control identified during the review of the annual accounts or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses found.

In 2020 the external auditors attended two Audit Committee meetings to review the conclusions on the auditing of annual accounts and of the procedures carried out in the context of the annual audit on the planning and progress of audit work on the half-yearly figures. At the same time, external auditors report on possible weaknesses in internal control and opportunities for improvement identified during the course of their work.

In addition, the Chief Financial Officer, responsible for preparing the annual accounts and the intermediate financial information that Prosegur provides to the markets and its supervisory bodies, attends the meetings of the Audit Committee, in order to review and discuss any relevant issue that might arise during the process of preparation and presentation of the regulated financial information.

At each Audit Committee meeting, the Head of Internal Audit regularly presents the conclusions of his or her work verifying the operation and efficacy of the procedures in ICFR, the control weaknesses identified, the recommendations made and the status of execution of the action plans agreed for mitigation thereof.

F.6 Other relevant information

No additional aspects have been identified.

F.7 External auditor's report

State:

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

Prosecur has submitted the ICFR information forwarded to the markets for 2020 to the external auditor for review, and the auditor's report is attached to this document as Appendix 1. The scope of the auditor's review procedures is in accordance with the Action Guide and standard audit report referring to information related to the internal control system on the financial information of listed entities of July 2013 (updated in 2015) issued by the Spanish Institute of Certified Public Accountants.

**G. EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS**

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

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

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

Complies

Explanation

**2. That, when the listed company is controlled, within the meaning of article 42 of the Commercial Code, by another entity, listed or not, and has, directly or through its subsidiaries, business relationships with said entity or any of its subsidiaries (other than those of the listed company) or pursues activities related to those of any of them, the following be stated publicly and precisely:**

**a) The respective areas of activity and possible business relationships between, on one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries.**

**b) The mechanisms in place to resolve any conflicts of interest that may arise.**

Complies

Complies partially

Explanation

Not applicable

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

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

Complies  Complies partially  Explanation

4. That the company have defined and promoted a policy related to communication and contact with shareholders and institutional investors in the context of their involvement in the company, as well as with proxy advisors that complies in all aspects with rules preventing market abuse and gives equal treatment to similarly situated shareholders. And that the company have made such a policy public through its web page, including information related to the manner in which said policy has been implemented and the identity of contact persons or those responsible for implementing it.

And that, notwithstanding the statutory obligations to disclose insider information and other types of regulated information, the company also have a general policy on the communication of financial, non-financial and corporate information through whatever channels it deems suitable (the media, social networks or other channels), which helps to maximize the disclosure and the quality of the information available to the market, to investors and to other interest groups.

Complies  Complies partially  Explanation

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

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

Complies  Complies partially  Explanation

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

- a) Report regarding the auditor's independence.
- b) Reports regarding the workings of the Audit Committee and the

appointments and remuneration committee.

**c) Report by the Audit Committee regarding related-party transactions.**

Complies  Complies partially  Explanation

**7. That the company report in real time, on its web page, the proceedings of the General Shareholders' Meetings.**

**And that the company have mechanisms that permit the delegation and casting of the vote using telematic means and even, in the case of highly capitalized companies and insofar as it is proportional, attendance of and active participation in the General Shareholders' Meeting.**

Complies  Complies partially  Explanation

During the financial year 2020, the Board of Directors agreed to set up an online application that enabled shareholders and their proxies to attend the Shareholders' Annual General Meeting electronically. This application enabled the exercise of the proxy, voting and questioning rights by telematic means and also offered live streaming of the entire proceedings of the General Meeting of Shareholders. All of the above was in line with the recommendations issued by the competent authorities in response to the situation caused by Covid-19, the objective of which was to avoid physical travel to the Meeting location

As a result of these measures, the Company has not deemed it necessary to provide live broadcasts of the Shareholders' Annual General Meeting on its website. This is because it considers that this system of telematics attendance, together with the usual systems and channels in place to provide information to shareholders regarding the Shareholders' Annual General Meeting are sufficient, with all relevant information on the Shareholders' Annual General Meeting published on the Company's corporate website from the date the meeting was called.

**8. That the Audit Committee ensure that the financial statements submitted by the Board of Directors to the General Shareholders' Meetings are prepared in compliance with the accounting regulations. And that, where the auditor has included any qualification in its audit report, the Chair of the Audit Committee explain clearly, at the Shareholders' Meeting, the opinion of the Audit Committee regarding its content and scope, a summary of said opinion being made available to the shareholders, together with all other proposals and reports by the Board, upon publication of the call to the meeting.**

Complies  Complies partially  Explanation

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

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

Complies  Complies partially  Explanation

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

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

Complies  Complies partially  Explanation  Not applicable

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

Complies  Complies partially  Explanation  Not applicable

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

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

Complies  Complies partially  Explanation

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

Complies  Explanation



14. That the Board of Directors approve a policy aimed at favoring an appropriate composition of the board of directors and which:
- a) is concrete and verifiable;
  - b) ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and
  - c) favors diversity in knowledge, experience, age and gender. For such purpose, diversity in gender is deemed favored by measures which encourage the company to have a significant number of female senior managers.

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

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

Complies  Complies partially  Explanation

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

And that the number of female directors entail at least 40% of the board members before the end of 2022 and thereafter, not being less than 30% prior thereto.

Complies  Complies partially  Explanation

The Company currently has a 25% female presence on its Board of Directors, being one of the female directors the Chairman of the Board. Nevertheless, the Company will carefully analyze the possibilities of increasing this percentage in the future.

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

This criterion may be relaxed:

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

Complies  Explanation

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

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

Complies

Explanation

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

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

Complies

Complies partially

Explanation

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

Complies

Complies partially

Explanation

Not applicable

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

Complies

Complies partially

Explanation

Not applicable

21. That the Board of Directors not propose the dismissal of any independent director before the completion of the director's term provided for in the bylaws unless the Board of Directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that

would interfere with his or her ability to dedicate the time necessary for attention to the duties attendant to his post as a director, fails to complete the tasks inherent to his or her post, or enters into any of the circumstances which would cause the loss of independent status in accordance with applicable law.

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

Complies

Explanation

22. That companies establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when situations arise in which they are involved, whether or not related to their action at the company itself, which may damage the company's standing and reputation. Specifically, directors must be required to report any criminal act in connection with which they are investigated, as well as the related legal proceedings.

And that, if the Board is informed or otherwise becomes aware of the situations mentioned in the preceding paragraph, it investigate the case as soon as possible and, having regard to the particular situation, decide, following a report by the appointments and remuneration committee, whether or not any measures should be taken, such as opening an internal investigation, asking the director to resign or proposing the director's removal. The Annual Corporate Governance Report should also contain a report in this connection, unless there are special circumstances that justify the situation, which must be placed on record in the minutes. All of the foregoing is notwithstanding the information to be disclosed by the company, if appropriate, when the related measures are adopted.

Complies

Complies partially

Explanation

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

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

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

Complies

Complies partially

Explanation

Not applicable

24. **That whenever, due to resignation or by decision of the Shareholders' Meeting, a director leaves before the completion of his or her term, sufficient explanation be given of the reasons for the director's resignation or, in the case of non-executive directors, of the director's opinion on the reasons for the decision of the Shareholders' Meeting, in a letter addressed to all members of the Board of Directors.**

**Irrespective of the disclosure of all of the foregoing in the Annual Corporate Governance Report, insofar as it is important to investors, the company should make public, with the least possible delay, the resignation or removal of the director, including sufficient reference to the reasons or circumstances given by the director.**

Complies  Complies partially  Explanation  Not applicable

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

**And that the Board Regulations establish the maximum number of company Boards on which directors may sit.**

Complies  Complies partially  Explanation

In accordance with article 17.3.a) of the Board Regulations, the Sustainability, Corporate Governance, Appointments and Remuneration Committee must also determine on a case-by-case basis the time and dedication necessary for the directors to effectively perform their duties and confirm that non-executive directors have enough free time to perform their duties correctly.

The Company considers that it is not necessary to establish a maximum number of company boards of which its directors may form part, given that the availability analysis is carried out for each specific case, assessing the specific duties that are performed by each director through a study by the Sustainability, Corporate Governance, Appointments and Remuneration Committee. The Company considers that this case-specific analysis provides the same or better guarantees than the establishment of a maximum number of directors.

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

Complies  Complies partially  Explanation

27. **That director absences only occur when absolutely necessary and are quantified in the Annual Corporate Governance Report. And when absences occur, that the director appoints a proxy with instructions.**

Complies  Complies partially  Explanation

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

Complies  Complies partially  Explanation  Not applicable

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

Complies  Complies partially  Explanation

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

Complies  Complies partially  Explanation

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

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

Complies  Complies partially  Explanation

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

Complies  Complies partially  Explanation

**33. That the Chair, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out his duties required by law and the bylaws, prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organize and coordinate the periodic evaluation of the Board, and that, if applicable, the top executive of the company, be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances so dictate.**

Complies  Complies partially  Explanation

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

Complies  Complies partially  Explanation  Not applicable

35. That the secretary of the Board of Directors pay special attention to ensure that the activities and decisions of the Board of Directors take into account the recommendations regarding good governance contained in this Code of Good Governance and which are applicable to the company.

Complies  Explanation

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

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

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

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

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group shall be specified in the Annual Corporate Governance Report.

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

Complies  Complies partially  Explanation

The Company considers that the assessment process of the Board of Directors established in the Board of Directors Regulations and its Selection Policy for Members (both documents published on the company's website) are sufficient to guarantee the quality and efficiency

of its operation, performance and composition, without the report of an external consultant being necessary.

The Board of Directors considered that the assessment is carried out in accordance with the standards defined by prestigious experts in the assessment of Boards of Directors, and used by companies of similar characteristics to that of the Company. Given this very precise policy, support from an external consultant is not considered necessary.

- 37. That, if there is an executive committee, at least two non-executive directors be present on the committee, at least one of which must be independent; and that its secretary be the secretary of the Board of Directors.**

Complies  Complies partially  Explanation  Not applicable

- 38. That the Board of Directors always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.**

Complies  Complies partially  Explanation  Not applicable

- 39. That the members of the Audit Committee as a whole, in particular its Chair, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.**

Complies  Complies partially  Explanation

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

Complies  Complies partially  Explanation

- 41. That the person in charge of the group performing the internal audit function present an annual work plan to the Audit Committee, for approval by the Committee or by the Board, reporting to it directly on its execution, including any issues and limitations on scope that may arise during its implementation, on the findings and on compliance with its recommendations, and present the committee with an activity report at the end of each year.**

Complies  Complies partially  Explanation  Not applicable

- 42. That, in addition to the provisions of applicable law, the Audit Committee be responsible for the following:**

**1. With regard to information systems and internal control:**

- a) Supervising and evaluating the preparation and integrity of financial and non-financial information, as well as the financial and non-financial risk control and management systems relative to the company and, if applicable, to the group (including operational, technological, legal, social, environmental, political and reputational risks, or risks related to corruption), monitoring compliance with governing rules and the**

appropriate application of consolidation and accounting criteria.

- b) **Ensuring the independence and effectiveness of the group charged with the internal audit function; proposing the selection, appointment and removal of the head of internal audit; drafting a budget for this department; approving or proposing to the Board the approval of the annual internal audit goals and work plan, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.**
- c) **Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially significant irregularities, including those of a financial or accounting nature, or of any other nature, related to the company, which they observe in the company or its group. This mechanism must ensure confidentiality and, in all cases, provide for the possibility of making communications anonymously, with respect for the rights of the accuser and the accused.**
- d) **Ensuring, in general, that the internal control policies and systems are applied effectively in practice.**

**2. With regard to the external auditor:**

- a) **In the event that the external auditor resigns, examining the circumstances which caused said resignation.**
- b) **Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.**
- c) **Insisting that the company report any change in auditor through the CNMV, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.**
- d) **Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks accomplished and regarding the development of its accounting and risks faced by the company.**
- e) **Ensuring that the company and the external auditor comply with applicable rules regarding the rendering of services other than auditing, proportional limits on the auditor's billing, and all other rules regarding the auditor's independence.**

Complies       Complies partially       Explanation



**43. That the Audit Committee be able to require the presence of any employee or manager of the company, even without the presence of any other member of management.**

Complies  Complies partially  Explanation

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

Complies  Complies partially  Explanation  Not applicable

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

- a) **The various types of financial and non-financial risks (inter alia, operational, technological, legal, social, environmental, political and reputational risks, including those related to corruption) to which the company is exposed, including financial or economic risks, contingent liabilities and other off balance sheet risks.**
- b) **A multi-level risk control and management model, including a specialized risks committee, where industry regulations so provide or the company deems this to be appropriate.**
- c) **The level of risk considered acceptable by the company.**
- d) **Means identified in order to minimize identified risks in the event they transpire.**
- e) **Internal control and information systems to be used in order to control and manage identified risks, including contingent liabilities and other off balance sheet risks.**

Complies  Complies partially  Explanation

**46. That, under the direct supervision of the Audit Committee or, if applicable, of a specialized committee of the Board of Directors, there be an internal control and management function delegated to an internal unit or department of the company which is expressly charged with the following responsibilities:**

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

Complies  Complies partially  Explanation

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

Complies  Complies partially  Explanation

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

Complies  Complies partially  Not applicable

49. That the appointments committee consult with the Chair of the Board of Directors and the top executive of the company, especially in relation to matters concerning executive directors.

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

Complies  Complies partially  Explanation

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

- a) Proposing basic conditions of employment for senior management.
- b) Verifying compliance with company remuneration policy.
- c) Periodically reviewing the remuneration policy applied to directors and senior managers, including remuneration involving the delivery of shares, and guarantee that individual remuneration be proportional to that received by other directors and senior managers.
- d) Ensuring that potential conflicts of interest do not undermine the independence of external advice rendered to the Board.
- e) Verifying information regarding remuneration paid to directors and senior managers contained in the various corporate documents, including the Annual Report on Director Remuneration.

Complies  Complies partially  Explanation

51. That the remuneration committee consult with the Chair and the top executive of the company, especially in matters relating to executive directors and senior management.

Complies  Complies partially  Explanation

**52. That the rules regarding composition and workings of supervision and control committees appear in the rules governing the Board of Directors and that they be consistent with those that apply to mandatory committees in accordance with the recommendations above, including:**

- a) That they be comprised exclusively of non-executive directors, with a majority of them independent.
- b) That their Chairs be independent directors.
- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and detail their activities and accomplishments during the first plenary session of the Board of Directors held after the committee's last meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and the minutes be made available to all directors.

Complies  Complies partially  Explanation  Not applicable

**53. That verification of compliance with the company's environmental, social and corporate governance policies and rules, as well as its internal codes of conduct, be assigned to one or split among more than one committee of the Board of Directors, which may be the Audit Committee, the appointments committee, a committee specialized in sustainability or corporate social responsibility or another special committee that the Board of Directors, pursuant to its powers of self-organization, has decided to create. Such committee should be composed solely of non-executive directors, the majority of which are independent, and should be specifically assigned the minimum functions indicated in the following recommendation:**

Complies  Complies partially  Explanation

**54. The following are the minimum functions referred to in the preceding recommendation:**

- a) Supervision of compliance with the company's corporate governance rules and internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.
- b) Supervision of the application of the general policy related to the communication of financial, non-financial and corporate information, as well as communications with shareholders and investors, voting advisors and other interest groups; monitoring the way in which the entity communicates with and relates to small- and medium-sized shareholders.
- c) The periodic evaluation and review of the company's corporate governance system and its environmental and social policy, with the goal that the company promotes company interests and takes into account, where appropriate, the legitimate interests of other stakeholders.

- d) **Supervision to ensure that the company's environmental and social practices are in line with the stipulated strategy and policy.**
- e) **Supervision and evaluation of the way relations with various stakeholders are handled.**

Complies       Complies partially       Explanation

**55. That the environmental and social sustainability policies identify and include at least:**

- a) **The principles, commitments, objectives and strategy related to shareholders, employees, customers, suppliers, social issues, the natural environment, diversity, fiscal responsibility, respect for human rights, and the prevention of unlawful conduct.**
- b) **Methods or systems for monitoring compliance with policies, the associated risks and their management.**
- c) **Means of supervising non-financial risk, including that related to ethics and business conduct.**
- d) **Communication channels, participation and dialogue with stakeholders.**
- e) **Responsible communication practices that impede the manipulation of data and protect integrity and honor.**

Complies       Complies partially       Explanation

**56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgment of non-executive directors.**

Complies       Explanation

**57. That only executive directors receive remuneration linked to corporate results or personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments whose value is indexed to share value, or long-term savings plans such as pension plans, retirement accounts or any other retirement plan.**

**Shares may be given to non-executive directors under the condition that they maintain ownership of the shares until they leave their posts as directors. The forgoing shall not apply to shares that the director may be obliged sell in order to meet the costs related to their acquisition.**

Complies       Complies partially       Explanation

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

**And, in particular, that variable remuneration components:**

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

Complies       Complies partially       Explanation       Not applicable

**59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance and other criteria have been effectively met. Entities should have the annual report on directors' remuneration include criteria regarding the time required and methods used for such verification, having regard to the nature and characteristics of each variable component.**

**Entities should also consider the establishment of a malus clause pursuant to which the payment of part of the variable components is deferred for a suitable period and is forfeited, in whole or in part, if any event making such forfeiture advisable occurs prior to payment.**

Complies       Complies partially       Explanation       Not applicable

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

Complies       Complies partially       Explanation       Not applicable

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

Complies       Complies partially       Explanation       Not applicable

**62. That once shares, options or financial instruments arising from remuneration schemes have been delivered, executive directors be prohibited from transferring the title thereto or exercising them until a term of at least three years has elapsed.**

**An exception is made where the director has, at the time of the transfer or exercise, a net economic exposure to the variation of the share price for a market value equivalent to an amount of at least twice his/her annual fixed remuneration through the ownership of shares, options or other financial instruments.**

**The forgoing shall not apply to shares which the director may need to sell in order to meet the costs related to their acquisition or, subject to favorable opinion of the appointments and remuneration committee, to deal with any supervening extraordinary situations that so require.**

Complies       Complies partially       Explanation       Not applicable

The Company considers that the remuneration policy of the Managing Director (single Executive Director) is appropriate, and so far there has been no need to include this limitation, as the duties inherent to the director's post (duty of loyalty and duty of due diligence under articles 225 and 227 of the Ley de Sociedades de Capital - Corporate Enterprises Act) are understood to include the responsibility of each director with respect to the transfer of his or her shares and possible effect of this on the market.

In addition, Article 8 of Prosegur's Internal Regulation on Conduct includes prohibitions relating to market manipulation as a result of the transfer of shares by relevant persons under current law, the Board of Directors considering this regulation sufficient for the purposes of this recommendation. In addition, any family relations between the executive director benefiting from the plan and the controlling shareholder guarantee the alignment of their interests with the long-term interests of the Company.

Due to the above, and taking into account that in practice the executive director benefiting from the plan has not transferred the ownership of a number of shares equivalent to twice his fixed annual remuneration, it is not at present considered necessary to include this expressly in Prosegur's internal regulations.

- 63. That contracts and agreements include a clause that allows the company to claim a refund of the variable components of the remuneration when the payment was not been adapted to performance conditions or when it was paid taking into account data that later proved to be erroneous.**

Complies       Complies partially       Explanation       Not applicable

- 64. That payments made for contract termination, early or otherwise, not exceed an amount equivalent to two years of total annual remuneration and that they not be paid until the company has verified that the director has fulfilled all established criteria or conditions for payment.**

**For the purpose of this recommendation, payments made for contract termination, early or otherwise, include any payments which become claimable or must be paid as a result or on occasion of the termination of the contractual relationship between the director and the company, including amounts not yet vested under long-term saving plans and amounts paid under post-contractual non-competition clauses.**

Complies       Complies partially       Explanation       Not applicable

## H. FURTHER INFORMATION OF INTEREST

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

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

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

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This annual corporate governance report has been approved by the Board of Directors of the company at the meeting held on February 24, 2020.

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

Yes

No