



OTHER NON-SENSITIVE INFORMATION

CORPORACIÓN FINANCIERA ALBA, S.A.

Madrid, 26 October 2020

Dear Sirs,

Pursuant to the provisions of Article 227 of the Securities Market Act (in the text established by Royal Decree-Act 19/2018, of 23 November 2018), we hereby inform this National Commission of the following

OTHER RELEVANT INFORMATION

The Board of Directors of Corporación Financiera Alba, S.A., has passed a resolution to amend Articles 11, 19, 22, 24, 25, 27, 28, 29, 34 and 48 of the Regulation of the Board of Directors (approved on 24 April 2007 and modified on 30 September 2010, 5 May 2015, and 3 May 2016), that, from now on, will be drafted as indicated on Annex to this communication. This amendment will be reported at the next General Shareholders' Meeting.

Likewise, in order to adapt the Company's corporate documentation to the [] of the revision of Good Governance Code of listed companies, certain Articles of the Regulations of the Audit and Compliance Committee, Regulations of the Appointments and Remuneration Committee and the Code of Ethics.

Yours faithfully,

José Ramón del Caño
General Secretary



ANNEX

Pursuant to the resolution passed by the Board of Directors of Corporación Financiera Alba, S.A., held on 26 October 2020, Articles 11, 19, 22, 24, 25, 27, 28, 29, 34 and 48 of the Regulation of the Board of Directors (approved on 24 April 2007 and modified on 30 September 2010, 5 May 2015, and 3 May 2016), will be drafted as follows:

“Article 11. The CEO

1. When the Board of Directors appoints a CEO among its members, he/she will be the most senior figure responsible for management of the Company, having the task of effectively governing the business of the Company, at all times in accordance with the decisions and criteria established by the General Shareholders' Meeting, and the Board of Directors, along with the power to implement resolutions passed by the Board itself, and, where applicable, the Executive Committee.

2. When said individual is appointed, the powers attributed to the CEO will be established, in addition to how they are to be exercised, although they may under no circumstances be exercised on an individual basis in the case of acts involving an economic amount greater than the figure established by the Board of Directors

3. The permanent delegation of any power of the Board of Directors on an Executive Committee and the appointment of the Directors who are to occupy the said positions will require in order to be deemed valid a vote in favour of two thirds of the members of the Board, and will not take effect until such time as it has been registered in the Company Register.

4. Where a member of the board of directors is appointed as CEO or has executive functions attributed by virtue of some other title, a contract must be signed with the Company, requiring prior approval by the Board of Directors with a vote in favour by two thirds of the members thereof. The Director affected must refrain from taking part in the debate and participating in the vote. The approved contract will need to be attached as an Annex to the minutes of the meeting.

The contract will detail all items for which the director may receive remuneration for performing executive functions, including, where applicable, any possible compensation for premature dismissal from said functions, the amounts payable by the company by way of insurance premiums, or contributions to savings plans. The Director may not receive any remuneration for the performance of executive functions unless the quantities and items are set out in that contract. The contract must comply with any remunerations policy that might have been approved by the General Shareholders' Meeting.



“Article 19. Discharge of Directors

1. Directors will resign from their position once the period for which they were appointed has passed, or if so decided by the General Shareholders' Meeting, exercising the powers vested in it by law or the Bylaws.

2. Directors will put their post at the disposal of the Board of Directors and will formalise the necessary resignation if the Board deems this appropriate, in the following cases:

- a) When the Director turns 70 years of age.
- b) If they are subject to any of the grounds established in law for incompatibility or prohibition.
- c) If they are affected by circumstances that could jeopardise the credit and reputation of the Company, and, in particular, if they are prosecuted for allegedly criminal acts or are subject to disciplinary proceedings because of a serious or very serious offence investigated by the Securities Market supervisory authorities.
- d) If they are given a serious warning by the Audit Committee for having infringed their obligations as Directors.
- e) If the reasons why they were appointed, no longer apply, and in particular if an Independent Director or a Proprietary Director no longer enjoys said status.

3. Once external, proprietary and independent Directors have been elected by the General Shareholders' Meeting, the Board of Directors may not propose that they be discharged before the statutory period has passed for which they were appointed, except on justified grounds noted by the Board of Directors itself, following a report by the Appointments and Remunerations Committee. Justified grounds will be deemed to exist if the Director has been in breach of any of the duties inherent in the position, or incurred any of the situations referred to in Article 8.1(B) of this Regulation.

The discharge of independent Directors may likewise be imposed as a result of public bids for acquisition, merger, or other similar corporate operations that would entail a change in the capital structure of the Company if said changes in the structure of the Board are prompted by the principle of proportionality indicated in Article 8.2 of this Regulation.

4. The Directors must inform the Board in the event of any situations affecting them, whether or not connected with their actions at the company itself, and in particular of any criminal case in which they are the investigated parties, in addition to the course of the proceedings.

Once the Board has been informed of or has learned of any of the situations referred to in the above paragraph, it will examine the case as soon as possible, and in the light of the specific circumstances, will decide, following a report by the



Appointments and Remunerations Committee, whether or not it is required to adopt any measures, such as the instigation of an internal investigation, a call for the Director to resign, or a proposal to dismiss the Director. A reasoned account of all the above will be given in the Annual Corporate Governance Report, unless special circumstances justifying otherwise should exist, which must be recorded in the minutes.

5. If a Director leaves his or her position before the end of the term, whether through resignation or for some other reason, he or she will satisfactorily explain the reasons for his resignation or, in the case of non-executive Directors, his opinion as to the reasons for the discharge from the board, in a letter to be sent to all members of the Board. Without prejudice to the inclusion thereof in the Annual Corporate Governance Report, to the extent that would be relevant for investors.”

“Article 22. Sphere of operation

The Audit and Compliance Committee is responsible for the functions detailed below (as developed in the following articles of this Regulation), in addition to any others that might be assigned to it by the Board of Directors:

- a) Report to the General Shareholders' Meeting as to any issues raised in connection with those matters that lie within the competency of the Committee, and in particular the results of the audit, explaining how this has contributed to the integrity of financial information, and the function that the Committee performed in this process.
- b) Supervise the efficacy of internal control of the Company, internal auditing and financial and non-financial risk control and management systems, and discuss with the accounts auditor any significant weaknesses in the internal control system that might be detected in the development of the audit, all the above without undermining its independence. To this end, and as applicable, they may submit recommendations or proposals to the governing body, and the corresponding period for the follow-up thereof.
- c) Supervise and evaluate the process of preparation and presentation of the required financial and non-financial information, and present recommendations for proposals to the governing body in order to safeguard its integrity.
- d) Refer to the Board of Directors proposals as to the selection, appointment, re-election and replacement of the accounts auditor, taking responsibility for the selection process in accordance with the provisions of Articles 16, subsections 2, 3 and 5, and 17.5 of Regulation (EU) No 537/2014, of 16 April 2014, in addition to the contractual conditions, and regularly receive information from it as to the audit plan and execution thereof, while also maintaining its independence in the performance of its functions.
- e) Establish the relevant relationship with the external auditor so as to receive information as to those matters that could constitute a threat to its independence, for examination thereof by the Committee, and any other matters connected with



the process of performing the accounts audit and, where applicable, the authorisation of services other than those prohibited, on the terms set out in Article 5, subsections 4 and 6.2(b), of Regulation (EU) No 537/2014, of 16 April 2014, and the provisions of Section 3 of Chapter IV of Title I of Accounts Auditing Act 22/2015, of 20 July 2015, on the independence regime, and any other notifications established in the accounts auditing legislation and accounting standards. It must in all cases each year receive from the external auditors the declaration of their independence with regard to the organisation or organisations directly or indirectly related to it, in addition to detailed and individual information on additional services of any class that are provided, and the corresponding fees received from said organisations by the external auditor or the persons or entities related to it, in accordance with the provisions of the regulations governing accounts auditing operations.

f) Issue each year, prior to the issuance of the accounts auditing report, a report stating an opinion as to whether the independence of the accounts auditor or auditing firms has been compromised. This report must in all cases contain the evaluation of the performance of each and every one of the additional services referred to in the above section, taken individually and as a whole, other than the legal audit, and with regard to the regime of independence or the regulations governing accounts auditing operations.

g) Report to the Board of Directors in advance as to all matters set out in the Act, these Articles of Association and the Board Regulation, and in particular with regard to:

1. the financial information that the Company is required periodically to publish,
2. the creation or acquisition of stakes in special-purpose vehicles or any domiciled in countries or territories classified as tax havens
3. operations with related parties.

h) Supervise compliance with the rules of corporate governance, the internal codes of conduct and the sustainability policy.

i) Supervise the application of the economic/financial and non-financial reporting policy, and the processes for the relationship and communication with shareholders, investors, proxy advisers and other stakeholders.

The actions of the Company's Audit Committee focus on four main areas:

- System of risk identification and internal control
- Review and approval of financial and non-financial information
- External auditing the annual accounts
- Compliance with the legal provisions and internal regulations.”

“Article 24. Functions regarding financial and non-financial reporting and internal auditing

The Audit Committee will have the following main functions:



a) The review of the process of preparing the Company's financial information, in order to confirm its integrity, technological quality and internal control, compliance with regulatory requirements, proper definition of the consolidation scope, proper application of generally accepted accounting standards and principles (duly documented in an Accounting Plan), and compliance with all other legal requirements regarding said information.

b) Review the periodic financial statements that the Company is required to submit to the markets and their supervisory bodies, prior to approval by the plenary session of the Board.

c) Ensure that the periodic financial information produced during the financial year (monthly, quarterly, etc.) is based on the same quality standards as the annual financial information.

d) Evaluate and approve the proposals suggested by Senior Management as to changes in the accounting standards and principles.

e) Supervise the decisions of Senior Management regarding the adjustments proposed by the external auditor and consider and, where applicable, mediate in any disagreements between them.

f) Review the process for the preparation of non-financial information disclosed by the Company, in order to ascertain fulfilment of the regulatory requirements in this regard.

g) Oversee the independence of the unit that fulfils the internal audit function; propose the selection, appointment, re-election and dismissal of the head of the internal audit service; propose the budget for this service; approve the guidance and working plans, ensuring that its activities are essentially focused on significant risks for the Company; receive periodic information on its activities; and verify that senior management take into account the conclusions and recommendations of its reports.”

“Article 25. Functions regarding the external auditing of the annual accounts

The Audit Committee will be responsible for the following:

a) Propose the appointment of the accounts auditors or auditing firms of the Company, their contractual conditions, the scope of the professional engagement and, where applicable, the revocation or renewal thereof.

b) Serve as the channel of communication between the Board of Directors and the Auditors, evaluate the results of each audit, and the response by Senior



Management to the recommendations. In particular, it will receive regular information from the external auditor as to the audit plan and the results of execution thereof.

c) Supervise fulfilment of the audit contract, ensuring that the annual accounts presented before the General Shareholders' Meeting are drawn up in accordance with the accounting regulations. In the event that the auditor included any reservation in the audit report, the Chairman of the Audit Committee will clearly explain at the General Meeting said Committee's opinion as to the content and scope of said reservations or provisos.

d) Relationships with the external auditors in order to receive information about any issues which could jeopardise their independence and any other issues connected with the process of performing the accounts audit, in addition to any other communications provided for in accounts audit legislation and the technical audit standards.

e) Ensure the independence of the external auditor and, to this end:

- i) Ensure that the Company serves notice via the National Securities Market Commission of a change of auditor, enclosing a declaration as to the possible existence of disagreements with the outgoing auditor and, where these exist, the contents thereof.
- ii) Ensure that the remuneration of the external auditor for its work does not compromise its quality or its independence.
- iii) Ensure that the Company and the auditor respect the rules in force regarding the provision of non-auditing services, the limits on the concentration of business of the auditor and, in general, all other standards established to ensure the independence of the auditors.
- iv) Examine any circumstances that might have given rise to the resignation of the external auditor.
- v) Receive each year from the accounts auditors or auditing firms written confirmation of their independence with regard to the entity or entities related to it directly or indirectly, and information on any form of additional services provided for these entities by the aforementioned auditors or firms, or by persons or entities related to them.
- vi) Issue each year, prior to the issuance of the accounts auditing report, a report stating an opinion as to whether the independence of the accounts auditors or auditing companies has been compromised. This report must be issued as to the provision of additional services.

f) Ensure that the external auditor holds an annual meeting with the plenary of the Board of Directors to inform it of the work performed and the evolution of the accounting and risk situation of the Company.



g) Conduct a final annual assessment of the actions of the auditor.

h) In those cases in which the external auditor included any reservation in the audit report, issue its opinion as to the content and scope of such reservations, which shall be explained by the Chairman of the Audit Committee at the General Shareholders' Meeting."

"Article 27. Composition

The Audit and Compliance Committee will comprise a minimum of three and a maximum of five members, one of whom will act as Chairman. All members must have the status of external or non-executive Directors, and the majority must be independent Directors. As a whole, the members of the Committee will have the relevant technical knowledge as regards the operational sector to which the Company belongs.

The Chairman of the Committee must be an independent Director. The Secretary of the Board will act as Secretary. He or she may but need not be a member of the Audit Committee.

Meetings may be attended by executive Directors or other senior executives of the Company, if so expressly agreed by the members of the Committee and invited in advance by the Chairman.

The Audit Committee may call any employee or executive of the Company to attend, and even order that they appear, without the presence of any other executive, with a prior invitation by the Chairman."

"Article 28. Appointment and Discharge

1. The members of the Committee will be appointed by the Board of Directors of the Company from among its constituent Directors. It will likewise appoint from among them the person who is to hold the position of Chairman. The Board may likewise appoint substitute members, from among the Directors of those categories indicated in the above article, for cases of vacancy, absence, or conflict of interest. The members of the Audit Committee, and in particular its Chairman, will be appointed in accordance with their knowledge and experience in the sphere of accounting, auditing, or both, in addition to their experience and knowledge of financial, internal control and risk management aspects, both financial and non-financial.

2. The duration of the appointment will be for the remaining period up until expiry of the directorial term, with the possibility of re-election to said position. This notwithstanding, any person who has held the position of Chairman of the Audit Committee for four consecutive years must resign, and may be re-elected to said



position once a period of one year has passed since his or her resignation.”

“Article 29. Sessions

1. The Audit Committee will establish calendar of its regular meetings with a suitable frequency in order to be able properly to address the matters for which it is inherently responsible, meeting at least on a quarterly basis to review the periodically published financial information, and annual public information. This Committee must also meet whenever called by its Chairman or any of its members, or on the instruction of the Board of Directors with a specific agenda.

2. The Committee may meet without a prior announcement if all members are present and unanimously agree to hold a meeting. In cases of urgency, the Committee may be called without the established minimum prior notice, in which case the urgency must be unanimously acknowledged by all those in attendance at the start of the meeting.”

“Article 34. Powers and Consultancy

1. The Committee may in order to fulfil its functions request any type of information that it might require regarding any aspect of the Company.

2. In order properly to fulfil its functions, the Audit Committee may seek consultancy from outside professionals, having first notified and received the approval of the Chairman of the Company, who will not reject this without reasoned grounds.”

“Article 48. Evaluation of the Board

The Board of Directors must perform an annual evaluation of its functioning and that of its Committees, and propose on the basis of the outcome thereof an action plan to correct any deficiencies detected.

The evaluation will be based on the reports submitted by each Committee to the Board as to their annual performance.

The outcome of the evaluation will be recorded in the minutes of the meeting or attached thereto as an annex.”