

**APPENDIX I**

**ANNUAL CORPORATE GOVERNANCE REPORT  
FOR LISTED COMPANIES**

**ISSUER'S IDENTIFICATION**

YEAR ENDING 31/12/2019

TAX ID: A87498564

Name:

PROSEGUR CASH, S.A. (the “**Company**”)

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Registered Office:

CALLE SANTA SABINA 8, MADRID

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**ANNUAL CORPORATE GOVERNANCE REPORT  
FOR LISTED COMPANIES**

**A STRUCTURE OF OWNERSHIP**

A.1 Complete the following table on the company's capital:

<b>Date of last modification</b>	<b>Share capital (€)</b>	<b>Number of shares</b>	<b>Number of voting rights</b>
07/26/2016	30,000,000	1,500,000,000	1,500,000,000

<b>Remarks</b>
Share capital was last modified on twenty-six July 2016. However, on nineteen December 2016 a stock split operation was authorised through which share capital was divided into 1,500,000,000 shares.

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

Yes  No

<b>Class</b>	<b>Number of shares</b>	<b>Par value</b>	<b>Number of voting rights</b>	<b>Rights and obligations conferred</b>

<b>Remarks</b>

A.2 Give details on the direct and indirect holders of significant interests at the year-end, excluding Directors:

Shareholder's Name or Corporate Name	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
Invesco Limited	0%	3.787%	0%	0%	3.787%
Invesco Oppenheimer International Growth Fund	3.353%	0%	0%	0%	3.353%
Ms Helena Irene Revoredo Delvecchio	0%	72.50%	0%	0%	72.50%

Remarks

Indirect interest:

Indirect shareholder	Direct shareholder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights
Invesco Limited	Several funds	0.434%	0%	0.434%
Invesco Limited	Invesco Oppenheimer International Growth Fund	3.353%	0%	3.353%
Ms Helena Irene Revoredo Delvecchio	Prosegur Compañía de Seguridad, S.A.	51%	0%	51%
Ms Helena Irene Revoredo Delvecchio	Prosegur Assets Management, S.L.U.	21.5%	0%	21.5%

Remarks

Please indicate the most significant movements in shareholding structure during the year:

Most significant movements		
Shareholder's Name or Corporate Name	Date of registration with the CNMV	Description of the operation
Fidelity Investment Trust	07/10/2019	Reduction of its interest to below 3% of share capital.
Oppenheimerfunds, Inc.	05/25/2019	Reduction of its interest to below 3% of share capital.
FMR LLC	09/12/2019	Reduction of its interest to below 3% of share capital.
Invesco Limited (including Oppenheimerfunds, Inc.)	10/29/2019	Acquisition of a shareholding exceeding 3% of share capital (due to the acquisition of Oppenheimerfunds, Inc.)

A.3 Please complete the following tables with details on those Board Members with voting rights in the Company:

Name or Corporate Name of Director	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights	% of voting rates that may be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Christian Gut Revoredo			0.088%		0.088%		
Jose Antonio Lasanta Luri			0.022%		0.022%		

<b>% total of voting rights controlled by Board of Directors</b>	0.110%
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Remarks
They are financial instruments as defined by Article 13(I)(a) of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 and Articles 28.1a) and 31 of Royal Decree 1362/2007 (19 October), which enables Law 24/1988 (28 July), on the Stock Exchange, as they relate to the transparency requirements concerning information regarding companies whose shares are listed on an official secondary market or on another regulated market in the European Union. The assignment of those instruments falls within the Long-Term Incentive Plan 2018-2020.

Details of the interest:

<b>Name or Corporate Name of Director</b>	<b>Direct shareholder</b>	<b>% voting rights attributed to the shares</b>	<b>% voting rights through financial instruments</b>	<b>% total voting rights</b>	<b>% of voting rates <u>that may be transferred</u> through financial instruments</b>

<b>Remarks</b>

A.4 If applicable, please specify 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 and except for those reported in section A.6:

<b>Name of related person or company</b>	<b>Relationship</b>	<b>Brief description</b>

A.5 Indicate commercial, contractual or corporate relationships between significant shareholders and the company and/or its group, if any, except any that are insignificant and those deriving from ordinary commercial business:

<b>Name of related person or company</b>	<b>Relationship</b>	<b>Brief description</b>
Prosegur Compañía de Seguridad, S.A.	Sales	Provision of services; sale and purchase of goods; licensing of intangible assets; real estate lease; financing.

A.6 Describe the relationships that exist between significant shareholders or parties represented on the Board of Directors and the directors, or their representatives, in the case of legal persons, unless they are immaterial for the two parties.

Explain how significant shareholders are represented, if appropriate. Specifically, identify directors that have been appointed to represent significant shareholders, those whose appointment was initiated by significant shareholders, or that are

related to significant shareholders and/or its group companies, specifying the nature of those relationships. Identify, if appropriate, the existence, identity and position of members of the Board or representatives of directors of the listed company that are, in turn, members of the Board of Directors or representatives at companies that hold significant shareholdings in the listed company or in group companies pertaining to those significant shareholders.

<b>Name of the related director or representative</b>	<b>Name of the related significant shareholder</b>	<b>Name of the company pertaining to the significant shareholder's group</b>	<b>Description of the relationship/position</b>
Mr. Christian Gut Revoredo	Ms Helena Irene Revoredo Delvecchio	<ul style="list-style-type: none"> <li>- Prosegur Compañía de Seguridad, S.A.</li> <li>- Gubel, S.L.</li> </ul>	<ul style="list-style-type: none"> <li>- First degree consanguinity relationship with Ms Helena Irene Revoredo Delvecchio.</li> <li>- Chief Executive Officer of Prosegur Compañía de Seguridad, S.A.</li> <li>- Director and non-controlling shareholder of Gubel, S.L.</li> </ul>
Ms. Chantal Gut Revoredo	Ms Helena Irene Revoredo Delvecchio	<ul style="list-style-type: none"> <li>- Prosegur Compañía de Seguridad, S.A.</li> <li>- Gubel, S.L.</li> </ul>	<ul style="list-style-type: none"> <li>- First degree consanguinity relationship with Ms Helena Irene Revoredo Delvecchio.</li> <li>- Director of Prosegur Compañía de Seguridad, S.A.</li> <li>- Director and non-controlling shareholder of Gubel, S.L.</li> </ul>
Mr. Antonio Rubio Merino	Ms Helena Irene Revoredo Delvecchio	<ul style="list-style-type: none"> <li>- Prosegur Compañía de Seguridad, S.A.</li> <li>- Prosegur Gestión de Activos, S.L.</li> <li>- Prosegur Soluciones de Seguridad Integral España, S.L.</li> <li>- Compañía Ridur 2016, S.A.</li> </ul>	<ul style="list-style-type: none"> <li>- Shareholder-appointed director of the company representing Prosegur Compañía de Seguridad, S.A.</li> <li>- Director of Prosegur Gestión de Activos, S.L. and Prosegur Soluciones de Seguridad Integral España, S.L.</li> <li>- Joint administrator of Compañía Ridur 2016, S.A.</li> </ul>
Mr. Pedro Guerrero	Ms Helena Irene Revoredo Delvecchio	Prosegur Compañía de Seguridad, S.A	Shareholder-appointed director of the company representing Prosegur Compañía de Seguridad, S.A.

Remarks
Mr Christian Gut Revoredo and Ms Chantal Gut Revoredo are first degree descendants of Ms Helena Irene Revoredo Delvecchio. Ms. Helena Irene Revoredo Delvecchio holds control, as defined by Article 42 of the Commercial Code, of Gubel, S.L. by virtue of the syndication agreement with that company as reported by Prosegur Compañía de Seguridad, S.A. as a relevant event to the CNMV on 31 January 2020, bearing registration number 286383. Mr. Christian Gut Revoredo and Ms. Chantal Gut Revoredo are also shareholders of Gubel, S.L., and control 51.654% of the share capital of Prosegur Compañía de Seguridad, S.A. In addition, Prosegur Compañía de Seguridad, S.A. controls 72.5% of the Company's share capital.

A.7 Indicate any shareholders' agreements of which the Company has been notified pursuant to Articles 530 and 531 of the Spanish Companies Act. Provide a brief description and list the shareholders bound by the agreement, as applicable:

Yes

No

Parties to the agreement	% of share capital affected	Brief description of the agreement	Date the agreement expires, if any

Remarks

Indicate whether the company is aware of the existence of any concerted actions among its shareholders. Give a brief description as applicable:

Yes

No

Parties to the agreed action	% of share capital affected	Brief description of the agreed action	Date the agreed action expires, if any

Remarks

Expressly indicate any amendments to or termination of such agreements or concerted actions during the year:

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A.8 Indicate any individuals or entities that exercise or may exercise control over the Company in pursuance of Article 5 of the Stock Market Act. If so, identify:

Yes  No

Name or Corporate Name
Ms. Helena Irene Revoredo Delvecchio

Remarks
Ms. Helena Irene Revoredo Delvecchio holds control, as defined by Article 42 of the Commercial Code, of Gubel, S.L. by virtue of the syndication agreement referred to in section A.6 above. Gubel, S.L. controls 51.61% of the share capital of Prosegur Compañía de Seguridad, S.A. which, in turn, directly and indirectly owns 72.50% of the Company (51% direct interest and the 21.5% indirect interest is owned through its subsidiary Prosegur Assets Management, S.L.).

A.9 Please complete the following tables on the Company's treasury shares:

**At the year-end:**

Number of direct shares	Number of Indirect Shares (*)	% total of share capital
1,119,862	0%	0.07%

Remarks
At the end of 2019 the Company holds 1,119,862 treasury shares, of which 696,866 are associated with the liquidity agreement referred to below.

**(\*) Via:**

Name or Corporate Name of the Direct Owner of the stake	Number of direct shares
<b>Total:</b>	



Remarks

Explain any significant changes during the year:

Explain any significant changes
<p>On 7 July, with effect on 11 July 2017, the Company signed a liquidity agreement with JB Capital Markets, Sociedad de Valores, S.A.U., according to the Circular 1/2017, of 26 April of the Spanish Securities Market Commission (Comisión Nacional de Mercado de Valores), on Liquidity Agreements for the purposes of their acceptance as a market practice.</p> <p>At 31 December 2019 696,866 treasury shares were associated with that liquidity agreement. The number of treasury shares held by the Company changes daily as a result of the implementation of the liquidity agreement. The Spanish Securities Market Commission (Comisión Nacional de Mercado de Valores) have been informed of these daily variations as a relevant event.</p> <p>The treasury shares not associated with the liquidity agreement declined by 31,815 in 2019 as a result of their delivery to executives on 26 March 2019 as part of their compensation plan.</p>

A.10 Detail the conditions and the period(s) of the authorisation(s) granted by the Shareholders' Meeting to the Board of Directors for the issue, buy-back or transfer of treasury stock.

<p>The General Shareholders Meeting the Company agreed on 6 February 2017 to expressly delegate to the Board of Directors the power to purchase own shares for a term of 5 (five) years in accordance with the provisions of the Spanish Capital Corporations Law and in compliance with, at all times, those provisions set forth in the law in force, subject to the following terms:</p> <p>a) Acquisitions may be made directly by the Company or indirectly through their subsidiary companies and the same must be formalised by sale, exchange, or any other legally business form recognised by the Law.</p> <p>b) The nominal value of the shares being acquired when added to that of those shares already in the possession of the Company, directly or indirectly, does not exceed the maximum legal percentage permitted thereof.</p> <p>c) The minimum price of acquisition of the shares shall be their nominal value and the maximum price shall be up to 110% of their market value at the date of purchase.</p> <p>d) This authorisation is granted for a period of 5 (five) years from the date of approval of the agreement.</p> <p>Furthermore, for the purposes of that set forth in the last paragraph of a) Article 146.1 of the Spanish Capital Corporations Law that shares acquired by the Company or by their subsidiary companies under the foregoing authorisation can be wholly or partly assigned to workers or directors of the Company or its subsidiaries, either directly or as a result of exercising any option rights they may hold.</p>
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A.11 Estimated floating capital:

	%
<b>Estimated Floating Capital</b>	23.64%

Remarks

A.12 State if there is any restriction (bylaws, legislation, or of any other type) on the transfer of securities and/or any restriction on voting rights. In particular, report the existence of any type of restrictions that make it difficult to take control of the company by acquiring shares in the market, or any prior authorisation or reporting requirements concerning the acquisition or transfer of the Company's financial instruments that may be applicable due to industry regulations.

Yes       No

Description of the restrictions

A.13 Indicate whether the General Shareholders' Meeting has resulted in measures to neutralise a takeover bid under Law 6/2007.

Yes       No

If applicable, explain the measures adopted and the terms under which these restrictions may be lifted:

If so, explain the measures approved and the terms under which the constraints would become ineffective:

A.14 Please specify whether the company has issued securities that were not traded on a regulated market within the European Union.

Yes       No

If so, identify the various classes of shares and, for each class of shares, the rights and obligations they confer.

Indicate the different classes of shares

**B GENERAL MEETING**

B.1 State and, if appropriate, provide details about differences arising with respect to the minimum quorum established by the Spanish Companies Act 2010 (SCA) compared to the quorum required to hold a General Meeting.

Yes  No

	% quorum different than that established by Article 193 LSC for general matters	% quorum different than that established by Article 194 SCA for special matters
Quorum required on first call		
Quorum required on second call		

<b>Description of the differences</b>

B.2 Indicate and explain, if appropriate, if there are any differences with the system stipulated in the Spanish Companies Act (SCA) for adopting corporate resolutions:

Yes  No

Describe how they differ from the rules established in the LSC.

	Reinforcement Jordan different than that established by Article 201.2 SCA for matters governed by Article 194.1 SCA	Other cases of reinforced majorities
% established by the Company to adopt resolutions		

<b>Describe the differences</b>

**B.3** Indicate the rules applicable to changes in the Company's bylaws. In particular, report any majorities foreseen for making changes in the bylaws and any rules established for safeguarding shareholder rights when changing bylaws.

The Board of Directors are responsible for submitting for the consideration and, if applicable, approval at the General Shareholders Meeting, any proposal to modify the Bylaws.

The full text of the proposed amendment(s) that the Board of Directors wish to submit to the General Shareholders will include a report by the Directors on said proposed amendment(s) to the Bylaws.

All documents about the proposed amendment(s) to the Bylaws shall be available to the Shareholders from notice of the General Shareholders Meeting in which their consideration is subject to approval. The proposed amendment(s) shall be clearly stated in the meeting notice, which shall also specify the shareholder's right to inspect, at the registered offices, the full text of the proposed amendment and the report on said amendment(s), as well as to request that said documents be delivered or sent to them free of charge. It will also be accessible at all times on the corporate website of the Company.

Neither the bylaws nor the General Shareholders Meeting Regulations stipulate a system of majorities required to modify bylaws that is different than that established by law.

**B.4** Provide details of attendance records at General Meetings held during the year to which this report refers, as well as for the two preceding years:

GSM Date	Attendance Data				Total
	% of physical presence	% proxy voting	% remote voting		
			Electronic vote	Others	
02/06/2017	100%	0.00%	0.00%	0.00%	100%
02/23/2017	100%	0.00%	0.00%	0.00%	100%
03/01/2017	100%	0.00%	0.00%	0.00%	100%
05/28/2018	8.12%	81.2%	0.00%	0.00%	89.33%
06/03/2019	0%	90.82%	0.00%	0.00%	90.82%
<b>Of which, Floating capital:</b>	0%	14.53%	0.00%	0.00%	14.53%

**Remarks**

All General Shareholder Meetings in 2017 took place before the Company's shares were admitted to trading.

B.5 State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by the shareholders for any reason:

Yes  No

Points of the Agenda that were not approved	% votes against (*)

(\*) If the failure to approve the point is due to a reason other than votes against, an explanation will be provided and the column “% votes against” will indicate “n/a”.

B.6 Please specify whether the Bylaws establish any restrictions on the minimum number of shares required to attend the General Shareholders meeting or to vote remotely:

Yes  No

Number of shares required to attend the General Shareholders Meeting	1,000
Number of shares required to vote remotely	1,000

Remarks
<p>Prior to the meeting being held, shareholders entitled to attend the meeting may issue their vote regarding proposals involving the points of the agenda pertinent to the general meeting concerned by delivering their vote via postal mail or electronically.</p> <p>Shareholders entitled to attend the general meeting may do so via electronic or remote connection means if approved by the Board of Directors. Any such means will be indicated in the call to the meeting so that the necessary security conditions may be in place to guarantee the identity of shareholders, the effectiveness of their votes and the proper development of the meeting.</p>

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.8. Indicate the address and mode of accessing corporate governance content on your company's website, as well as other information on General Shareholders' Meetings, which must be made available to shareholders on the Company website.

<p>Corporate website: <a href="http://www.prosegurcash.com">www.prosegurcash.com</a>            Access to the Company's Corporate Governance information is available through: Main page / Corporate Governance</p>
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Access to the Company's General Meeting information is available through: Main page / Shareholders and Investors / General Shareholders Meeting

## **C COMPANY ADMINISTRATION STRUCTURE**

### **C.1 Board of Directors**

C.1.1 Maximum and minimum number of Directors provided for in the corporate Bylaws in 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 meeting</b>	9

C.1.2 Please complete the following table with details on Board Members:

<b>Name or Corporate Name of Director</b>	<b>Representative</b>	<b>Director category</b>	<b>Position on the Board</b>	<b>Date of first appointment</b>	<b>Date of last appointment</b>	<b>Election procedure</b>	<b>Date of birth</b>
Mr. Christian Gut Revoredo		Executive	Chairman	12/19/2016	06/03/2019	General Shareholders Meeting Resolution	04/20/1972
Mr. Pedro Guerrero Guerrero		Proprietary Director	Vice Chairman	03/17/2017	03/17/2017	General Shareholders Meeting Resolution	05/04/1953
Mr. José Antonio Lasanta Luri		Executive	CEO	12/19/2016	06/03/2019	General Shareholders Meeting Resolution	01/30/1972
Mr. Claudio Aguirre Pemán		Independent	Coordinating Director	03/17/2017	03/17/2017	General Shareholders Meeting Resolution	10/18/1955
Ms. María Benjumea Cabeza de Vaca		Independent	Director	03/17/2017	03/17/2017	General Shareholders Meeting Resolution	05/23/1954
Mr. Daniel Guillermo Entrecanales Domecq		Independent	Director	03/17/2017	03/17/2017	General Shareholders Meeting Resolution	06/25/1968
Ms. Chantal Gut Revoredo		Proprietary	Director	03/17/2017	03/17/2017	General Shareholders	01/21/1974

						Meeting Resolution	
Mr. Antonio Rubio Merino		Proprietary	Director	12/19/2016	06/03/2019	General Shareholders Meeting Resolution	08/23/1968
Ms. Ana Inés Sainz de Vicuña Bemberg		Independent	Director	03/17/2017	03/17/2017	General Shareholders Meeting Resolution	11/08/1962

<b>Total number of Directors</b>	9
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State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period being reported:

Name or Corporate Name of Director	Director Category on removal	Date last appointed	Leaving date	Memberships in specialised committees	Indicate whether the removal took place before the end of the appointed term

<b>Reason for the removal and other remarks</b>

C.1.3 Please complete the following tables about the Members of the Board and their different categories:

### **EXECUTIVE DIRECTORS**

Name or Corporate Name of Director	Position in the company's organisational chart	Profile
Mr. Christian Gut Revoredo	Chairman	<ul style="list-style-type: none"> <li>• Degree in Economics and Business Administration from CUNEF (Centro Universitario de Estudios Financieros).</li> <li>• MBA from INSEAD.</li> </ul>

		<ul style="list-style-type: none"> <li>• Director of Prosegur Compañía de Seguridad, S.A. since 1997.</li> <li>• CEO of Prosegur Compañía de Seguridad, S.A. since 2008.</li> <li>• General Manager of Prosegur Spain until 2007.</li> <li>• Member of the Board of Trustees of the Prosegur Foundation.</li> </ul>
Mr. José Antonio Lasanta Luri	CEO	<ul style="list-style-type: none"> <li>• Degree in Business Administration and Management from Universidad Pontificia Comillas – ICADE (E4).</li> <li>• He worked at the consulting firm McKinsey and the Rothschild investment bank.</li> <li>• He joined Prosegur Group in 2004, where he was the Director of Strategy, Director of Corporate Development, Director for Asia, Director of the Technology Business and Finance Director.</li> </ul>

<b>Total number of Executive Directors</b>	2
<b>% of board total</b>	22.22%

<b>Remarks</b>

### **PROPRIETARY EXTERNAL DIRECTORS**

<b>Name or Corporate Name of Director</b>	<b>Individual or corporate name of the significant shareholder that he/she represents or that proposed his/her appointment</b>	<b>Profile</b>
Mr. Pedro Guerrero	Prosegur Compañía de Seguridad, S.A.	<ul style="list-style-type: none"> <li>• Degree in Law Universidad Complutense de Madrid.</li> </ul>



		<ul style="list-style-type: none"> <li>• State Attorney, Stock Exchange Agent and Madrid Notary (on leave).</li> <li>• He was the Chair of the Madrid Stock Exchange and Stock Exchange Company Governing Board.</li> <li>• He was a founder and Vice Chairman of A.B. Asesores Bursátiles and Chairman of A.B. Asesores Red.</li> <li>• Chairman of Bankinter, where he has been a director since 2000.</li> </ul>
Ms. Chantal Gut Revoredo	Prosegur Compañía de Seguridad, S.A.	<ul style="list-style-type: none"> <li>• Degree in Economics and Business Administration from CUNEF (Centro Universitario de Estudios Financieros).</li> <li>• MBA from IESE.</li> <li>• Director of Prosegur Compañía de Seguridad, S.A. since 1997.</li> <li>• Director of Euroforum since 2001.</li> <li>• Member of the Board of Trustees of Prosegur Foundation.</li> </ul>
Mr. Antonio Rubio Merino	Prosegur Compañía de Seguridad, S.A.	<ul style="list-style-type: none"> <li>• Degree in Economics and Business from ETEA-Universidad de Córdoba, and in Geography and History from Universidad Nacional de Educación a Distancia (UNED).</li> <li>• He was the Director of Consolidation and Audit at Abengoa and Director of Administration and Managing Director of Finance at Inditex Group.</li> <li>• Chief Financial Officer at Prosegur Compañía de Seguridad, S.A. since 2009.</li> </ul>

<b>Total number of proprietary Directors</b>	3
<b>% of board total</b>	33.33

### **INDEPENDENT EXTERNAL DIRECTORS**

Name or Corporate Name of Director	Profile
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Mr. Claudio Aguirre Pemán	<ul style="list-style-type: none"> <li>• Degree in Economics and Business from the Universidad Complutense de Madrid.</li> <li>• MBA from the Instituto de Empresa de Madrid and Advanced Management Program (AMP) Graduate from Harvard Business School.</li> <li>• Former Head of Chase Manhattan Bank and Goldman Sachs Investment Banking in Spain. He also joined Merrill Lynch where he held several senior positions.</li> <li>• Chair, CEO, and Co-Founding Partner of Altamar Capital Partners.</li> <li>• Member of the Board of Redexis Gas, S.A.</li> <li>• Chairperson of the Advisory Board of Marsh McLennan, Member of the Advisory Board of Caixabank Banca Privada and the International Advisory Board of Goldman Sachs &amp; Co.</li> </ul>
Ms. María Benjumea Cabeza de Vaca	<ul style="list-style-type: none"> <li>• Degree in Geography and History from the Universidad Complutense de Madrid.</li> <li>• Founder of Círculo de Progreso, which later became Infoempleo.</li> <li>• Founder and Chair of Spain Startup since 2012.</li> <li>• Founding member of the International Women Forum (IWF) Spain and Secot.</li> </ul>
Mr. Daniel Entrecanales Domecq	<ul style="list-style-type: none"> <li>• Degree in Economics from Carroll School of Management at Boston College.</li> <li>• Former Project Manager at Unilever International Innovation Center in Milan, Marketing and Communication Director at Loewe (LVMH Group), and Managing Director at Grupo Cinnabar S.A.</li> <li>• Founding partner and Chairperson of Revolution, a communications and advertising agency.</li> <li>• Proprietary director of Acciona S.A.</li> <li>• CEO of Newco Entrepriver, S.L.</li> <li>• Chairman of the Organisation Committee of Madrid Horse Week.</li> <li>• Member of the Advisory Board at AON Iberia</li> </ul>
Ms. Ana Inés Sainz De Vicuña Bemberg	<ul style="list-style-type: none"> <li>• Degree in Agricultural Economics from Reading University and Program for Management Development from Harvard University.</li> <li>• Former Managing Director of Merrill Lynch International Bank's branch in Spain.</li> </ul>

	<ul style="list-style-type: none"> <li>• Former Member of the Board of Mobile Dreams Factory and of Asturbega, the Coca-Cola bottling company in Northern Spain and Inmobiliaria Colonial.</li> <li>• Member of the Boards of Altamar Capital Partners, Acciona, S.A. and Corporación Financiera Guadalmar (CFG).</li> <li>• Member of the Board of Trustees of Fundación ARPE.</li> </ul>
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<b>Total Number of Independent Directors</b>	4
<b>% of Board Total</b>	44.44

List any Independent Directors who receive from the company or its own group any amount or payment other than Standard Director remuneration or who maintain, or have maintained during the period in question a business relationship with the company or any group company, either in their own name or as a significant shareholder, Director or Senior Officer of an entity, which maintains or has maintained said relationship.

If applicable, include a statement from the Board detailing the reasons why the said Director may carry on their duties as an Independent Director.

<b>Name or Corporate Name of Director</b>	<b>Description of the relationship</b>	<b>Reasoned statement</b>
Mr. Daniel Entrecanales Domecq	Chair of Revolution Publicidad, S.L.	<p>The company Revolution Publicidad, S.L. has provided the Company with marketing and advertising services on an arm's length basis during the ordinary course of its business, invoicing a total of €68,000 during 2019.</p> <p>The Company does not work exclusively with Revolution Publicidad, S.L., and it receives marketing and advertising advisory services from other agencies. The fees received by Revolution Publicidad, S.L. are not material and do not represent a significant amount in the Company's accounts.</p>

### **OTHER EXTERNAL DIRECTORS**

Identify the other external directors and state the reasons why they cannot be considered proprietary or independent directors and their association with either the Company,

executives or shareholders:

Name or Corporate Name of Director	Reasons	Company, Manager or shareholder to whom he/she is linked	Profile

<b>Total number of other External Directors</b>	
<b>% of Board Total</b>	

<b>Remarks</b>

Please specify any variations, if any that have occurred in each director category during the year:

Name or Corporate Name of Director	Date of change	Previous category	Current category

<b>Remarks</b>

C.1.4 Complete the following table with the information relating to the number of female Directors at the end of the past 4 years, as well as the category of those Directors:

	Number of female Directors				% of the total number of directors of each type			
	Current Financial Year	Current Financial Year -1	Current Financial Year -2	Current Financial Year -3	Current Financial Year	Current Financial Year -1	Current Financial Year -2	Current Financial Year -3
<b>Executives</b>	0%	0%	0%	0%	0%	0%	0%	0%
<b>Proprietary Directors</b>	1	1	1	0%	11.11%	11.11%	11.11%	0%
<b>Independent Directors</b>	2	2	2	0%	22.22%	22.22%	22.22%	0%
<b>Other External Directors</b>	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total:</b>	3	3	3	0%	33.33%	33.33%	33.33%	0%

Remarks

C.1.5 State whether the Company has diversity policies relating to its Board of Directors in terms of matter such as, for example, age, gender, disabilities or training and professional experience. In accordance with the definition set out in the Audit Act, small and medium-sized companies must at least report the policy they have established with respect to gender diversity.

Yes

No

Partial policies

If so, describe these diversity policies, their objectives, the measures implemented and the manner in which they have been applied, as well as the results obtained during the year. Also indicate the specific measures adopted by the Board of Directors and the Appointments and Remuneration Committee to obtain a balanced and diverse group of directors.

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

Description of the policies, objectives, measures and manner in which they have been applied, as well as the results obtained.
<p>The Company's Corporate Governance System, particularly the Director Candidate Selection Policy approved by the Board of Directors on 25 July 2017, establishes that candidates for the position of director will be selected based on an analysis of the needs of the Company and its group (the "Group") performed by the Board of Directors with the advice and a report from the Appointments and Remuneration Committee.</p> <p>The Company seeks persons of good repute, suitable, and solvent, and with the competence, experience, qualifications, training, availability and commitment to carry out their duties.</p> <p>Their nomination will further a diversity of knowledge, experience, origin, nationality and gender, favouring an adequate balance on the Board of Directors taken as a whole that enriches the taking of decisions and provides diverse points of view within the debate of the matters for which the Board is responsible and any type of inherent gap that could imply any type of discrimination will be avoided.</p> <p>The Director Candidate Selection Policy will also ensure that in the future the proportion of female directors continues to represent 33% of all members of the Board of Directors. In any event, any inherent gap that could represent any type of discrimination will be avoided, particularly those making the selection of female directors difficult.</p>

C.1.6 Explain any measures that have been adopted by the Nominations Committee so that selection procedures do not give rise to implicit barriers to the selection of female Directors, and so that the Company deliberately seeks and includes female candidates that meet the required professional profile, in order to obtain a balance between men and women.

<b>Explanation of the measures</b>
<p>The Director Candidate Selection Policy approved by the Board of Directors on 25 July 2017 expressly states that the Company will ensure that the number of female directors in the future will continue to represent at least 33% of all members of the Board of Directors, as was mentioned in the Section C.1.5 above.</p> <p>As of the date of this Report, three (3) out of the nine (9) members of the Board of Directors are female: two (2) out of the four (4) Directors classified as Independent are female. Ms. María Benjumea Cabeza de Vaca forms part of the Audit Committee of the Company and Ms. Ana Inés Sainz de Vicuña Bemberg, is member of the Appointments and Remuneration Committee such that both Board Committees have female members.</p> <p>The Appointments and Remuneration Committee ensures that the procedures for selecting director candidates do not suffer from any inherent weaknesses that impede the selection of female directors, attempting to make the composition of the Board of Directors reflect an adequate balance between men and women.</p>

When, despite the measures taken (where applicable), there are few or no female Directors, explain the reasons:

<b>Explanation of the reasons</b>
N/A

C.1.7 Please explain the conclusions made by the Nomination Committee as regards verification of compliance with the Director Selection Policy. In particular, explain how this policy pursues the goal of having at least 30% of all positions on the Board of Directors occupied by women Directors by the year 2020.

<p>The Director Candidate Selection Policy is in line with the highest corporate governance standards. The Company's commitment is reflected by (i) the Board of Directors having an adequate composition by encouraging a diversity of knowledge, experience, origins, nationality and gender and (ii) eliminating any inherent weakness impeding the selection of female directors.</p> <p>The Company's Board of Directors currently has three (3) women members, as is mentioned in section C.1.6 above, representing 33.33% of all Board members.</p>
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C.1.8 If applicable, please explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than 3% of share capital:

<b>Shareholder's Name or Corporate Name</b>	<b>Notification</b>
N/A	

Indicate whether any formal requests for a presence on the Board have not been met from shareholders with an interest equal to or greater than that of others at whose request institutional directors have been appointed. Where applicable, explain the reasons why they were rejected.

Yes

No

Shareholder's Name or Corporate Name	Explanation

C.1.9 Indicate, if any, powers-of-attorney and authority delegated by the Board of Directors to directors or board committees:

Name of the Director	Brief description
Mr. José Antonio Lasanta Luri	The CEO of the Company has been expressly delegated all the powers of the Board of Directors, except those which may not be delegated by law or under the bylaws.
Mr. Christian Gut Revoredo	Christian Gut Revoredo has been conferred the authority to perform general administration duties.

C.1.10 Please identify any Board Members who assume positions as administrators, representatives of administrators or executives at the Group of which the listed Company is the Parent:

Name or Corporate Name of Director	Corporate Name of the Group Company	Position	Does he/she have executive duties?
Mr. Christian Gut Revoredo	Prosegur Compañía de Seguridad, S.A.	CEO	Yes
Ms. Chantal Gut Revoredo	Prosegur Compañía de Seguridad, S.A.	Director	No

C.1.11 Name company directors or representatives of directors, if any, that are members of the Board of Directors or representatives of directors of non-group companies listed on Spanish stock exchanges, insofar as the company has been notified:

Name or Corporate Name of Director	Corporate Name of the Group Company	Position
Mr. Pedro Guerrero Guerrero	Bankinter, S.A.	Chairman
Mr Daniel Guillermo Entrecanales Domecq	Acciona, S.A.	Director
Ms. Ana Inés Sainz De Vicuña Bemberg	Acciona, S.A.	Director
Mr. Christian Gut Revoredo	Prosegur Compañía de Seguridad, S.A.	CEO
Ms. Chantal Gut Revoredo	Prosegur Compañía de Seguridad, S.A.	Director

Remarks
Ms. Ana Sainz de Vicuña reported her resignation from the Board of Directors of Inmobiliaria Colonial, S.A. effective 24 January 2019.

C.1.12 Indicate and, if appropriate, explain whether the company has established rules on the maximum number of boards on which its Directors may sit, identifying where this is regulated:

Yes

No

Explanation of the rules and identification of the regulating document
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C.1.13 State the following amounts of the overall remuneration paid to the Board of Directors:

<b>Remuneration accrued during the year to the Board of Directors (in thousands of euros)</b>	2,098.389
<b>Amount of total remuneration corresponding to accumulated pension rights (Thousands of Euros)</b>	0.00
<b>Amount of total remuneration accumulated by the Former Director in pension rights (Thousands of Euros)</b>	0.00

<b>Remarks</b>

C.1.14 Identify the members of senior management who are not Executive Directors and indicate the aggregate compensation accrued to them during the year:

<b>Name or Corporate Name</b>	<b>Position/s</b>
COCCI, JUAN	Director Latam Business
PALAO TIRADO, YAGO	Director North Latam Business
MATOS, MARTIN	Director South Latam Business
COPELIN, JANINE	Director APAC Business
BANDRES GUTIERREZ, MIGUEL ANGEL	Director Europe Business
ORO PRADERA, LUIS JAVIER	Director of Productivity and Innovation
COUSO RUANO, MARINA	Director of Strategic Planning
HERGUETA VAZQUEZ, JAVIER	FINANCE DIRECTOR
CARBAJO, FELIX	Director of Internal Audit
NUÑEZ, MANUEL	Director AVOS Business

<b>Total senior management remuneration (Thousands of Euros)</b>	3,273
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<b>Remarks</b>

C.1.15 Please specify whether the Board of Directors Regulations were amended during the year:

Yes

No

Description of the modifications

C.1.16 Please specify the procedures for the selection, nomination, re-election and removal of Directors. List the competent bodies and the processes and criteria used for each procedure.

<p>1.- SELECTION OF DIRECTORS</p> <p>The selection of director candidates is the responsibility of the Board of Directors which, with the advice and a report from the Appointments and Remuneration Committee evaluates the needs of the Company and the Group in this respect. The Company seeks persons of good repute, suitable, and solvent, and with the competence, experience, qualifications, training, availability and commitment to carry out their duties, and whose appointment favours diversity of knowledge, origins, experiences, nationalities, and gender in the Board of Directors, facilitating an appropriate mix in the Board of Directors that enriches the decision-making process and contributing to pluralistic points of view when debating issues within their competencies.</p> <p>Candidates are not considered for the Board of the Company when they are in any situation of incompatibility or prohibition provided by law for carrying out their duties as Director, who in any form whatsoever have conflicting interests to those of the Company and Group and who do not fulfil the requirements set forth in the Corporate Governance System of the Company for becoming a Director. Furthermore, director candidates should be natural persons.</p> <p>2. APPOINTMENT AND RE-ELECTION OF DIRECTORS</p> <p>The Directors shall be designated by the General Shareholders' Meeting or by the Board of Directors in accordance with the provisions of applicable legislation.</p> <p>The proposal for the appointment of Directors submitted by the Board of Directors to the General Shareholders' Meeting for consideration and the resolutions concerning appointments adopted by that body by virtue of the powers of co-optation legally attributed to it shall be preceded by the relevant proposal (in the case of independent directors) or report (in the case of other directors) from the Appointments and Remuneration Committee. When the Board of Directors disagrees with the recommendations from the Appointments and Remuneration Committee, it shall set out the reasons for its decision and place them on record.</p> <p>The proposal must be accompanied by a supporting report from the Board of Directors that evaluates the competency, experience and merits of the proposed candidate, which will be attached to the minutes to the General Meeting or the Board of Directors Meeting. The proposal to appoint or re-elect any non-independent director must be preceded by a report from the Appointments and Remuneration Committee.</p> <p>The term of the appointment as Director is for three (3) years, and Directors may be re-elected on one or more occasions for terms of the same duration. Independent Directors may not remain as such for a continuous period of more than twelve (12) years, except if they go on to hold the position as proprietary Director, Executive, or other External Director.</p> <p>The proposals to re-elect directors that the Board of Directors decides to submit to the General Shareholders Meeting must follow the same rules as for nominations, as well as a formal preparation process. This process will necessarily</p>
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form part of a report issued by the Appointments and Remuneration Committee evaluating the quality of the work and the dedication to the position by the proposed directors during their preceding term.

### 3.- ASSESSMENT OF DIRECTORS

On an annual basis the Board of Directors will evaluate: (i) the functioning of the Board of Directors; (ii) the performance of their duties by the Chairman and the Chief Executive of the Company, based on the report submitted for this purpose by the Appointment and Compensation Committee; and (iii) the calculation of Remuneration to the Board of Directors, based on the reports on the same.

The Appointment and Compensation Committee of the Company shall organise and coordinate the periodic assessment of the Chairman of the Board together with the periodic assessment of the Board of Directors, its members and the Chief Executive of the Company. The Board of Directors should designate from among its members, insofar as the Chairman of the same has the category of Executive Director, External Independent Director, Coordinator-Director who, amongst other duties, is responsible for managing the periodic assessment of the Chairman of Board of Directors.

### 4.- REMOVAL OF DIRECTORS

Directors will leave their office once the term for which they were appointed has lapsed or when so agreed by the General Meeting or the Board of Directors exercising the powers that are legally or statutorily conferred to them.

The Board of Directors will only propose the removal of an independent director before the end of the Established term for which he/she was appointed when it considers there is due cause, after having received a report from the Appointments and Remuneration Committee.

Directors must present their resignation to the Board of Directors, which must accept it if deemed advisable, in the following cases:

When they are no longer exercising their executive duties to which their appointment was related and if there are no longer any reasons for which they were appointed.

b) When they are involved in a legal conflict of interest or prohibition.

c) When they are tried for an alleged offence or are subject to disciplinary proceedings owing to a serious or very serious infringement of legislation, instigated by the supervisory authorities.

d) When the Audit Committee seriously caution them for non-fulfilment of any of their obligations as director.

e) When their remaining on the Board adversely affects the Company's credit or reputation, or otherwise jeopardises its interests.

Board Members must also inform the Board of Directors of any criminal charges brought against them, as well as any disciplinary proceeding for a serious or very serious infringement investigated by the supervisory authorities against them, as well as, on both counts, of the subsequent legal proceedings. If a Director is indicted or tried for any of the crimes stated under the Spanish Corporate Capital Law, the Board of Directors must examine the matter as soon as possible and, in view of the particular circumstances, decide whether or not the Director in question should be called on to resign.

Directors who renounce their appointment before the term expires through resignation or otherwise, should explain their reasons in a letter to be sent to all Members of the Board.

C.1.17 Explain to what extent the Board's annual evaluation has given rise to important changes with respect to its internal organisation and the procedures that are applicable to its activities:

<b>Description of the modifications</b>
The annual evaluation of the performance of the Board of Directors of the Company has been satisfactory and has not led to any changes in its organisation or procedures as not deemed necessary.

Describe the assessment process and the assessed areas performed by the Board of Directors with the assistance, where applicable, of an external consultant, respect to the Board's operations and composition, and those of its Committees, as well as any other area or matter that has been evaluated.

<b>Description of the assessment process and the areas evaluated</b>
Pursuant to article 5 of the Board of Directors Regulations, the Board of Directors is responsible for general supervisory function, including, among others, the functioning of the Board of Directors itself.
In collaboration with the Chairman of the Appointments and Remuneration Committee, the Chairman of the Board of Directors must organise and coordinate the periodic evaluation of the Board of Directors, its Committees, its members and the chief executive of the Company.
Additionally, the Coordinating Director is responsible of managing the periodic evaluation of the Executive Chairman.
The Coordinating Director and the Chair of the Appointments and Remuneration Committee at the Company are the same individual.
The Board of Directors meets once a year to evaluate its functioning and the performance of its members, based upon the report issued for said purposes by the Appointments and Remuneration Committee. It evaluates annually, also, the functioning of the Committees of the Board of Directors, based upon the reports thereof presented to the Board of Directors.
The Appointments and Remuneration Committee has undertaken its duties directly, not having so far involved any external advisor.

C.1.18 Provide detailed information, as applicable for any years in which the evaluation has involve the assistance of an external consultant, on business relations between the consultant or any Group Company with the Company or any other Group Company.

N/A
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C.1.19 Please specify the situations in which the Board Members are required to resign.

<p>Directors hold their positions at the pleasure of the Board of Directors and, if deemed appropriate, must present their resignations in the following cases:</p> <p>When they are no longer exercising their executive duties to which their appointment was related and if there are no longer any reasons for which they were appointed. In particular, in the case of proprietary Directors, when the shareholder or shareholders that proposed, required or determined their appointment, fully or partially sell or transfer their shareholding with the result of losing their status as a significant or sufficient shareholder to justify the appointment.</p> <p>b) When they are involved in a legal conflict of interest or prohibition.</p> <p>c) When they are tried for an alleged offence or are subject to disciplinary proceedings owing to a serious or very serious infringement of legislation, instigated by the supervisory authorities.</p> <p>d) When the Audit Committee seriously caution them for non-fulfilment of any of their obligations as Board Member.</p> <p>e) When their remaining on the Board adversely affects the Company's credit or reputation, or otherwise jeopardises its interests.</p>
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C.1.20 Are qualified majorities other than those established by Law required for any specific decision?

Yes

No

If applicable, describe the differences.

Description of the differences

C.1.21 Explain whether or not there are any specific requirements, other than those established for Directors, to be appointed Chairman of the Board of Directors:

Yes

No

Description of the requirements

C.1.22 Indicate whether the bylaws or the Board Regulations establish any age limit for Directors:

Yes

No

	<b>Age limit</b>
<b>Chairman</b>	
<b>CEO</b>	
<b>Director</b>	

<b>Remarks</b>

C.1.23 Please specify whether the Bylaws of the Board Regulations establish any term limit or other stricter requirements in addition to those established by law for independent directors:

Yes                       No

<b>Additional requirements and/or maximum number of terms</b>	
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C.1.24 Indicate whether the bylaws or the Board of Directors' Regulations establish specific rules for delegating votes within the Board of Directors two other directors, the manner in which it is done and, in particular, the maximum number of delegations that a Director may make, as well as whether there is any limitation to the categories into which delegations may be made other than those stipulated by law. Where applicable, detail these rules briefly.

The Bylaws establish that any Director who is unable to attend a Board Meeting can be represented at the same by another Director. The proxy shall be granted to another Director in writing and including, insofar as possible, their voting instructions. The aforesaid Bylaw provision states that Non-Executive Directors may only delegate proxies to other Non-Executive Directors.

The Board of Directors Regulations further states that Directors must make every effort to attend the Board Meetings and, when they cannot do so in person, shall endeavour to appoint another Board Member to represent them, with the appropriate instructions.

C.1.25 Please specify the number of meetings held by the Board of Directors during the year. Also indicate how many times the Board met without the Chairman in attendance. Attendance is deemed to include any proxies made with specific instructions.

<b>Number of Board Meetings</b>	9
<b>Number of Board Meetings without attendance of the Chairman</b>	0%

<b>Remarks</b>

Indicate the number of meetings held by the coordinating director with other directors, at which no Executive Director was in attendance or was represented:

<b>Number of meetings</b>	0%
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<b>Remarks</b>
The Coordinating Director holds informal meetings with other directors before each Board of Directors meeting.

Indicate the number of meetings held during the year by the various Board Committees:

<b>Number of meetings held by the Executive Committee</b>	N/A
<b>Number of meetings held by the Audit Committee</b>	5
<b>Number of meetings held by the Appointments and Remuneration Committee</b>	2
<b>Number of meetings held by the Nomination Committee</b>	N/A
<b>Number of meetings held by the Remuneration Committee</b>	N/A
<b>Number of meetings held by the _____ Committee</b>	N/A

<b>Remarks</b>
The Audit Committee and the Appointments and Remuneration Committee have adopted resolutions in writing without holding a meeting on two occasions.

C.1.26 Please specify the number of meetings held by the Board of Directors and information regarding the attendance of its members.

<b>Number of meetings at which at least 80% of the directors were physically present</b>	9
<b>% attendance of total votes during the year</b>	96.3
<b>Number of meetings at all directors were physically present or represented by proxies with specific instructions</b>	9
<b>Votes issued when physically present and represented by proxies with specific instructions, as a percentage of the total votes cast during the year</b>	100%

<b>Remarks</b>

C.1.27 Please specify whether the annual individual and consolidated financial statements presented to the Board for approval:

Yes  No

If appropriate, name the person(s) who certify the Company's individual and consolidated annual accounts before they are approved by the Board:

Name	Position
Mr. Javier Hergueta Vázquez	Finance Director

Remarks

C.1.28 Explain the mechanisms, if any, established by the Board to avoid a qualified audit report on the individual and consolidated annual accounts from being presented to shareholders at a General Meeting.

Financial Management imposes strict controls on individual and consolidated annual accounts so that they comply with the Accounting Principles generally accepted in Spain and International Financial Reporting Standards (IFRS).

The Audit Committee is responsible, among other duties, to manage the relationship with the External Auditor (KPMG Auditores, S.L. to date) and ensure that the Board of Directors can present the financial statements to the General Meeting without reservations or qualifications in the Auditor's report. To this end, the Audit Committee maintains ongoing discussions with the External Auditor when preparing the Annual Accounts. The external auditor is also invited to some of the Audit Committee's meetings so as to provide regular information to the members of the Committee regarding the external audit work.

Furthermore, the Regulations of the Board of Directors states that the same prepares the Annual Accounts in such a way as not to give rise to qualifications by the External Auditor. Notwithstanding, in cases in which there is a discrepancy between the Board of Directors and the External Auditor, the same shall clearly and publicly explain the content and scope of the discrepancy thereof.

C.1.29 Is the Secretary of the Board a Director?

Yes  No

If the Secretary is not a Director, complete the following table:

Name or Company Name of the Secretary	Representative
Ms Renata Mendaña Navarro	
Remarks	



C.1.30 Indicate the specific mechanisms established by the company to preserve the independence of external auditors and any mechanisms to maintain the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

The Audit Committee is responsible for safeguarding the independence of the External Auditors when exercising their duties. To this end, the Audit Committee shall ensure that the amount received by the External Auditors is sufficient without compromising their independence and that the External Auditor calls a Board Meeting once a year with the Board of Directors and requests their presence at the Audit Committee meetings to inform them about the work carried out and the progress of the accounting situation and any risks to the Company. In addition, the Chair of the Audit Committee will hold working meetings about specific topics depending on the needs of the Company.

Furthermore, the Board Regulations state that the Board of Directors shall abstain from contracting those audit firms whose anticipated fees for all items will be greater than five per cent (5%) of its total income of the previous financial year and must report publicly the total fees paid by the Company to the Auditors for services other than auditing.

The Committee has exhaustively analyses potential threats to the independence of the external auditor and, in particular, the system for contracting services other than those that are prohibited in accordance with Articles 5.4 and 6.2.b) of Regulation (EU) 537/2014 of 16 April and the provisions of Title I, Chapter IV, Section 3 of Law 22/2015 (20 July) on Audits.

In light of the work performed, services in addition to audit that were rendered (taken individually and as a whole) and the fees received by the external auditor, the Annual Report on the Audit Committee's Operations and Activities expresses the Committee's opinion as to whether or not the external auditor's independence has been compromised, in accordance with the provisions of Article 17.4 f) of the Board Regulations.

There are no specific measures to safeguard the independence of Financial Analysts, Investment Banks, or Rating Agencies, the same is covered by a Communication Policy with Company Investors that advocates transparency in financial reporting, the issuing of financial and strategic communications in a coherent and open way, and the realistic, balanced and understandable account of the situation and prospects of the Company. Notwithstanding, the relations of the Company shall be channelled through the Investor Relations Department, that are based on the principle of equal treatment, professionalism, solvency, and independence in their assessments.

C.1.31 Please specify whether the Company changed its External Auditor during the year.  
If so, identify the incoming audit firm and the outgoing auditor:

Yes  No

Exiting auditor	Entering auditor

Remarks
The General Meeting of Shareholders held on 3 June 2019 and adopted a resolution to appoint Ernst & Young, S.L. as the auditor of the Company and its consolidated group for 2020, 2021 and 2022.

Explain any disagreements with the outgoing auditor and the reasons for the same:

Yes                       No

Explanation of the disagreements

C.1.32 State whether or not the audit firm does any work for the Company and/or its Group other than standard audit work and, if so, indicate the amount of the fees received for such work and the percentage it represents of the total fees invoiced to the Company and/or its group:

Yes                       No

	Company	Group companies	Total
<b>Amount of work other than standard audit work (thousand euros)</b>	20,000	224,000	244,000
<b>Amount of work other than audit/audit work (in %)</b>	1.63%	18.30%	19.93%

Remarks

C.1.33 Please specify whether the audit report on the annual financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders by the Chair of the Audit Committee to explain the content and scope of those qualifications or reservations.

Yes                       No

Explanation of the reasons

C.1.34 Please provide details on the number of consecutive years for which the current audit firm has been auditing the Company's individual and/or consolidated annual financial statements. In addition, indicate the ratio of the number of years audited by the current auditors to the total number of years that the annual accounts have been audited:

	<b>Individual</b>	<b>Consolidated</b>
<b>Number of consecutive years</b>	4	4

	<b>Individual</b>	<b>Consolidated</b>
<b>Number of years audited by the current audit firm/Number of years that the Company or its Group has been audited (%)</b>	100%	100%

<b>Remarks</b>

C.1.35 Indicate, providing details as necessary, if there is an established procedure for Directors to obtain any information, they may need to prepare for the Meetings of the governing bodies sufficiently in advance:

Yes       No

<b>Details of the procedure</b>
<p>The Director's right to information is expressly regulated by the Board Regulations, which establishes that the Directors shall have ample powers to make inquiries on any matter related to the Company and to examine its books, records, documents, and other history of corporate operations and to inspect all installations. This right to information extends to Group companies.</p> <p>The exercise of the powers of information shall be channelled through the Chairman and will be processed by the Secretary of the Board of Directors or the Finance Director of the Company, who shall directly provide the Directors with such information or otherwise notify the relevant intermediaries in the Company and, in general, shall establish all necessary measures to ensure full compliance with the right to information or arbitrating measures to practice examination and inspecting desired in situ.</p> <p>Furthermore, the Board Regulations states that ordinary meetings shall be called of the Board of Directors with the meeting notice made at least three days in advance, and shall include, except in the case of a justified reason, the Agenda for the meeting, which shall clearly list the Agenda items on which the Board must make a decision or pass a resolution with any necessary supportive information attached to the same.</p>

C.1.36 Indicate, providing details if appropriate, if the Company has established rules requiring Directors to report and, if necessary, resigned in any cases that could be detrimental to the Company's reputation:

Yes  No

Explain the rules
<p>Among the cases described in section C.1.19, i.e. those set out in Article 25.3 of the Board Regulations, Board Members should tender their resignation to the Board of Directors and should formalise, if the Board deems it appropriate, their corresponding resignation, when their remaining on the Board might affect the credit or reputation of the Company or otherwise jeopardise its interests.</p> <p>Furthermore, the Directors must inform the Board of Directors of any criminal charges brought against them or are subject to a disciplinary proceeding for serious or very serious fault instructed by the supervisory authorities, and of the subsequent legal proceedings thereof. If a Director is indicted or tried or have a hearing order issued against them for any of the offences set forth in the Spanish Corporation Law, The Board of Directors should examine the matter as soon as possible and, in view of the particular circumstances, decide whether or not the Director should be called to resign. The reasoned decision must also be disclosed in the Annual Corporate Governance Report.</p>

C.1.37 Indicate whether the Company has been notified by any Board Member that he/she has been charged with, or is being tried for, any of the crimes contemplated under Article 213 of the Spanish Companies Act 2010:

Yes  No

Name of Director	Crime	Remarks

Indicate whether or not the Board of Directors has analysed the case. If the answer is yes, provide a detailed explanation of the decision taken regarding whether or not the Director shall continue in the post or, if appropriate, explain the action taken by the Board of Directors up to the date of this report or any that it plans to take.

Yes  No

Decision taken/action taken	Full explanation

C.1.38 Provide details of any significant resolutions adopted by the Company coming into force or modified or concluded in the event of a change in control of the company due to a public offer of acquisition, and its effects.

A syndicated loan contract for €300 million was signed between the Company and a syndicate of lenders on 10 February 2017. A novation of this financial transaction was completed on 7 February 2019 and extended the maturity date by a further 5 years until February 2024. At 31 December 2019 drawn down capital was €20,000 thousand.

In the event of a change in control of the Company, the lending syndicate shall no longer be bound to make the amounts required from them to the Company and could request early repayment of the loan.

Syndicated loan for the amount of 70 million Australian dollars was signed between the Australian subsidiaries of the Company as the Borrowers, the Company acting as the Guarantor and a lending syndicate on 28 April 2017.

At 31 December 2019 €70,000 thousand Australian dollars has been drawn down. In the event of a change in control of the Company, the lending entities will no longer be bound to make the amounts required from them available to the Company and could request early repayment.

c) The issue made on 4 December 2017 as part of the fixed-income issue program (Euro Medium Term Note Program) of the Company of ordinary bonds for the amount of 600 million euros matures on 4 February 2026. In the event of a change in control of the Company and subsequent lowering of the rating of the investment (BBB-), the holders could request the repurchase of the bonds.

C.1.39 Please identify, individually when concerning directors, and on an aggregate basis in all other cases, the agreements between the Company and its administration and management positions or employees who benefit from indemnities, or guarantees or gold parachute clauses, upon their resignation or wrongful dismissal, or if the contractual relationship comes to an end due to a public tender offer or any other type of transaction.

Number of Beneficiaries	1
Type of beneficiary	Description of the agreement
CEO	The Contract for the provision of executive services between the Company and the Executive Chairman recognises the right of the same to receive a severance payment for the gross amount of 500.000 euros, that shall include and integrate any severance payment in lieu of notice provided for by Law and is payable within ten (10) days, if the resolution thereof is voluntary by the Company, the initiative of the Executive Chairman for causes attributable to the Company or by mutual agreement.

State whether these contracts have to be reported to and/or approved by the governing bodies at the Company or its group, beyond what is required by law: If so, specify the procedures, foreseen cases and the nature of the bodies responsible for their approval or to make a report:

	<b>Board of Directors</b>	<b>General Meeting</b>
<b>Body authorising clauses</b>	No	No

	<b>Yes</b>	<b>No</b>
<b>Is the General Shareholders' Meeting informed of such clauses?</b>	X	

<b>Remarks</b>

## C.2 Board Committees

C.2.1 Please provide details on all Board Committees, their members and the proportion of Executive, Proprietary, Independent, and other External Directors on the Committee:

### EXECUTIVE COMMITTEE

Name	Position	Category

<b>% of Executive Directors</b>	
<b>% of Proprietary Directors</b>	
<b>% of Independent Directors</b>	
<b>% other External Directors</b>	
<b>Remarks</b>	

Explain the duties delegated or attributed to this Committee, other than those already described in section C.1.10 and describe the procedures and rules governing its organisation and operation. Indicate the most important actions relating to each of these duties during the year and how each of the assigned duties, whether by law, the bylaws or other corporate agreement, have been fulfilled in practice.

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### AUDIT COMMITTEE

Name	Position	Type
Mr. Daniel Guillermo Entrecanales Domecq	Chairman	Independent
Mr. Claudio Aguirre Pemán	Member	Independent
Ms. María Benjumea Cabeza de Vaca	Member	Independent

<b>% of Proprietary Directors</b>	0.00%
<b>% of Independent Directors</b>	100%
<b>% other External Directors</b>	0.00%
<b>Remarks</b>	

Explain the duties, including any additional to those required by law, attributed to this Committee and describe the procedures and rules governing its organisation and operations. Indicate the most important actions relating to each of these duties during the year and how each of the assigned duties, whether by law, the bylaws or other Social agreement, have been fulfilled in practice.

The Audit Committee is an internal, standing, non-executive advisory body entrusted with informing, supervising, assessing, and proposing within the scope of its business operations. The most significant activities carried out by this body during the year are described in the Audit Committee Annual Report available at the Company's website ([www.prosegurcash.com](http://www.prosegurcash.com)).

The Audit Committee is made up of a minimum of three and a maximum of five non-executive Directors who have the dedication, capacity and experience necessary for performing their duty. The foregoing shall ensure that the composition of the Audit Committee is diverse. The majority of the Members of the Audit Committee should be Independent Directors. At least one of its Members and, in particular their Chair, should be appointed taking into consideration their knowledge and experience with respect to accounting, auditing, and risk management. Board of Directors shall appoint the Chair of the Audit Committee from amongst their Independent Directors. The position of Chair of the Audit Committee shall be exercised for a maximum period of four years that, on completion, the same cannot be re-elected until at least one year has passed since the termination of the foregoing position, without prejudice to the continuity as Member of the Committee.

Notwithstanding any other undertakings which may be assigned thereto by the Board of Directors, the Audit Committee has the following duties, inter alia:

- a) To notify the General Shareholders Meeting about matters arising which fall within the competencies of the Committee.
- b) To supervise the preparation and presentation of the Accounts that the Board of Directors submits to the General Meeting with an unqualified opinion in the audit report.
- c) To refer proposals to the Board of Directors for the selection, appointment, reappointment and substitution of the external auditor, as well as on contracting conditions, and (i) examine, if the case may be, the circumstances that may have led to their resignation; (ii) ensure that their remuneration does not compromise their dedication nor independence; (iii) notify the change of auditor as a Relevant Event; (iv) make sure that a Board Meeting is held with the Board of Directors every year; (v) supervise the compliance to the Audit Contract; and (vi) ensure that the Company and the External Auditor respect the regulations in force with respect to the Independence of the Auditors.
- d) To establish and maintain the relevant relationships with the External Auditor in accordance with the provisions of the law in force.
- e) To issue an Annual Report expressing an opinion on whether the independence of the Auditor of the accounts has been compromised.
- f) To supervise the function of the internal audit.
- g) To supervise the preparation and presentation of all required financial information.
- h) To supervise the effectiveness of the Company's internal controls, internal auditing and risk management systems, including tax risks.
- i) To supervise the functioning of the Control and Risk Management Unit.
- j) To analyse and report any operations involving structural and corporate amendments.
- k) To report to the Board in advance regarding those matters provided for in the Law and in the Bylaws.
- l) To review the share issue prospectuses and any other relevant information that must be provided by the Board of Directors to the markets and the regulatory bodies thereof.
- m) To establish and supervise a system that enables the employees to notify, in a confidential and anonymous way, any irregularities that may be of potential importance.
- n) To assess on a continuous basis the efficiency of the Corporate Governance System of the Company.
- o) To supervise the notification and relationship strategy for shareholders and investors.
- p) To review the Company's corporate responsibility policy.
- q) To assess all matters relating to non-financial risks of the Company (operational, technological, legal, social, environmental, political, and reputational).
- r) To coordinate the reporting process of the non-financial information.
- s) To report on any related-party operations.



t) To report on matters subject to that in the framework contract of relations between the Company and Prosegur Compañía de Seguridad, S.A., their fulfilment and possible recommendations for amendment thereof.

The Audit Committee shall meet as often as deemed necessary and at least four times a year.

A member of the management team or members are obliged to attend any meetings called, collaborating with the same and providing any information that is available. The Auditor's attendance is also required.

The Audit Committee may also seek advice from external professionals.

The Chair of the Audit Committee must report to the Board of Directors the matters dealt with and the decisions taken by them at the first meeting of the Board of Directors after a Committee meeting. The Minutes of the Audit Committee meetings are to be made available to the Members of the Board of Directors.

For the purposes of complying with the supervision and control duties assigned to the Audit Committee, the Internal Audit Department regularly reports on the internal audit work carried out and includes the relevant information concerning the results and conclusions of the assessment of critical risks performed periodically by the Risk Committee, including non-financial risks.

Specifically, the Company's Internal Audit Director frequently attends Audit Committee meetings in order to (i) present the actions taken by the Internal Audit Department with respect to its supervision of the Company's risk management, providing details of the reports issued in that respect and any weaknesses detected within the framework of the review processes carried out; (ii) report the degree of compliance with the actions set out in the audit plan approved for the year concerned, explaining the main measures that have been implemented and their degree of development; (iii) present any incidents reported through the Company's whistle-blower channel and any measures adopted or investigations in this respect; and (iv) present any legislative amendments that have a direct or indirect impact on the areas supervised by the Internal Audit Department, proposing that the Committee take the appropriate measures to adapt internal policies, procedures and manuals to meet the legislation in force at any given moment.

The Director of the Internal Audit Department sends the Audit Committee a Report on the Internal Audit Department's Activities at the start of each financial year. This report explains the work performed and the degree of compliance with the objectives established in the preceding year's Internal Audit Working Plan.

The internal audit reports prepared by all group companies in various areas, the internal control over financial information and the supervision of risk management are all monitoring activities that are supervised by the Committee and are described in detail in the Report on Internal Audit Activities.

The Committee has supervised the process of preparing the financial information regarding the Company and the Group, reviewing compliance to regulatory requirements, rules, the correct application of accounting principles and duly reporting this information to the Board of Directors. Recurring meetings have been held with the persons responsible for the Finance Department and the Internal Audit Department in order to obtain current information regarding the main weaknesses detected during the process of preparing and issuing the financial information, and the measures implemented to resolve them.

Please identify the Director on the Audit Committee whose appointment was made based on his or her knowledge and experience in the areas of accounting, auditing, or both and state the date on which the Chair of this committee was appointed.

<b>Names of experienced Directors</b>	Mr. Daniel Guillermo Entrecanales Domecq, Mr. Claudio Aguirre Peman and Ms. Maria Benjumea Cabeza De Vaca.
<b>Date the Chair was appointed</b>	17 March 2017

<b>Remarks</b>

### APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
Mr. Claudio Aguirre Pemán	Chairman	Independent
Mr. Pedro Guerrero Guerrero	Member	Proprietary Director
Ms. Ana Inés Sainz de Vicuña Bemberg	Member	Independent

<b>% of Proprietary Directors</b>	33.33%
<b>% of Independent Directors</b>	66.67%
<b>% other External Directors</b>	0.00%
<b>Remarks</b>	

Explain the duties, including any additional to those required by law, attributed to this Committee and describe the procedures and rules governing its organisation and operations. Indicate the most important actions relating to each of these duties during the year and how each of the assigned duties, whether by law, the bylaws or other Social agreement, have been fulfilled in practice.

The Appointments and Remuneration Committee shall be comprised of a minimum of three and maximum of five non-Executive Directors. Notwithstanding it shall be ensured that the foregoing have the knowledge, aptitudes, and experience required to perform their duty.

The majority of the Members of the Appointments and Remuneration Committee should be independent directors.

The Board of Directors will designate the Chair of the Appointments and Remuneration Committee from among independent directors.

Notwithstanding any other undertakings which may be assigned by the Board of Directors, the Appointments and Remuneration Committee has the following duties, inter alia:

a) Evaluate the competencies, knowledge and experience that is necessary for the Board of Directors.

To raise all proposals for the appointment of Independent Directors to the Board of Directors for their appointment by co-optation or by submission to the decision of the General Shareholders Meeting, as well as all proposals for the

c) To raise all proposals for the appointment of Independent Directors to the Board of Directors for their appointment by co-optation or by submission to the decision of the General Shareholders Meeting, as well as all proposals for the reappointment or removal of said Directors by the General Shareholders Meeting.

d) To report on proposals for appointment, reappointment, or removal of the other Board Members of the Company.

e) To verify on a yearly basis compliance to the policy for selecting Members of the Board.

f) To report on the proposals for appointment or removal of positions on the Board of Directors, including the Secretary and Vice-Secretaries and proposing to the Board of Directors the members who must form part of each of the Committees.

g) To examine and coordinate the succession of the Chairman of the Board of Directors and the Company's top executive.

h) To organise and co-ordinate the periodic assessment of the Chairman of the Board of Directors and the Board of Directors and its members and the top executive of the Company.

i) Report proposed nominations and removals of senior executives and propose to the Board of Directors the basic conditions of their contracts.

j) To propose a policy to the Board of Directors for the compensation of Directors and General Managers or other individuals carrying out senior management duties under the direct supervision of the Board, the Executive Committees or the Managing Directors, as well as individual compensation and other contractual terms of the Executive Directors, ensuring that such terms are complied with.

k) To ensure compliance with the compensation policy established by the Company.

l) To ensure compliance with and periodically review the compensation policy for Directors and Senior Executives, including share compensation systems and their application, as well as to ensure that individual compensation is proportionate to the amounts paid to other Directors and Senior Executives of the Company.

m) To verify information regarding compensation of Directors and Senior Executives as provided in various corporate documents.

n) To report on any conflicts of interest of the Directors.

o) To ensure that any potential conflicts of interest do not threaten the independence of any external advisor provided to the Committee.

The Appointments and Remuneration Committee shall consult the Chair of the Board of Directors and the top executive of the Company, in particular when it concerns matters relating to the Executive Members and Senior Managers.

The Appointments and Remuneration Committee shall meet whenever it is deemed advisable for the proper development of its functions and, in all cases, once a year to prepare the information about the compensation of the Directors that the Board of Directors has to approve and include in the yearly public documents.

The Chair of the Appointments and Remuneration Committee must report to the Board of Directors the matters dealt with and the decisions taken by them at the first meeting of the Board of Directors after a Committee meeting. The minutes of the Appointments and Remuneration Committee meetings are to be made available to the Members of the Board of Directors.

During 2019 the ordinary activities of the Appointments and Remuneration Committee included the preparation of all pertinent reports and the relevant proposals to be presented to the Board of Directors.

C.2.2 Please complete the following table with the information on the number of female directors on the Board Committees at the end of the last four years:

	Number of female Directors			
	Year t Number %	Year t-1 Number%	Year t-2 Number%	Year t-3 Number%
<b>Executive committee</b>	--	--	--	--
<b>Audit Committee</b>	33.33%	33.33%	33.33%	0.00%
<b>Appointments and Remuneration Committee 33.33%</b>	33.33%	33.33%	33.33%	0.00%
<b>Nomination Committee</b>	--	--	--	--
<b>Remuneration Committee</b>	--	--	--	--
<b>__ - ____ Committee</b>	--	--	--	--

Remarks

C.2.3 Indicate the existence, if appropriate, of Board Committee Regulations, where they are available for consultation and any modifications made during the year. Also, indicate whether an annual report on the activities of each committee has been prepared voluntarily.

1.- AUDIT COMMITTEE

The organisation and operation of the Audit Committee of the Board of Directors is governed by:

- a) the Bylaws (Article 30 and related provisions);
- b) the Board of Directors Regulations (Article 17 and related provisions); and
- c) the Audit Committee Regulations that, as set forth in the Board of Directors Regulations and in compliance with the recommendations made in the Technical Guide for Audit Committees, develop the rules for the organisation and functioning of the Audit Committee of the Company.

All documents can be found and are available for viewing on the website of the Company ([www.prosegurcash.com](http://www.prosegurcash.com)) and the Bylaws and the Board of Directors Regulations on the web site of the Spanish Securities Market Commission (CNMV - Comisión Nacional del Mercado de Valores). The Board of Directors on 18 December 2017 approved the Regulations of the Audit Committee.

Article 24 of the Audit Committee Regulations states that a report on the operation of the Audit Committee is to be prepared every year that is to be published as part of the Annual Report of the Company and available to the public on the corporate website of the Company

2.- APPOINTMENTS AND REMUNERATION COMMITTEE

The organisation and operation of the Appointments and Remuneration Committee of the Board of Directors is governed by:

- a) the Bylaws (Article 30 and related provisions); and
- b) the Board of Directors Regulations (Article 18 and related provisions).

All documents can be found and are available for viewing on the website of the Company ([www.prosegurcash.com](http://www.prosegurcash.com)) and the web site of the Spanish Securities Market Commission (CNMV - Comisión Nacional del Mercado de Valores).

The Appointments and Remuneration Committee shall prepare and submit to the Board of Directors an annual report on its operations.

**D RELATED-PARTY AND INTRAGROUP TRANSACTIONS**

D.1 Explain any procedures and competent bodies for approving transactions with related-party or intra-group parties.

The Board of Directors formally reserves the right of approving, after receiving a report from the Audit Committee, transactions carried out by the Company or its group companies with significant shareholders, whether individually or collectively with others, including

shareholders represented on the Board of Directors of the Company or of other group companies, or with parties related thereto (hereinafter “related parties”), in the terms and subject to the exceptions set forth in Articles 5 and 40 of the Board of Directors Regulations.

The Company and its parent company, Prosegur Compañía de Seguridad, S.A., concluded a framework contract on 17 February 2017 \*@Framework Contract@ in order to govern the basic principles for their relationship and their respective subsidiaries, in accordance with the best corporate governance practices and, in particular, recommendation 2 of the Code of Good Governance for Listed Companies approved by the National Stock Market Commission on 18 February 2015. The contract publicly and precisely defines the various business areas and business relationships as well as the mechanisms in place to resolve any conflicts of interest that may arise. This contract can be viewed by the public on the corporate website of the Company ([www.prosegurcash.com](http://www.prosegurcash.com)) accessed from the Home Page in the “Corporate Governance” section.

The Audit Committee has the following reporting, advisory and proposal authorities with respect to the Framework Contract:

- (a) Provide a prior report on the essential aspects (price, term and purpose) of related-party transactions carried out between the Company and Prosegur Compañía de Seguridad, S.A., or between any of the companies in their respective groups, whose approval is reserved for the Board of Directors in accordance with the Framework Contract.
- (b) Issue a prior report regarding the sections of information released regularly to the public and the Company’s annual corporate governance report to which the Framework and related-party transactions between the Group and Prosegur Group refer.
- (c) Report on the situations in which there are business opportunities between the Group and Prosegur Group companies and monitor compliance with the provisions set out in the Framework Contract in this respect.
- (d) Regularly report on compliance with the Framework Contract.
- (e) Provide a prior report on any proposed amendment to the Framework Contract and any proposed transactions intended to end any disputes that may arise between the signatories due to its application.

Furthermore, Article 40 of the Board of Directors Regulations stipulates that:

- a) Transactions within the ordinary course of the Company’s business and being habitual or recurrent in nature, require the prior, generic authorisation for the line of operations and their conditions of execution from the Board of Directors, based on a report submitted by the Audit Committee; and
- b) The authorisation of the Board of Directors is not needed in connection with related-party transactions that simultaneously meet the following three conditions: (i) they are governed by standard contracts applied on an across-the-board basis to a large number of clients; (ii) that are performed at prices or rates generally established for those that act as Supplier of the goods or services in question; and (iii) that the amount thereof is not greater than 1% of the Company’s annual revenue, according to the audited annual accounts from the previous fiscal year end date of the operation in question.

D.2 Please describe any transactions for significant amounts or relating to significant issues between the Company or group companies and the company’s significant Shareholders:

<b>Significant Shareholder's Name or Corporate Name</b>	<b>Name or Corporate Name of the Group Company or Entity</b>	<b>Nature of the relationship</b>	<b>Type of transaction</b>	<b>Amount (Thousand euro)</b>
Ms Helena Irene Revoredo Delvecchio	Prosegur Compañía de Seguridad, S.A.	Sales	Operating lease contracts	<b>8,239</b>
Ms Helena Irene Revoredo Delvecchio	Prosegur Compañía de Seguridad, S.A.	Sales	License Agreements (trademark)	<b>23,391</b>
Ms Helena Irene Revoredo Delvecchio	Prosegur Compañía de Seguridad, S.A.	Sales	Receipt of services	<b>6,555</b>
Ms Helena Irene Revoredo Delvecchio	Prosegur Compañía de Seguridad, S.A.	Sales	Services rendered	<b>890</b>

<b>Remarks</b>

D.3 Please describe any transactions for significant amounts or relating to significant issues between the Company or group companies and the Company's Directors or Executives:

<b>Name of the administrators or executives</b>	<b>Name or Corporate Name of the Related Party</b>	<b>Relationship</b>	<b>Nature of the transaction</b>	<b>Amount (Thousand euro)</b>

<b>Remarks</b>
On occasion, and during the normal course of its business, the Company enters into arm's length contracts for immaterial amounts for (i) hotel services with Euroforum Escorial, S.A., a company related to Mr. Christian Gut Revoredo and Ms. Chantal Gut Revoredo and (ii) advertising, marketing and communications services with Revolution Publicidad, S.L., a company related to Mr. Daniel Entrecanales Domecq. At the meeting held on 25 April 2018 the Board of Directors authorised the general contracting of those services, up to an annual maximum amount of €500,000 and €100,000, respectively. During 2019, Euroforum Escorial, S.A., invoiced the Company a total of €81,000 € and Revolution Publicidad, S.L. billed a total of €66,000.

D.4 Please describe significant transactions carried out by the Company with other

companies belonging to the same Group, to the extent that they are not removed for the purposes of preparing the Company's consolidated financial statements and do not (in terms of their purpose and conditions) form part of the Company's ordinary business activities.

In any event, any intra-group transaction carried out with companies established in countries or territories that are considered to be tax havens will be reported:

Name of the group company	Brief description of the transaction	Amount (thousand euro)
SIS Cash Services Private Ltd.	Loan - India subsidiary (consolidated using the equity method)	2,130

Remarks

D.5 Describe significant transactions between the company or group companies and other related parties, if not reported in the preceding sections.

Name of the related party	Brief description of the transaction	Amount (thousand euro)

Remarks

D.6 Please describe the mechanisms established to detect, assess, and resolve potential conflicts of interests between the Company and/or its Group and its directors, executives, or significant shareholders.

<p><b>1.- CONFLICTS OF INTEREST BETWEEN THE COMPANY AND ITS DIRECTORS</b></p> <p>According to Article 34 of the Board of Directors Regulations, it shall be understood that a conflict of interest exists where there is a direct or indirect conflict between the interests of the Company and the companies included in its Group and the personal interest of the Director. The Director shall be deemed to have a personal interest when he or she is directly affected or if any Related Party thereto is so affected, or, in the case of a proprietary Director, when the shareholder(s) whose shareholdings they represent on the Board or if any Related Party to them are so affected. The foregoing provision refers to Article 231 of the Spanish Capital Corporations Law for the definition of those who are considered Related Parties to a Director for the purposes of the Regulations, including in the concept thereof any Company in which</p>
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the Director exercises a position on the Board or Management or in which they are a significant shareholder.

Conflict of interest situations are governed by the following rules:

- Reporting Obligations:

The Director must report to the Board of Directors, through the Chairman or Secretary of the same, any situation that could cause a conflict of interest, whether directly or indirectly, in which they find themselves to be.

The Director must also report all positions that he or she occupies and the activities carried out in other companies or entities and, in general, any fact or situation that could be relevant in their role as Company Board Member.

- Abstention Obligations:

Except in the case of a legal exemption in accordance with that set forth in Article 230 of the Spanish Capital Corporations Law, the Director shall abstain from:

- a) Engaging in transactions with the Company that are not considered ordinary transactions, performed under standard conditions for clients and of minor importance, with the foregoing being understood to be those whose information is not required to express a true image of the assets, financial situation and results of the Company.
- b) Taking advantage or receiving compensation from a third-party different to the Company or its Group when carrying out the duties of their position, unless involving duties out of common courtesy.
- c) In general, abstain from debating and voting on those matters in which they have a conflict of interest.

## 2.- CONFLICTS OF INTEREST BETWEEN THE COMPANY AND THEIR SIGNIFICANT SHAREHOLDERS

In respect to significant shareholders, articles 5 and 40 of the Board of Directors Regulations state that the Board of Directors needs to approve any transaction of the Company involving a Significant Shareholder and/or any other Related Party, and the same thereof cannot authorise any transaction without the Audit Committee having previously issued a report assessing the transaction on the principle of fair treatment of shareholders and the market conditions.

Furthermore, with respect to Prosegur Compañía de Seguridad, S.A, the framework contract precisely defines the respective areas of the business on the basis of the preference and custody of the interests of the minority shareholders of the Company, the general framework for handling transactions between them, the information flows between both to fulfil their requirements and legal obligations and before the respective Regulators and mechanisms to resolve any possible conflicts of interest that can arise thereof.

D.7 Is there more than one Group company listed in Spain?

Yes

No

Identify other subsidiaries that are listed in Spain and its relationship with the Company:

<b>Identity and relationship with other listed companies in the group.</b>

State whether or not the respective areas of activity and business relationships between them, as well as those between any other listed company and all other group companies, have been precisely defined in public.

Yes  No

<b>Define any business relationships between the parent company and the listed subsidiary, and between the latter and other group companies</b>

Identify the mechanisms established to resolve any conflicts of interest between the listed company and other group companies:

<b>Mechanisms for resolving any possible conflicts of interest</b>

## **E RISK MANAGEMENT AND CONTROL SYSTEMS**

E.1 Explain the scope of the Company's Risk Control and Management System, including the tax area.

The Company considers that the effective management of risks is key to assuring the creation of shareholder value and, in turn, to guarantee its success. A robust Risk Management and Control System contributes to the safeguarding of the assets and the interests of the clients, employees, shareholders and other stakeholders. Accordingly, and at the recommendation of the Audit Committee of the Company, the Board of Directors approved on 26 April 2017 the Risk Control and Management Policy of the Company.
The Company's Risk Control and Management system is based on pre-established procedures and methodologies enabling the identification and assessment, according to set tolerance thresholds, the risks that could affect the attainment of the Company's objectives, together with, in case of any occurrence, to mitigate, compensate, or correct its impact. The suitability of the tolerance level applicable according to the identified risks is assessed on a continuous basis to ensure the correct performance of the Risk Control and Management system.

The basic risk management principles set out in the Company's Risk Management and Control Procedures include:

- a) the identification, assessment, and prioritisation of critical risks on a continuous basis, taking into account, taking into account any possible incident impacting the objectives relevant to the Company.
- b) the assessment of the risks according to the procedures based on key indicators that control, assess the management thereof and monitor its evolution over time.
- c) the periodic follow-up on the results of the assessment and the effectiveness of the measures applied to the management of the Company for preventing, detecting, mitigating, compensating, and correcting the effects of the materialisation of any of the risks being managed.
- d) the review and analysis of results by the Risk Committee.
- e) the supervision of the system by the Audit Committee.

**E.2 Please identify the bodies of the Company that are responsible for developing and implementing the Risk Control and Management System, including the tax area.**

The Risk Committee is the party responsible for centralising and coordinating the preparation and execution of the Risk Control and Management System, supported by several internal units such as the Finance Department or the Internal Audit Department. The Internal Audit Director is a permanent member of the Risk Committee and it holds regular meetings for the purpose of presenting the results and conclusions of the critical risk assessment, including non-financial risks, that are carried out during the performance of its duties. The Internal Audit Director regularly prepares the Critical Risk Management Assessment Report that presents details regarding significant aspects of the assessment of critical risks, and the main conclusions reached in that respect, which are later reviewed by the entire Risk Committee. That report is sent to the Audit Committee meeting at which the Internal Audit Director is in attendance to present the primary detailed conclusions reached in the assessment report. The Audit Committee analyses the conclusions presented by the Internal Audit Director in detail and, if appropriate, adopts resolutions to apply all appropriate measures in this respect.

**E.3 Indicate the primary risks, including tax risks and, to the extent they are significant, those deriving from corruption (which are understood in accordance with the defined scope of Royal Decree Law 18/2017), that may affect the attainment of the Company's business objectives.**

- 1.- Regulatory risks. Failure to comply with the same, including labour, social security, fiscal, arms control, and prevention of money laundering applicable in each market and/or all of them. Adverse changes in the regulatory conditions, including tax legislation, or restrictions for obtaining or renewing permits and licenses.
- 2.- Risks due to incidents with assets in custody or cash losses. Insufficient insurance coverage.
- 3.- Market transactions with short-term fall in demand. Prolonged downturn of the use of cash.

- 4.- Highly-competitive market transactions. Pressure on prices and margins.
- 5.- Situation of the economic climate.
- 5.- Reputational risk. Negative publicity for the trademark. Loss of confidence.
- 6.- Financial risks, including variations in the interest rates or exchange rates, of counterparts and taxes.
- 7.- Downtime or incidents in the IT infrastructure.
- 8.- Loss or theft of confidential information of clients or proprietary information. Cyberattacks and security and IT breaches.
- 9.- Inappropriate management of labour costs.
10. Deterioration of the generation of liquidity and cash management.

E.4 State whether the entity has a risk tolerance level, including in the tax area.

The management of risks of the Company is underpinned by procedures and methodologies for identifying, assessing, and managing risks using key identifiers, the measurement of the same is performed according to set tolerance levels.

The assessment procedure through key indicators is based on identifying relevant parameters (indicators) that provide a useful measurement for the management of each risk. These indicators are selected taking into account that (i) they can be applied in a consistent way to all markets, (ii) they may be used to make comparisons and perform an evolution analysis over time, and (iii) they allow those responsible for the same to assess the management of the risk and anticipate situations of non-attainment of relevant objectives for the Company.

The indicators are usually (i) easily available values from accounting records or others of comparable reliability (ii) budgeted figures for defining indicator limits. As a general rule, the tolerance levels (acceptable level of risk) are defined taking into account a percentage of the limit of the indicator. In the case of risks that cannot be identified with indicators and according to the general criteria defined, the person responsible proposes alternative assessment and supervisory methods, validated by the Risk Committee.

E.5 State the risks, including those in the tax area, that have materialised during the year.

The risks arising during the fiscal year are inherent to the business model, to the activity of the Company and the markets in which it operates, mainly by incidents involving assets in custody that reiterate, by default, in each financial year.

The control and mitigation of risks systems planned have proved effective with no significant risk or incident in the business activity or results of the Company have incurred.

E.6 Explain the response and supervision plans for the company's main risks, including tax risk, as well as the procedures followed by the company to ensure that the Board of Directors response to any new challenges that arise.

The Company carries out in a periodic and recurrent way the identification and evaluation of critical risks, considering, in particular, their impact on relevant objectives. Depending on the type of risk involved and its relevance, Company management and the Risk Committee activate the procedures necessary to prevent, detect, avoid, mitigate or offset the effects of risks occurring.

The Audit Committee analyses and supervises the risk control system and raises to the Board of Directors any matters that must be debated at that level due to their relevance or materiality.

## **F INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS (FRICS)**

**Describe the mechanisms that form part of the risk monitoring and management system relating to the Company's financial reporting (ICFR) process.**

### **F.1 The Company's control environment**

Provide information on at least the following, describing their main characteristics:

#### **F.1.1. The bodies and/or officers responsible for: (i) the existence and maintenance of appropriate and effective ICFR; (ii) its implementation; and (iii) its monitoring.**

Article 5 of the Company's Board of Directors Regulations stipulates that it has a general supervisory duty. Except for the matters reserved for the General Shareholders Meeting, the Board of Directors is the Company's maximum decision-making body.

Article 5 of the Company's Board of Directors Regulation stipulates that the Board of Directors shall, in particular, directly control the following authority> the determination of the "Company's general policies and strategies and, in particular, risk management and control policies, including those governing tax matters, as well as the supervision of internal control and reporting systems".

Article 17 of the Board of Directors[ Regulations and Articles 8.2 and 11 of the Audit Committee Regulations state that the latter is responsible for, amongst other duties, "supervising the process of preparing and presenting mandatory financial information and for presenting recommendations and proposals to the Board of Directors aimed at safeguarding their integrity. In this context, it is the Committee's duty to supervise the process of preparing and ensuring the integrity of the financial information about the Company and the Group, the

adequate definition of the scope of consolidation and the proper application of accounting standards, duly notifying the Board of Directors”; “supervise the effectiveness of the Company[s internal control and risk management systems, including those relating to taxes, as well as discussing with the auditor any significant weaknesses in the internal control system detected during the audit, without compromising its independence. For these purposes, and in where appropriate, recommendations and proposals may be submitted to the Board of Directors and the term during which it needs to be monitored. In this context, it is their duty to propose to the Board of Directors the Risk Control and Management Policy, which shall identify the following, at the very least: (i) the risk type (operational, technological, legal, or reputational) so it known the type of risk to which the Company is being exposed; (ii) the level of the risk that the Company considers acceptable; (iii) the measures for mitigating the impact of the identified risks in the case that they actually materialise; and (iv) the control and reporting systems used to control and manage the same; “supervise the functioning of the Risk Control and Management Function of the Company responsible for: (i) assuring the correct functioning of the Risk Control and Management Systems, and in particular, identify, manage, and quantify appropriately all significant risks affecting the Company; (ii) actively participate in the preparation of the risk strategy and in the important decisions to be made regarding the management thereof; and (iii) ensure that the Risk Control and Management Systems effectively mitigate the risks in accordance with the policy defined by the Board of Directors.

**F.1.2. The following elements, where they exist, especially in relation to the process of preparing the financial report:**

- **Departments and/or mechanisms in charge of: (i) designing and revising the organisational structure; (ii) clearly defining the lines of responsibility and authority, with an appropriate distribution of duties and tasks; and (iii) ensuring the existence of sufficient procedures for their correct reporting throughout the company.**

The Company’s Board of Directors Regulations require it to directly appoint and remove the Company’s Chief Executive Officers, to establish the conditions of their contracts and the appointment and removal of the executives that report directly to the Board of Directors or any of its members, as well as the establishment of the basic conditions of their contracts, including their remuneration.

The design and review of the organisational structure and the definition of the lines of responsibility and authority is proposed by the CEO and validated by the Appointments and Remuneration Committee. The Human Resource Department is responsible for

updating the organisational chart information published on the intranet.

The responsibilities and functions, together with the profile of the position, and the competence required for each of the job positions, are defined by each Line Manager and are approved by the Directors of the relevant areas, with the assistance of experts in the Human Resource Department and approved by Human Resource Management.

This organisational structure is transferred to an organigram that graphically represents the relationships between the different business and support departments at the Company. The Company's organisational chart is available on the corporate intranet and accessible to affected personnel.

- **Code of conduct, approval body, level of dissemination and instruction, principles and values included (indicating whether there is specific mention of the recording of transactions and the preparation of financial information), the body in charge of analysing breaches and of proposing corrective actions and sanctions.**

The Company has a Code of Ethics and Conduct approved by the Board of Directors on 26 April 2017. It is applicable to all of the group companies and all of the Company's businesses and activities carried out in all of the countries in which it operates. It is based on the Code of Ethics and Conduct of Prosegur Compañía de Seguridad, S.A., which is the parent company of Prosegur Group, to which the Company pertains, and it therefore reflects the same behaviour principles. It is binding for all members of the governing bodies, executives and Company personnel. The Code of Ethics and Conduct offers guidelines as to how the Company's professional should behave. It reflects the Company's commitment to common principles and standards when establishing its relationships with the group of stakeholders affected by its business: employees, shareholders, customers and users, suppliers and associates, authorities, public administrations and regulatory bodies, competitors and the civil society in which it operates.

All the Company's professionals have the duty to know and comply with the Code of Ethics and Conduct and to collaborate in order to

facilitate its implementation, as well as report any possible non-compliance of those who have knowledge of the same thereof.

The Code establishes that anyone, due to action or omission, violates the Code of Ethics and Conduct will be subject to the disciplinary measures applicable in each case in accordance with current employment regulations and internal policies and procedures. Any failure to comply that is reported is analysed by opening an investigation process by a team of impartial experts led by the compliance unit. It presents its conclusions and proposes, if appropriate, the corrective measures that must be applied and informing the persons that identified or reported the failure to comply.

The Legal Compliance section of the Code of Ethics and Conduct expressly states the Company's commitment and obligation to preparing financial information in an integral, clear, and accurate way, and using appropriate accounting records that, in turn, is distributed through transparent communication channels that provide the market, and in particular, the Company and shareholders, permanent access.

Likewise, the need to monitor that all transactions of economic importance carried out on behalf of the Company are recorded clearly and accurately in appropriate accounting records that represent the true image of completed transactions and are available to internal and external Auditors is included in the section on use and protection of resources.

The Code of Ethics and Conduct is available on the Company's corporate website ([www.prosegurcash.com](http://www.prosegurcash.com)).

Section 3 of the Code of Ethics and Conduct states that Prosegur professionals accept the rules summarised in the Code and are bound to compliance by signing the document. New hires receive a physical copy of the Code of Ethics and Conduct.

Company employees have training courses relating to the Code of Ethics and Conduct available on the Prosegur Corporate University platform.



- **Whistle-blower channel that enables the reporting of financial and accounting irregularities to the Audit Committee as well as for reporting potential breaches of the code of conduct and other irregular activities within the organisation. Please indicate whether this channel is confidential.**

The Company has a Whistle-blower Channel that enables any interested party to communicate in a secure and confidential way improper or illegal acts, or non-compliance with the Code of Ethics and Conduct, including anything to do with financial and accounting that occurs during the course of the business activities carried out by the Company.

The Whistle-blower Channel is a form available at all times on the website [www.prosegurcash.com](http://www.prosegurcash.com) that is always available and keeps the identity of those lodging the complaint from being disclosed.

Internal Audit Management coordinates in a confidential way all complaints received and submits their conclusions to the Audit Committee.

- **Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating ICFR, which address, at least, accounting regulations, auditing, internal monitoring and risk management.**

The Company pays particular attention to training updates and professional development so that employees can adequately perform their duties.

Pursuant to the framework agreement entered into between Prosegur Compañía de Seguridad, S.A. and the Company, several agreements for the provision of management and support services (among others, legal counsel, accounting, financial services) have been entered into between the Company and the asset management division of the Prosegur Group, specifically Prosegur Gestión de Activos, S.L., wholly-owned by Prosegur Compañía de Seguridad, S.A. As a result, staff in charge of central services and management support services, together with Internal Audit Management professionals regularly attend training sessions to bring themselves up-to-date with any legislative and regulatory change.

The Company receives regular training from certain organisations that allow staff knowledge to be permanently maintained up-to-date

with respect to the preparation of the Financial Statements of the Company and its Group, and the review of financial information.

As part of the training process management, the Company has access to the Prosegur Corporate University where Company operating staff may obtain specific training necessary to perform their duties.

## F.2 Evaluation of financial reporting risk

### **Report on at least the following:**

#### **F.2.1 The main characteristics of the risk identification process, including risks of error or fraud, stating whether:**

- **If the process exists and is documented.**

The Finance Department has a process for identifying every year, within the scope of the FRICS, the risks that affect the financial information with regards to accounting records and possible non-compliance with accounting principles, after the analysis of those risks.

- **Whether the process covers all financial reporting objectives (existence and occurrence; integrity; evaluation; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how frequently.**

The scope matrix of the FRICS is aimed at identifying the accounts and allocations that have significant risks associated to them, whose possible impact on the financial information is material and that, as a result, requires special attention. In this context, the process for identifying the significant accounts and allocations, a set of qualitative (account balance) and qualitative (complexity of the transactions; change and complexity of the regulation; need to use estimates and forecasts; exercise of judgement and qualitative significance of the information, among other things) have been considered.

This scope matrix of the FRICS is prepared on the state of the financial situation and the state of the overall, consolidated results included in the last, audited Consolidated Annual Accounts available. The matrix is updated every year, subsequent to the preparation of the Consolidated Annual Accounts. In fiscal year 2019, the scope matrix was updated based on the results of the Annual Financial Statements as of 31 December 2018.

For the significant accounts and allocations included in the scope matrix, the critical processes and sub processes associated to the same have been included, and controls for preventing errors and/or fraudulent interpretation of the financial information were implemented, covering all the financial information objectives

(existence or occurrence; completeness; valuation; presentation, allocation and comparability; and rights and obligations).

- **The existence of a process for identifying the consolidation perimeter, considering, among other things, the potential existence of complex corporate structures, vehicle companies or special purpose entities.**

The process for identifying the perimeter of consolidation is performed every month. Changes to the perimeter of consolidation are entered and saved in the Consolidation IT System of the Group, in which the map of the structure of the ownership of the companies within the perimeter is kept up-to-date.

As part of the support functions to Management that are fulfilled thereof, through Prosegur Gestión de Activos, S.L., it is the duty of Legal Counsel and Business Development Management of Grupo Prosegur to report to the Finance Department any transactions performed in their domain and that affects the structure of the group and the perimeter of consolidation.

The Finance Department, through the Tax Department and subsequent fulfilment of their support duties to the Company and its Group from Prosegur Gestión de Activos, S.L., shall maintain a record of all entities included in the perimeter of consolidation, the control or influence mechanisms, the legal framework, and the type of direct or indirect shareholding of all the companies. The foregoing shall be updated on an ongoing basis and shall facilitate the traceability through logs recording the changes to the perimeter.

- **Whether the process considers the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.) to the extent that they affect the financial statements.**

The Company has a Risk Committee that reports the results of the periodic assessment of the management of critical risks to the Audit Committee. The Company's Internal Audit Management identifies critical risks of any type (operational, financial, strategic, regulatory compliance, technological, and others) that, should they materialise, could have an adverse effect on the attainment of relevant objectives for the Company.

- **Which of the company's governing bodies is responsible for overseeing the process.**

The Audit Committee is responsible for supervising the effectiveness of the FRICS. Internal Audit Management uses specific verification programs on the internal control system for financial information under the supervision of the Audit Committee.

### F.3 Control activities

**Provide information on at least the following, describing their main characteristics:**

**F.3.1. Procedures for reviewing and authorising financial information and the description of the FRICS to be published in securities markets, indicating the persons responsible, as well as documentation describing the flow of activities and controls (including those relating to the risk of fraud) for the various types of transactions that could materially affect financial statements, including the year end closing procedure and the specific review of relevant judgments, estimates, measurements and projections.**

The consolidated annual accounts and the half-yearly and quarterly consolidated financial reports regarding the Company are reviewed by the Audit Committee before being prepared by the Board of Directors in accordance with Article 17 and 8, respectively, of the Board of Directors Regulations and the Audit Committee Regulations.

The Audit Committee reviews any other relevant information prior to being published through the Regulatory Authorities.

The Board of Directors approves and, if deemed appropriate, prepares the financial information presented that is subsequently published through the Spanish Securities Market Commission (CNMV - Comisión Nacional del Mercado de Valores) and brought before third parties.

The Company performs regular reviews of the financial information prepared, as well as the description of the FRICS whose objective is to ensure the quality of the information. The Finance Department at Prosegur Gestión de Activos, S.L. Compliance with its support role and is responsible for preparing the description of the FRICS in coordination with the Departments involved. This process ends with the review by the Audit Committee and, consequently, it is also approved in the Annual Corporate Governance Report validated by the full Board of Directors.

The Finance Department documents in detail activity flows and controls over significant transactions that affect the financial statements. The documentation

of these flows defines the applicable procedures and information systems used for closing the accounts. The staff involved will be updated and informed on the preparation process for preparing the financial information, including the preparation procedures for closing the accounts of the Financial Statements and the Consolidated and Individual Annual Accounts. The documents detail the tasks involved in preparing, reviewing, and approving the closing of the consolidated and individual company accounts that make up the Group.

The Company publishes financial information for the securities markets every quarter. The Company's Finance Director is the ultimate responsible person for the process of issuing financial information. In the operation flow description of the closing accounts process the control activities ensure the reliability of the information. The Departments making up the Finance Department in support of the Company and its Group from Prosegur Gestión de Activos analyse and supervise the information prepared.

The Finance Department has a process that documents the error or fraud risks in the financial information and the controls that affect all the critical processes/sub-processes. These processes cover the different types of transactions that can materially affect the financial statements (purchases, sales, staff overheads, etc.), as well as the process specific to consolidation and reporting.

In this context, the Company has assured the identification of all the processes required for preparing the financial information, in which relevant options, estimates, valuations, and projections have been used, considering all of them to be critical.

The documentation for each of the critical processes includes:

- Work charts on each of the sub-processes.
- Risk charts and applicable controls including:
  - List of the internal procedures and regulations approved by Management, and that govern the sub-processes.
  - Description of the key and non-key controls that mitigate each of the identified risks.

For each of the controls that have been identified:

- Organisational structures and/or functions of manager positions of each of the key and non-key controls identified.
- Frequency of the controls.
- Automation level of the controls.

- Control Type: preventative or detective.
- Existence of fraud risk.
- Affected business.
- Details of information systems in each of the sub-processes.

The specific review of the relevant options, estimates, and valuations for quantifying assets, rights, and obligations, income and expenses, and any other commitment detailed in the Individual and Consolidated Annual Accounts performed by the Company's Financial Management with the collaboration and support of Prosegur Gestión de Activos, S.L. And the rest of the Support Departments at the Company. The assumptions based on the evolution of the business are analysed together with Business Management.

The Finance Director and the CEO, within their respective areas, analyse the reports issued and the financial information before presenting it to the Audit Committee and Board of Directors.

**F.3.2. Policies and procedures for the internal monitoring of information systems (especially on safety and security of access, monitoring of changes, systems operation, operational continuity and separation of functions) that support the company's relevant processes relating to the preparation and publication of the financial report.**

One of the specific functions of the Risk Control Department is the ongoing assessment of the part of the internal control system related to the reporting systems, within which are included those that support the issue of financial information.

The Information Security Committee is staffed by representatives of all of the substantive areas at the Company and is supported by Prosegur Gestión de Activos, S.L. through its Information Security professionals.

These managers are responsible for:

- Aligning the information security objectives with the main strategic lines of business
- Introducing the Company's IT security as a global and integrated activity within the business.
- Coordinating and approving the proposals received for projects related to information security.
- Supplying the resources that are necessary for the development of information security initiatives.

- Identifying and assessing security risks with respect to the needs of the business.

The Information Security Committee has monitored all of these duties, first through a Steering Plan and currently through the Information Security Strategic Plan. This plan includes the improvements that are necessary with respect to these matters and it operates as a guide for the continuous and cultural process relating to information security. The Information Security Strategic Plan is supplemented by new actions documented in a route map for 2019 and subsequent years.

Access control to reporting systems is managed through assigning personalised user credentials and passwords. Users must periodically change their password in the systems in accordance with robust configuration measures. The Company implemented controls over user system access management. Specifically, it has established controls over user additions, removals and the assignment of privileges. Regular reviews are performed of user consolidation permissions and, upon request, certain access and actions carried out by systems users may be reviewed.

There is a procedure established for controlling access to the Prosegur Cash Data Processing Centre. Access is restricted to authorised staff and every access is logged.

There is an exchange desk process that manages the steps for producing systems for all applications residing on Prosegur servers.

The Company's IT systems are backed up and are subject to a redundant infrastructure facilitating the continuity of the business.

As part of an ongoing improvement policy, the Company is committed to reinforcing the information security management processes in all countries and systems that have a financial impact.

**F.3.3. Internal control procedures and policies intended to supervise subcontractors, as well as the evaluation, calculation or measurement activities tasked to independent experts that could have a material effect on the financial statements.**

The recurrent activities in the process for preparing the financial information are sub-contracted by Prosegur Cash to Prosegur Gestión de Activos, S.L. and supervised by the Finance Director of the Company. Occasionally, assessment by independent experts is required for situations of the following types:



- a) Related-party transactions with Prosegur Compañía de Seguridad, S.A.
- b) Assessment of the tax impact of company restructuring transactions.
- c) Tax advisory services for preparing returns subject to specific regulations.
- d) Fair value measurements of specific assets, activity or business lines.
- e) Verification of the effectiveness of the system for the prevention of money laundering.
- f) Evaluation of the assignment of the purchase price of new companies.

The contracting of external advisors is requested and at least three proposals are assessed from an economic and competence viewpoint. Using the services of experts for work serves to support accounting assessments, allocations, or calculations as long as the same are registered in their respective Professional Associations, or similar accreditation, and are prestigious companies with a good reputation in the market. The results of the assessments, calculations, and valuations assigned to third parties of accounting, legal or fiscal matters are ultimately supervised by Financial Management and Legal Counsel of Prosegur Cash.

#### F.4 Reporting and communication

**Provide information on at least the following, describing their main characteristics:**

**F.4.1. A specific office that is responsible for defining accounting policy and ensuring it remains up-to-date (accounting policy division or department) and for settling doubts or disputes over its interpretation, maintaining regular communications with the team in charge of operations. It is also responsible for an accounting policy manual that is regularly updated and distributed to all the company's operational units.**

The Corporate Financial Information Department, that provides support to the Group from Prosegur Gestión de Activos, S.L. and that forms an integral part of the Economic-Finance Directorate of Prosegur Compañía de Seguridad, S.A, is responsible for the preparation, issue, publication, and

by common agreement with Financial Management of Prosegur Cash, after application of the accounting regulations to Prosegur Cash subject to the internal certification of the process management system known as “3P” (Prosegur Process Policies). Likewise, it analyses and resolves the queries, doubts, or conflicts with respect to the interpretation and correct application of each of the policies.

As part of the functions of the Department for Corporate Financial Information there is the analysis of International Regulations for Financial Information in order to comply with:

- Establishing the support or procedure regulations for helping staff involved in the financial information preparation process.
- Analysing transactions that require accounting-specific processing.
- Resolving queries about applying specific accounting rules.
- Assessing the possible impact in the future on financial statements, as a result of new editions or amendments to International Accounting Regulations.
- Relationship with external auditors with respect to the criteria used, estimates, and accounting allocations.
- Resolution of any doubt coming from different interpretations of the regulation itself.

The Company's accounting procedures are updated every year accounting 3P standards). Fluid communication is maintained between those responsible involved in preparing the financial information and also distribute and make available the updates made as a result of recent changes to the regulations to employees with accounting functions.

**F.4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the company or group, and support its main financial statements and accompanying notes as well as disclosures concerning ICFR.**

The process of consolidation and preparation of the financial information is performed in a centralised way. Said process begins its first phase in the subsidiaries that form part of Grupo, through common IT platforms (ERP) and under the supervision of the Finance Department thus guaranteeing that the financial information of the Companies is reliable, complete, and consistent. Based on the financial statements of the subsidiaries, and with IT systems programmed for extracting and aggregating data, the process for

consolidation and analysis of the individual and consolidated financial statements is performed.

There is a half-yearly reporting process for obtaining the information required for the allocations of the Consolidated Annual Accounts and Consolidated Half-Yearly Report. The Company's Accounting Plan applies to all Company subsidiaries for the purposes of reporting for the consolidation of financial statements.

#### F.5 Monitoring functioning of the system

**Provide information on at least the following, describing their main characteristics:**

**F.5.1. The FRICS supervision activities carried out by the Audit Committee, as well as whether or not the company has an internal audit area that supports the Committee with its duty to supervise the internal control system, including the FRICS. In addition, describe the scope of the ICFR assessment conducted during the year and the procedure used by the person in charge to communicate their findings. State also whether the company has an action plan specifying potential corrective measures, and whether it has considered their potential impact on its financial information.**

In accordance with that set forth in Article 17.4 of the Board of Directors Regulations and in related Articles of the Audit Committee Regulations, the same has amongst its basic duties the following:

- Report to the General Meeting on issues that are brought up relating to those matters that fall under the areas of responsibility of the Committee and, in particular, on the results of the Audit, explaining how the same has contributed to the integrity of the financial information and the function that the Committee has performed in this process.
- Ensure that the Board of Directors presents the accounts to the General Meeting without qualifications nor limitations in the Audit report and, in exceptional circumstances in which there are reservations, to explain through the Chairman of the Audit Committee and ensure that the Auditors explain clearly to the shareholders the content and scope of said limitations or qualifications.

- Raise to the Board of Directors proposals for selection, appointment, re-election and replacement of the External Auditor taking on the responsibility for the selection process in accordance with that provided for in the Law, as well as the terms of their contracting and obtaining on a regular basis from the Auditor information about the Audit Plan and its execution, and at the same time, preserve their independence when exercising their functions.
- With regard to the External Auditor: (i) examine, in the case of the External Auditor resigning, the circumstances that led to this decision; (ii) ensure that the compensation of the External Auditor for their work does not compromise its quality nor their independence; (iii) supervise that the Company communicates as Relevant Fact to the Spanish Securities Market Commission (CNMV - Comisión Nacional del Mercado de Valores) the change of Auditor and attach a declaration on the possible existence of a disagreement with the outgoing Auditor, and in its case, give the reason; (iv) assure that the External Auditor calls a yearly Board of Directors meeting to inform them about the work carried out and the evolution of the accounting situation and the risks of the Company; (v) supervise compliance to the Auditing contract, ensuring that the opinion on the annual accounts and the main contents of the Audit Report are prepared in a clear and precise way; and (vi) assure that the Company and the External Auditor respect the Regulations in force on governing the provision of services different to those governed by Auditing, the limits on the concentration of the Auditor's business, and in general, the other regulations on Auditor independence.
- Establish and maintain an appropriate working relationship with the External Auditor to receive information about those matters that may pose a threat to their independence, so that the same can be examined by the Committee, and any other matters related to the process auditing accounts and, when deemed necessary, the authorisation for services different to those prohibited in the terms provided for in the Law, including the other disclosures contemplated in accounting and auditing legislation and auditing standards. Above all, the Audit Committee should receive yearly from the Auditor of the accounts a statement of their independence towards the entity and related entities either directly or indirectly, as well information in detail or on an individual basis on additional services of any type provided and the corresponding fees paid to these entities by the said Auditor, or by the individual or entities related to the same in accordance with that set forth in the regulation in force.
- Issue yearly, always prior to the issue of the report by the Accounting Auditors, a report expressing opinion about the independence of the accounting auditor if compromised. The report should issue an opinion, in

any cases, on the reasoned appraisal of the provision of all the aforementioned additional services, individually and as a whole, other than statutory audit work (non-audit services) and in relation to the independence regime or with the regulations governing the accounting auditors activity.

- Supervise the internal audit and, in particular, (i) ensure the independence and effectiveness of the Internal Audit function; (ii) propose the selection, appointment, and removal of the person responsible for the internal audit services; (iii) propose the budget for this service; (iv) review the annual work plan for the internal audit and yearly activities report; (v) receive periodic information on its activities; and (vi) verify that Senior Management take into account the conclusions and recommendation its reports.
- Supervise the process for preparing and presenting mandatory financial information and for submitting any recommendations or proposals to the Board of Directors aimed at safeguarding the integrity of the same thereof. In this context, it is their duty to supervise the process of preparing and ensuring the integrity of the financial information about the Company and the Group, reviewing compliance to regulatory requirements, rules, the appropriate delimitation of the perimeter of consolidation, and the correct application of the accounting principles, duly notifying the Board of Directors.
- supervising the effectiveness of the Company's internal control and risk management systems, including tax matters, the internal auditor and risk management systems as well as to discuss with the auditor or audit firms any significant weaknesses in internal control that have been detected during the performance of the audit without rupturing its independence. For these purposes, and in where appropriate, recommendations and proposals may be submitted to the Board of Directors and the term during which it needs to be monitored. In this context, it is their duty to propose to the Board of Directors the Risk Control and Management Policy, which shall identify the following, at the very least: (i) the risk types (operational, technological, financial, legal, and reputational) so it is known the type of risk to which the Company is being exposed; (ii) the level of the risk that the Company considers acceptable; (iii) the measures for mitigating the impact of the identified risks in the case that they actually materialise; and (iv) the control and reporting systems used to control and manage the same.
- Supervise the functioning of the Risk Management and Control Unit of the Company responsible for: (i) assuring the correct functioning of the Risk Control and Management Systems, and in particular, identify,

manage, and quantify appropriately all significant risks affecting the Company; (ii) actively participate in the preparation of the risk strategy and in the important decisions to be made regarding the management thereof; and (iii) ensure that the Risk Control and Management Systems effectively mitigate the risks in accordance with the policy defined by the Board of Directors.

- To analyse and inform about the economic conditions, the accounting impacts and, as the case may be, the proposed exchange ratio for the structural and corporate modification operations that are to be carried out by the Company, prior to being presented to the Board of Directors.
- Report in advance to the Board of Directors all those matters provided for in the Law and in the Bylaws and, in particular, on: (i) the financial information that the Company needs to periodically disclose to the public; and (ii) the creation or acquisition of shareholdings in special-purpose vehicles or entities resident in countries or territories considered tax havens.
- To review the share issue prospectuses and any other relevant information that must be provided by the Board of Directors to the markets and the regulatory bodies thereof.
- Establish and supervise a system that enables employees to notify, in a confidential and anonymous way, if possible and deemed appropriate, any irregularities that be of potential importance, in particular on matters concerning financial and accounting observed within the Company.
- Regularly review the adequacy of the Company's corporate governance system to ensure that it complies with its mission of promoting social interests and takes into account, as appropriate, the legitimate interests of other stakeholders, the proposals that are necessary for improvement and the supervision of compliance with internal codes of conduct and the Company's corporate governance rules. The Audit Committee is particularly responsible for receiving information and issuing reports, if appropriate, regarding: (i) the actions and decisions taken by the Regulatory Compliance Department when performing its duties in accordance with the provisions of the Company's Internal Code of Conduct relating to securities markets and (ii) the disciplinary measures to be applied, if appropriate, to the members of the Company's senior management.
- Overseeing strategy for communication and relations with shareholders and investors, including small and medium-sized shareholders.

- Review the Company's corporate responsibility policy, ensuring that it is oriented towards creating value and supervising corporate social responsibility practices and strategy, as well as an evaluation of the degree of compliance and relationships with various stakeholder groups.
- Assess all matters relating to the Company's non-financial risks (operational, technological, legal, social, environmental, political, and reputational).
- Coordination of the process of reporting non-financial information and that regarding diversity, in accordance with applicable legislation and the international standards of reference.
- Report related-party transactions and, in general, on matters that are necessary in accordance with the provisions of Title IX of this Regulation.
- Perform the following duties under the framework contract between the Company and Prosegur Compañía de Seguridad, S.A. (the “Framework Contract”).
  - a) Provide a prior report on the essential aspects (price, term and purpose) of related-party transactions carried out between the Company and Prosegur Compañía de Seguridad, S.A., or between any of the companies in their respective groups, whose approval is reserved for the Board of Directors in accordance with the Framework Contract.
  - b) Issue a prior report regarding the sections of information released regularly to the public and the Company’s annual corporate governance report to which the Framework and related-party transactions between the Group and Prosegur Group refer.
  - c) Report on the situations in which there are business opportunities between the Group and Prosegur Group companies and monitor compliance with the provisions set out in the Framework Contract in this respect.
  - d) Regularly report on compliance with the Framework Contract.
  - e) Provide a prior report on any proposed amendment to the Framework Contract and any proposed transactions intended to end any disputes that may arise between the signatories due to its application.

Prosegur Cash has an Internal Audit Directorate that reports to the Audit Committee. Its objectives and functions include: (i) support the Audit Committee to attain the objective of their responsibilities, (ii) verify appropriate risk management, and (iii) ensure the integrity and reliability of the accounting information.

The Internal Audit Directorate have prepared a FRICS review program executed on a regular basis over two years and forming an integral part of annual work plans that are subject to the approval of the Audit Committee.

The Internal Audit Directorate is continually updating their verification programs adapting them to the changes that are inevitably introduced by the Financial Reporting Department that provides support to the Group from Prosegur Gestión de Activos, in the FRICS.

In 2019, significant processes were reviewed with regards to financial information in Spain, and in other European and LATAM subsidiaries.

Internal Audit Directorate performs verifications on the progress of the execution of recommendations included in their audit reports including those relating to FRICS verifications. In 2019 two half-yearly reports were issued on the progress of the execution of the recommendations submitted to the members of the Audit Committee.

**F.5.2. Whether the Company has a discussion procedure through which the Statutory Auditor (in accordance with the provisions of the Spanish Auditing Technical Standards (NTA), the Internal Audit Department and other experts can communicate with Senior Management, the Audit Committee or Directors of the Company regarding significant weaknesses in internal controls identified during the processes for reviewing the annual financial statements or during other processes entrusted thereto. Please also provide information on whether an Action Plan exists to correct or mitigate the identified weaknesses.**

During 2019, the external auditors held two meetings with the Audit Committee to review both the conclusions of the audit of the annual accounts as well as the procedures performed within the context of the annual audit planning and the progress of the audit work applied to the half-yearly financial statements. Likewise, the External Auditors report on any possible deficiencies and possible improvements in Internal Control that may have been identified during the course of their work.

The Finance Director, responsible for preparing the Annual Accounts and interim financial report that Prosegur Cash discloses to the markets and



their supervisory bodies, has attended the Agenda of the meetings of the Audit Committee for which their presence is required in order to review and debate any relevant matters in the preparation and presentation process of the regulated financial information.

The Internal Audit Director regularly presents at every Audit Committee meeting the conclusions of the verification work performed on the operation and effectiveness of the FRICS procedures, identified control weaknesses, recommendations made and the status of the execution of the action plans implemented for their mitigation.

F.6 Other Relevant Information

N/A

F.7 External Audit Report

**State:**

**F.7.1. Whether the information on the FRICS released to the markets was submitted to a review by the External Auditor, in which case the Company should attach the relevant report as an Annex hereto. If not, please provide the reasons.**

The information on the FRICS of Prosegur Cash disclosed to the markets for fiscal year 2019 of Prosegur Cash has been submitted to a review by the External Auditor and the same is attached to this document as Annex information, as requested. The scope of the review procedures of the Auditor have been defined in accordance with the Code of Conduct and the standard Auditor report completed with the information about the Internal Control System on the governance of publicly listed companies that was remitted in July 2013 (updated in December 2015) to the Spanish Chartered Accountants Association (Instituto de Censores Jurados de Cuentas de España – ICJCE).

**G COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS**

Indicate the degree of the company's compliance with the Code of Corporate Governance recommendations for listed companies.

Should the company not comply with any of the recommendations or comply only in part, a detailed explanation of the reasons should be included so that shareholders, investors

and the market in general have enough information to assess the company's behaviour. General explanations shall not be acceptable.

1. **The Articles of Association of listed companies should not place an upper limit on the votes that can be cast by a single shareholder or impose other obstacles to the takeover of the company by means of share purchases on the market.**

Complies  Explain

2. **That when the Parent Company and a Subsidiary are listed on the Stock Exchange both should publicly and specifically define:**

- a) **The respective areas of activity and potential business relationships between them, as well as those of the listed Subsidiary with other Group Companies.**
- b) **The mechanisms in place to resolve any conflicts of interest that may arise.**

Complies  Complies in Part  Explain  Not Applicable

3. **That during the Annual General Shareholders Meeting, as a supplement to the publication in writing of the Annual Corporate Governance Report, the Chairman of the Board of Directors should verbally report to the Shareholders, in sufficient detail, regarding the most relevant aspects of the Company's Corporate Governance and, in particular:**

- a) **On the changes occurring since the previous Annual General Shareholders meeting.**
- b) **On the specific reasons for which the Company is not in compliance with any of the recommendations of the Corporate Governance Code, and if any, the alternative rules applied in this regard.**

Complies  Explain  Not Applicable

4. **The company should draw up and implement a policy for communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.**

**This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation.**

Complies  Explain  Not Applicable

5. **That the Board of Directors should not make proposals to the General Shareholders meeting for the delegation of powers to issue shares or convertible securities without pre-emptive rights, for an amount greater than 20% of the Capital at the time of the delegation.**

**And that when the Board of Directors approves any issue of shares or convertible securities without pre-emptive rights, the Company should immediately publish on its website those reports addressing the lack of pre-emptive rights as required by applicable mercantile legislation.**

Complies  Explain  Not Applicable

6. **Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the General Shareholders' Meeting, even if their distribution is not compulsory:**

- a) Report on Auditor independence.**
- b) Reports on the operation of the Audit Committee, the Appointments Committee and the Remuneration Committee.**
- c) Audit Committee report on related party transactions.**
- d) Report on Corporate Social Responsibility policy.**

Complies  Explain  Not Applicable

7. **That the Company should hold a live broadcast of the General Shareholders meetings on its website.**

Complies  Explain

That the Company should hold a live broadcast of the General Shareholders meetings on its website. In this context, the Company considers that the channels used to disclose information to its shareholders as detailed in the General Shareholders Meeting Regulations are sufficient, and in particular, take into account the shareholding structure.

8. **That the Audit Committee should ensure that the Board of Directors submits the financial statements to the General Shareholders Meeting without any qualifications or reservations in the Audit Report and, in the exceptional circumstance that it fails to do so, the Chair of the Audit Committee and the Auditors should clearly explain the content and scope of the qualifications or reservations to the Shareholders.**

Complies  Explain  Not Applicable

9. **That the Company should publish on its website, on a permanent basis, the requirements and procedures to be followed in order to accredit ownership of shares, the right to attend the General Shareholders Meeting and exercise or delegation of the right to vote.**

**Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.**

Complies  Explain  Not Applicable

10. **When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the General Shareholders' Meeting, the company should:**

- a) **Immediately circulate the supplementary items and new proposals.**
- b) **Publicly disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the Board of Directors.**
- c) **Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the Board of Directors, with particular regard to presumptions or deductions about the direction of votes.**
- d) **After the General Shareholders' Meeting, disclose the breakdown of**

**votes on these supplementary items or alternative proposals.**

Complies  Complies in Part  Explain  Not Applicable

- 11. In the event that a company plans to pay for attending General Shareholders' Meetings, it should first establish a general, long-term policy in this regard and this policy should remain stable.**

Complies  Complies in Part  Explain  Not Applicable

- 12. The Board of Directors should perform its duties with a unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interests, understood as the creation of a profitable and sustainable business over the long term, and the maximisation of the company's economic value.**

**In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to the principles of good faith, ethics and respect for commonly accepted customs and good practices, but should also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as reconciling the impact of its activities on the broader community and the natural environment.**

Complies  Explain  Not Applicable

- 13. In the interests of maximum effectiveness and participation, the Board of Directors should ideally have between five and fifteen members.**

Complies  Explain

- 14. The Board of Directors should approve a Director selection policy that:**

- a) Is specific and verifiable.**
- b) Ensures that appointment or re-election proposals are based on a prior analysis of the Board's needs.**
- c) Favours a diversity of knowledge, experience and gender.**

**The results of the prior analysis of the Board's needs should be written up in the appointments committee's explanatory report, to be published when the General Shareholders' Meeting is convened to ratify the appointment and re-election of each Director.**

**The Director selection policy should pursue the goal of having at least 30% of**

**seats on the Board of Directors occupied by women Directors before the year 2020.**

**The Appointments Committee should run an annual check on compliance with the Director Selection Policy and set out its findings in the Annual Corporate Governance Report.**

Complies  Explain  Not Applicable

- 15. Proprietary and Independent Directors should represent a broad majority on the Board of Directors, while the number of Executive Directors should be the minimum necessary, bearing in mind the complexity of the corporate group and the percentage of share capital that they hold.**

Complies  Explain  Not Applicable

- 16. The percentage of Proprietary Directors over all Non-Executive Directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.**

**This criterion may be relaxed:**

- a) In large cap companies where few or no equity stakes attain the legal threshold to be considered a significant shareholding.**
- b) In companies in which a plurality of shareholders is represented on the Board and they are not related to one another.**

Complies  Explain

**17. Independent Directors should account for at least half of all Board Members.**

**That, nevertheless, when the Company does not have high capitalisation or when, even if having high capitalisation, it has one or more shareholders acting jointly that control 30% of the share capital, the number of Independent Directors should represent at least a third of total directors.**

Complies

Explain

**18. Companies should post the following Director particulars on their websites, and keep them permanently updated:**

- a) **Background and professional experience.**
- b) **Directorships held in other companies, listed or otherwise, and any other paid activities that they may engage in, of whatever nature.**
- c) **Information on the Director category to which they belong and, in the case of Proprietary Directors, information on the shareholder they represent or have links with.**
- d) **Dates of their first appointment as a Board member and subsequent re-elections.**
- e) **Shares that they hold in the company, and any options thereover.**

Complies

Explain

Not Applicable

**19. That the annual Corporate Governance Report, following verification by the Appointments Committee, should explain the reasons for the appointment of shareholder-appointed directors at the request of the Shareholders whose interest in share capital is less 3%. It should also explain, where applicable, why formal request from Shareholders for membership on the Board were not honoured, when their interest is equal to or exceeds that of other Shareholders whose proposal for shareholder-appointed directors was honoured.**

Complies

Complies in Part

Explain

Not Applicable

20. **Proprietary Directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to Proprietary Directors, the latter's number should be reduced accordingly.**

Complies  Complies in Part  Explain  Not Applicable

21. **The Board of Directors should not propose the removal of any Independent Directors before the expiry of their tenure as mandated by the Articles of Association, except where just cause is found by the Board, based on a report by the Appointments Committee. In particular, just cause shall be presumed when Directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a Board Member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.**

**The removal of Independent Directors may also be proposed in the event of a takeover bid, merger or similar corporate operation which makes changes to the company's capital structure, when the changes to the board structure are propitiated by the proportionality criterion set out in Recommendation 16.**

Complies  Explain

22. **Companies should establish rules obliging Directors to inform and, where applicable, resign in any circumstances that might harm the organisation's name or reputation, with mention of any criminal charges brought against them and of any subsequent court proceedings.**

**If a Director is indicted or tried for any of the crimes stipulated in corporate legislation, the board should examine the matter and, in view of the particular circumstances, decide whether or not the Director should remain in his or her post. The board should also disclose all such determinations in a reasoned fashion in the Annual Corporate Governance Report.**

Complies  Explain  Not Applicable



23. **All Directors should express clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, Independents and other Directors unaffected by a potential conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.**

**When the Board takes material or reiterated decisions about which a Director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.**

**The terms of this Recommendation should also apply to the Secretary of the Board, even if they are not a Director.**

Complies  Complies in Part  Explain  Not Applicable

24. **Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the Board. Irrespective of whether the resignation is filed as a significant event, the reason for this must be explained in the Annual Corporate Governance Report.**

Complies  Complies in Part  Explain  Not Applicable

25. **The Appointments Committee should ensure that Non-Executive Directors have sufficient time available to perform their responsibilities effectively.**

**Board regulations should establish rules about the number of Directorships their Board Members can hold.**

Complies  Explain  Not Applicable

It is the responsibility of the Appointments and Compensation Committee to assess, according to the needs of the Board of Directors of the Company, that any future Members have enough time available and dedication required to efficiently carry out their duties and, likewise, verify that future non-executive Directors have sufficient time for the same. The Company considers that an individual assessment of each Director, adapted to the requirements of the Board of Directors of the Company and other Directors that may become part of it, that is flexible adapting to any evolution in the circumstances, will enable it to comply with the principle of guaranteeing that the same has enough time to properly perform their duties when establishing in a generic way a maximum number of Boards of Directors of which the Directors may form part.

26. **The Board should meet with the necessary frequency to properly perform its functions, at least eight times a year, in accordance with a calendar and agendas set at the beginning of the financial year, to which each Director may propose the addition of other items to the agenda.**

Complies  Explain  Not Applicable

27. **Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. In the event of absence, Directors should delegate their powers of representation with the appropriate instructions.**

Complies  Explain  Not Applicable

28. **When Directors or the Secretary express concerns about a proposal or, in the case of Directors, about the company's performance, and such concerns are not resolved at the Board meeting, the person expressing them can request that they be recorded in the minutes.**

Complies  Complies in Part  Explain  Not Applicable

29. **The company should provide suitable channels for Directors to obtain the advice they need to carry out their duties, extending if necessary, to external assistance at the company's expense.**

Complies  Explain  Not Applicable

30. **Regardless of the knowledge Directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.**

Complies  Explain  Not Applicable

31. **The agendas of Board meetings should clearly indicate on which points Directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.**

**For reasons of urgency, the Chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion shall require the express prior consent, duly recorded in the minutes, of the majority of Directors present.**

Complies       Complies in Part       Explain

32. **Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.**

Complies       Complies in Part       Explain

33. **The Chairman, as the person charged with the efficient functioning of the Board of Directors, in addition to the functions assigned by law and the company's Articles of Association, should prepare and submit to the Board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the Board and, where appropriate, the company's Chief Executive Officer; exercise leadership of the Board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each Director, when circumstances so advise.**

Complies       Complies in Part       Explain

34. **When a lead Independent Director has been appointed, the Articles of Association or Board of Directors regulations should grant him or her the following powers over and above those conferred by law: Chair the Board of Directors in the absence of the Chairman or Vice Chairmen give voice to the concerns of Non-Executive Directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the Chairman's succession plan.**

Complies        Complies in Part       Explain       Not Applicable

**35. The Board Secretary should strive to ensure that the Board's actions and decisions are informed by the governance recommendations of the Good Governance Code applicable to the company.**

Complies  Explain

**36. The Board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:**

- a) **The quality and efficiency of the board's operation.**
- b) **The functioning and composition of its Committees.**
- c) **The diversity of Board membership and competences.**
- d) **The performance of the Chairman of the Board of Directors and the company's Chief Executive.**
- e) **The performance and contribution of individual Directors, with particular attention to the Chairmen of Board committees.**

**The evaluation of Board committees should start from the reports they send the Board of Directors, while that of the Board itself should start from the report of the Appointments Committee.**

**Every three years, the Board of Directors should engage an External Consultant to aid in the evaluation process. This Consultant's independence should be verified by the Appointments Committee.**

**Any business dealings that the Consultant or members of its corporate group maintain with the company or members of its corporate group should be detailed in the Annual Corporate Governance Report.**

**The process followed and areas evaluated should be detailed in the Annual Corporate Governance Report.**

Complies  Explain  Not Applicable

The Company considers that the Board of Directors assessment process established in the Board of Directors Regulations and in its Policy for Selecting Directors (both documents are published on the Company's website) is adequate for guaranteeing the quality and efficiency of its operation, performance and compensation, without it being necessary to obtain a report from an external consultant.

The Board of Directors considered that the assessment is performed in accordance with the standards defined by experts of recognised prestige with respect to Board evaluations and that are used by companies in similar businesses and of similar sizes and characteristics, and the policy is sufficiently precise that the Board does not consider the support of an external consultant to be necessary.

**37. When the company has an Executive Committee, the breakdown of its members by Director category should be similar to that of the Board itself. The Secretary of the Board should also act as Secretary to the Executive Committee.**

Complies  Complies in Part  Explain  Not Applicable

**38. The Board should be kept fully informed of the matters dealt with and decisions made by the Executive Committee. To this end, all Board Members should receive a copy of the Executive Committee's minutes.**

Complies  Complies in Part  Explain  Not Applicable

**39. Audit Committee members, particularly the Chairman, are appointed in the light of their knowledge and experience of accounting, audit or risk management, and the majority of members should be Independent Directors.**

Complies  Complies in Part  Explain

**40. That under the supervision of the Audit Committee, the Company shall have a unit dedicated to performing internal audit duties and which ensures that the proper functioning of the internal reporting and control systems and functionally reports to the non-executive Chairman of the Board or of the Audit Committee.**

Complies  Complies in Part  Explain

**41. The Head of Internal Audit should present an annual work programme to the Audit Committee, report to it directly on any incidents arising during its implementation; and submit an activity report at the end of each year.**

Complies  Complies in Part  Explain  Not Applicable

**42. The Audit Committee should have the following functions over and above those legally assigned:**

**1. With respect to internal control and reporting systems:**

- a) Monitoring the preparation and integrity of financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter and the correct application of accounting principles.**

- b) **Monitoring the independence of the internal audit function; proposing the selection, appointment, reappointment and removal of the Head of Internal Audit; proposing the department's budget; approving the focus and work plans; ensuring that activities focus mainly on the company's major risks; receiving regular feedback on its activities; and verifying that senior management takes account of the findings and recommendations of its reports.**
- c) **Establishing and supervising a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any major irregularities they detect at the company in the course of their duties, especially financial or accounting irregularities.**

**2. With regard to the External Auditor:**

- a) **There should be an investigation of the issues giving rise to the resignation of any External Auditor.**
- b) **Ensure that the remuneration of the External Auditor does not compromise its quality or independence.**
- c) **Ensure that the company notifies any change of Auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for these.**
- d) **Ensure that the External Auditor has a yearly meeting with the Board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.**
- e) **Ensure that the Company and the Auditor respect rules in force on the provision of non-auditing services, limits on the concentration of the Auditor's business and, in general, further rules established in order to ensure the independence of the Auditors.**

Complies                       Complies in Part                       Explain

**43. The Audit Committee should be empowered to meet with any company employee or Manager, even in the absence of other senior officers.**

Complies                       Complies in Part                       Explain

**44. The Audit Committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the Board beforehand on its economic conditions**

**and accounting impact and, when applicable, the exchange ratio proposed.**

Complies  Complies in Part  Explain  Not Applicable

**45. Risk Monitoring and Management policy should specify at least:**

- a) The different types of financial and non-financial risk (inter alia, operational, technological, legal, social, environmental, political and reputational) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.**
- b) Establishment of the level of risk the company deems acceptable.**
- c) Measures in place to mitigate the impact of the risks identified, should they occur.**
- d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.**

Complies  Complies in Part  Explain

**46. The company should establish a risk monitoring and management function in the charge of one of the company's internal department or units and under the direct supervision of the Audit Committee or some other dedicated Board committee. This function should be expressly charged with the following responsibilities:**

- a) Ensure the correct working of the risk monitoring and management systems and, in particular, that they identify, manage, and adequately quantify all major risks affecting the company.**
- b) Actively participate in the preparation of risk strategy and in the major decisions about how to manage it.**
- c) Ensure that the risk monitoring and management systems adequately mitigate risks pursuant to the policy defined by the Board.**

Complies  Complies in Part  Explain

**47. That the members of the Appointments and Compensation Committee –or of the Appointments Committee and the Compensation Committee, if separate– shall be appointed ensuring that they have the proper knowledge, skills and**

**experience to perform the duties required therefrom and that the majority of its Members shall be Independent Directors.**

Complies       Complies in Part       Explain

- 48. Large cap companies should operate separately constituted Appointments and Remuneration Committees.**

Cumplies       Explain       Not applicable

- 49. The Appointments Committee should consult with the Chairman of the Board of Directors and the Company's Chief Executive, especially on matters relating to Executive Directors.**

**Any Board Member should be able to suggest directorship candidates to the Appointments Committee for its consideration, to cover vacant Director positions.**

Complies       Complies in Part       Explain

- 50. The Remuneration Committee should operate independently and have the following functions in addition to those assigned by law:**

- a) Propose the standard conditions for Senior Officer employment contracts to the board.**
- b) Check compliance with the Remuneration Policy set by the company.**
- c) Periodically review the Remuneration Policy for Directors and Senior Officers, including share-based remuneration systems and their application, and ensure that their individual remuneration is proportionate to the amounts paid to other Directors and Senior Officers in the company.**
- d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.**
- e) Verify the information on Director and Senior Officers' pay contained in the various corporate documents, including the Annual Directors' Remuneration Statement.**

Complies       Complies in Part       Explain

- 51. The Remuneration Committee should consult with the Chairman and Chief Executive of the company, especially on matters relating to Executive**



**Directors and Senior Officers.**

Complies       Complies in Part       Explain

**52. The terms of reference of Supervision and Control Committees should be set out in the Board of Directors regulations and aligned with those governing legally mandatory Board committees as specified in the preceding sets of recommendations. They should include at least the following terms:**

- a) Committees should be formed exclusively by Non-Executive Directors, with a majority of Independent Directors.**
- b) Committees should be chaired by an Independent Director.**
- c) The Board of Directors should appoint the members of such Committees with regard to the knowledge, aptitudes and experience of its Directors and the tasks of each committee, discuss their proposals and reports, and report on their activity and the work carried out to the first board plenary following each meeting.**
- d) The committees can engage External Advisors, when they feel this is necessary to perform their duties.**
- e) Minutes should be drawn up of proceedings, and a copy made available to all Board members.**

Complies       Complies in Part       Explain       Not Applicable

**53. The task of supervising compliance with Corporate Governance Rules, Internal Codes of Conduct and Corporate Social Responsibility Policy should be assigned to one Board committee or split between several, which could be the Audit Committee, the Appointments Committee, the Corporate Social Responsibility Committee, where one exists, or a dedicated Committee established ad hoc by the Board of Directors under its powers of self-organisation, and the Committee in question shall be attributed with the following minimum duties:**

- a) Monitoring compliance with the company's Internal Codes of Conduct and Corporate Governance Rules.**
- b) Overseeing strategy for communication and relations with shareholders and investors, including small and medium-sized shareholders.**
- c) Periodically evaluating the effectiveness of the Company's Corporate Governance System, to confirm that it is fulfilling its mission to promote**

**the corporate interest, taking account, as required, of the legitimate interests of the remaining stakeholders.**

- d) Reviewing the company's corporate social responsibility policy, ensuring that it is geared to value creation.**
- e) Monitoring Corporate Social Responsibility strategy and practices and assess the extent to which they are fulfilled.**
- f) Monitoring and evaluating the company's interaction with its stakeholder groups.**
- g) To assess all aspects related to the Company's non-financial risks, including operating, technological, legal, social, environmental, political, and reputational risks.**
- h) Coordinating non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.**

Complies  Complies in Part  Explain

**54. The Corporate Social Responsibility Policy should state the principles or commitments the company shall voluntarily adhere to in its dealings with stakeholder groups, specifying at least:**

- a) The goals of its Corporate Social Responsibility Policy and the support instruments to be deployed.**
- b) The corporate strategy with regard to sustainability, the environment and social issues.**
- c) Specific practices in matters relative to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conducts.**
- d) The methods or systems for monitoring the results of the practices referred to above, and identifying and managing related risks.**
- e) The mechanisms for supervising non-financial risk, ethics and business conduct.**
- f) Channels for stakeholder communication, participation and dialogue.**
- g) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.**

Complies       Complies in Part       Explain

- 55. The company should report on Corporate Social Responsibility developments in its Directors' Report or in a separate document, using an internationally accepted methodology.**

Complies       Complies in Part       Explain

- 56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of Non-Executive Directors.**

Complies       Explain

- 57. Variable remuneration linked to the company and the Directors' performance, remuneration via the awarding of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes, such as pension plans, should be confined to Executive Directors.**

**The company may consider the share-based remuneration of Non-Executive Directors provided they retain such shares until the end of their mandate. The above condition shall not apply to any shares that the Director must dispose of to settle costs related to their acquisition.**

Complies       Complies in Part       Explain

- 58. That variable compensation policies should incorporate the necessary technical precautions and restrictions to ensure that this compensation rewards the professional performance of its beneficiaries and does not solely derive from the general performance of the markets or the activity sector of the company, or from any other similar circumstances.**

**In particular, variable remuneration items should meet the following conditions:**

- a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.**
- b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant to the company's long-term value, such as compliance with its internal rules and procedures and its risk monitoring and management policies.**

**Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This shall ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.**

Complies   Complies in Part  Explain  Not Applicable

**59. A major part of variable remuneration components should be deferred for a long enough period to ensure that predetermined performance criteria have effectively been met.**

Complies   Complies in Part  Explain  Not Applicable

**60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the External Auditor's report.**

Complies   Complies in Part  Explain  Not Applicable

**61. A significant percentage of Executive Directors' remuneration is linked to handover of shares or financial instruments referenced at their value.**

Complies   Complies in Part  Explain  Not Applicable

**62. That once the shares or options or share rights have been contributed to the compensation system, the Directors may not transfer ownership of a certain number of shares equivalent to two times fixed annual compensation, nor may exercise the options or rights until a period of a least three years from allocation thereof has elapsed.**

**The above condition shall not apply to any shares that the Director must dispose of to settle costs related to their acquisition.**

Complies  Complies in Part  Explain  Not Applicable

The Company considers that the accruals principle and payment of compensation in shares to the Executive Directors as set forth in the Long-Term Incentive Plan, adequately promotes the allegiance to the interest and trustworthiness of the Director, without having to establish additional lock-in periods.

The Chairman and CEO participate in the Long-Term Incentive Plan of the Company. In accordance with the same:

The payment of compensation in shares, as the case may be, to which the beneficiary has the right subject to fulfilment of their objectives, is exercised over a period of 3 years; and

The payment in shares that, as the case may be, the beneficiary accrues, is divided up over the subsequent

3 years.

**63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment is out of step with the Director's actual performance or based on data subsequently found to be misstated.**

Complies  Complies in Part  Explain  Not Applicable

**64. Contract termination payments should not exceed a fixed amount equivalent to two years of the Director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.**

Complies  Complies in Part  Explain  Not Applicable

**H OTHER INFORMATION OF INTEREST**

1. If you consider that there is any material aspect or principle relating to the Corporate Governance practices followed by your company that has not been addressed in this report and which is necessary to provide a more comprehensive view of the corporate governance structure and practices at the company or group, explain briefly.
2. In this section, you may include any other information, clarification or observation related to the above sections of this report.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different to that required by this report.

3. Also state whether the company voluntarily subscribes to other international, industry specific or other ethical principles or standard practices. If appropriate, the code in question shall be identified along with the date of affiliation. In particular, it shall state whether the company has signed up to the Good Tax Practices Code of 20 July 2010.

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This annual Corporate Governance Report has been approved by the Company's Board of Directors at its meeting held on 26/02/2020.

Indicate whether there have been Directors who have voted against or abstained in connection with the approval of this Report.

Yes

No

<b>Name or Corporate Name of Director that has not voted in favour of this report</b>	<b>Reasons (against, abstention, non-attendance)</b>	<b>Explain the reasons</b>
<b>Remarks</b>		



KPMG Asesores S.L.  
Pº. de la Castellana, 259 C  
28046 Madrid

## **Independent Assurance Report on the Non-Financial Information Statement of Prosegur Cash, S.A. for the year 2019**

(Free translation from the original in Spanish.  
In case of discrepancy, the Spanish language version prevails.)

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the Non-Financial Information Statement (hereinafter NFIS) for the year ended 31 December 2019, of Prosegur Cash, S.A. (hereinafter The Company) which forms part of 2019 Directors' Report of Prosegur Cash, S.A.

The Directors' Report includes additional information to that required by prevailing mercantile legislation governing non-financial information that has not been the subject of our assurance work. In this regard, our work was limited only to providing assurance on the information contained in the "Table contents Act" of the accompanying Directors' Report.

### **Directors' responsibilities**

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The Board of Directors of the Company is responsible for the contents and the authorisation for issue of the NFIS included in the Company's Directors' Report, which has been prepared in accordance with the contents required by prevailing mercantile legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), in accordance with each subject area in the "Table contents Act" of the aforementioned Directors' Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The directors of the Company are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for preparing the NFIS was obtained.

### **Our independence and quality control**

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We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

## **Our responsibility**

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Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our review engagement in accordance with International Standard on Assurance Engagements, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Performance Guide on assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of Management, as well as of the different units of the Company that participated in the preparation of the NFIS, in the review of the processes for compiling and validating the information presented in the NFIS and in the application of certain analytical procedures and sample review testing described below:

- Meetings with Company personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these questions and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2019 based on the materiality analysis performed by the Company and described in the section "5. Statement of Non-financial Information. Introduction", considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2019.
- Review of the information relating to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2019.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2019 and whether it has been adequately compiled based on data provided by information sources.
- Procurement of a representation letter from the Directors and management.

## **Conclusion**

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Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that The NFIS of Prosegur Cash, S.A. for the year ended 31 December 2019 has not been prepared, in all material respects, in accordance with the contents included in prevailing mercantile legislation and with the GRI Standards selected, in accordance with each subject area in the "Table contents Act" of the aforementioned Directors' Report.





## **Use and distribution**

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This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

*(Signed on original in Spanish)*

Ramón Pueyo Viñuales

27 February 2020