



REPORT BY THE AUDIT AND CONTROL COMMITTEE ON THE ASSESSMENT OF ITS OWN PERFORMANCE IN 2020

1. INTRODUCTION

The Audit and Control Committee of Inmobiliaria Colonial, SOCIMI, S.A. (the “**Company**”) has issued this report on its structure, organisation, and performance, and the fulfilment of its responsibilities throughout 2020 (the “**Report**”). For the purposes of drawing up this report, the members of this Audit and Control Committee were sent a survey about its structure, organisation, and performance, and the fulfilment of responsibilities. Said survey had been revised beforehand, for which an external expert, Spencer Stuart, had revised the methodology.

The report will be submitted to the Board of Directors of the Company, which will be the body entrusted with assessing the performance of the Audit and Control Committee (the “**Committee**”) by virtue of Article 34 of the Regulations of the Board of Directors.

2. CONCLUSIONS DRAWN FROM THE ASSESSMENT PROCESS

From the assessment process carried out by the Committee regarding its performance, in general terms, positive conclusions have been drawn, both in relation to its members and internal organisation and in the performance of the responsibilities bestowed upon it.

2.1 Members of the Committee

The Committee is made up of 3 members, thereby complying with the maximum and minimum limits required by Article 32 of the Regulations of the Board of Directors, which establishes that the Committee must be made up of at least 3 Directors but no more than 8.

All members of the Committee are Non-Executive Directors, including two Independent Directors and one Proprietary Director. Furthermore, the Committee is chaired by an Independent Director in accordance with the provisions of Article 32 of the Regulations of the Board of Directors.

The current members of the Company Committee are as follows:

Name/Company name	Position	Category
Ana Peralta Moreno	Chairwoman	Independent
Luis Maluquer Trepas	Member	Independent
Javier López Casado	Member	Proprietary

During 2020, the following changes were made to the composition of the Company’s Audit and Control Committee:

- Mr Javier Iglesias de Ussel tendered his resignation as a Director of the Company and, accordingly, as a member (Chairman) of the Committee, during the Board meeting held on 30 June 2020, after giving notice of his resignation at the previous Board meeting on 13 May 2020.

- Mr Carlos Fernández-Lerga tendered his resignation as a Director of the Company and, accordingly, as a member of the Committee, during the Board meeting held on 30 June 2020, after giving notice of his resignation at the previous Board meeting on 13 May 2020.
- Furthermore, as a result of the aforementioned resignations, the Board of Directors, during its meeting on 13 May 2020, appointed Ms Ana Peralta Moreno as Chairwoman of the Board of Directors (with effect from 30 June 2020).

Committee members have the necessary knowledge, skills and experience to discharge their duties. To this effect, the academic and professional profiles of the Directors are available on the Company's website ([link](#)).

On the basis of this, it can be concluded that the Committee is duly organised and made up of directors who have the skills and qualifications required for their roles.

2.2 Performance of the Committee

In 2020, the Committee met on 9 occasions. The meetings were held on the following dates: 23 January, 20 February, 27 February, 12 May, 3 June, 27 July, 8 October, 10 November, and 14 December.

In view of the special circumstances brought about by the COVID-19 health crisis in 2020, with the exception of the meetings held on 23 January, 20 February, and 27 February, which were attended in person by the members of the Committee, all other meetings were held by conference call or video conference using IT applications such as "Teams", in accordance with the measures adopted under *Royal Decree-Law 8/2020, of 17 March, on extraordinary urgent measures to address the economic and social impact of COVID-19*. At each of the aforementioned sessions, the Secretary acknowledged the identity of all present members of the Committee.

Consequently, the Audit and Control Committee fulfilled its obligation to meet with the regularity required to carry out its functions in an effective manner.

Regarding the preparation and running of the meetings, the Chair of the Committee calls meetings with sufficient notice, which are attended regularly by the Directors. In accordance with Article 35 of the Regulations of the Board of Directors, in the event that Committee members are unable to attend, for justified reasons, they may delegate their vote to another Director, providing instructions to their chosen representative. However, in 2020, all members of the Committee attended 100% of the meetings, either in person or by proxy.

Additionally, prior to each meeting, the members of the Committee are provided with the information on the agenda, thereby encouraging them to participate actively and to reach informed agreements.

In addition to the members of the Committee, all the convened meetings were attended by the Chief Internal Auditor, the Director of Legal Advice and Regulatory Compliance, and the Deputy Secretary to the Board of Directors. Likewise, when necessary, the following people, among others, attended as guests: (i) the advisor to the Committee; (ii) the CEO; (iii) the Corporate General Manager; (iv) the Chief Financial Officer; and (v) the Director of Corporate Development.

In addition, Ms Mireia Oranías and Ms María de la Torre, representatives of the external auditor PricewaterhouseCoopers (PwC), attended the meetings of the Committee held on 20 February, 27 February, 27 July, and 8 October 2020.

Lastly, it must be pointed out that the Secretary took minutes of all the meetings held, including how they developed, their contents, discussions and the agreements reached. The minutes of the Committee meetings were given to all members of the Committee and are available to all Directors.

In accordance with the foregoing, it has been concluded that the Committee complies with the Operating Rules established by the Company Bylaws and the Regulations of the Board of Directors, and it is organised correctly and efficiently to perform its duties and for its purposes.

2.3 Responsibilities of the Committee

The Committee efficiently fulfils the duties it has been entrusted with in accordance with Article 32 of the Regulations of the Board of Directors. Likewise, the Committee performed the following functions throughout 2020:

A) External/Internal Auditing

- Acted as a communications channel between the Board of Directors and the Company's external auditor, assessing the results of each audit.
- Issued a report, prior to the release of the accounts auditing report, in which an opinion is expressed on whether the independence of the accounts auditors or the auditing firms has been compromised.
- Approved the proposal to reelect the auditor for 2021.
- Approved the internal and external auditing plan.
- Supervised the auditor's review of the ESG indicators.

B) Supervised the preparation of financial and non-financial information.

- Oversaw the preparation and filing of required financial information.
- Oversaw non-financial information and, in particular, the preparation of the integrated annual report.

C) Risk management and control systems

- Supervised the effectiveness of the Company's internal control, internal audit, and risk management systems (including fiscal risks), in addition to discussing the internal control system with the auditor.
- Approved the control and risk management policy report.
- Updated the risk map.

D) Corporate governance

- Monitored compliance with the rules of the internal codes of conduct.

- Promoted and encouraged a culture of compliance with the Company's regulations and corporate texts throughout the organisation.

In particular, with regard to the Regulations of the Board of Directors, analysed and prepared a proposal to adapt the text to the new good governance recommendations.

In particular, with regard to the *Policy for communicating economic/financial, non-financial, and corporate information with shareholders, institutional investors, and proxy advisors*, analysed and prepared a proposal to adapt the policy to the new good governance recommendations.

- Oversaw the work of the Regulatory Compliance Unit.
- Informed about the Annual Corporate Governance Report, which is part of the annual financial statements, to be submitted to the Board of Directors for their approval.

E) Other

- Monitored treasury stock transactions.
- Appraised the appointment of a data protection officer (DPO) at the Company.
- Evaluated its own performance within the framework of the self-evaluation of the performance of the Board of Directors and its internal Committees.
- Informed the Board of Directors, via its Chair, of the contents of the Committee meetings.
- Oversaw the 2019 tax report.
- Monitored compliance with the regulations on the prevention of money laundering.

In accordance with the foregoing, it may be concluded that the Committee efficiently undertakes and fulfils the competences assigned to it by the regulations applicable and by the Company's corporate documents.

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