



Audit and Control Committee

December 2021

**Report on the activities of the Audit and Control Committee
of MERLIN Properties, SOCIMI, S.A. for the year ended
December 31, 2021**



1.- INTRODUCTION	3
2.- COMPOSITION, FUNCTIONING AND POWERS	4
2.1. Composition.....	4
2.2. Functioning	5
2.3. Powers.....	6
3.- MAIN ACTIONS CARRIED OUT DURING THE YEAR 2021	9
3.1. Meetings	9
3.2. General actions.....	9
3.3. Specific actions	11
3.3.1. Financial Information.....	11
3.3.2. External auditors	12
3.3.3. Asset appraisals	17
3.3.4. Risk management.....	18
3.3.5. Tax policy and legal risks.....	19
3.3.6. Internal Audits.....	19
3.3.7. Regulatory Compliance.....	20
3.3.7.1. Criminal Risk Prevention (<i>Criminal Compliance</i>).....	20
3.3.7.2. Anti-money laundering and countering the financing of terrorism	21
3.3.7.3. Personal data protection	21
3.3.7.4. Whistleblower Channel	22
3.3.7.5. Corporate transactions.....	22
3.3.7.6. Related-party transactions	22
3.3.7.7. Treasury stock	23
3.3.7.8. Improvement of policies and procedures	23
3.3.8. 2021 Training Plan.....	23
4. CONCLUSIONS	24
5. WORKING PLAN FOR 2022.....	25

1.- INTRODUCTION

For the Board of Directors to carry out the annual evaluation of the Audit and Control Committee (hereinafter, the Committee) of MERLIN PROPERTIES SOCIMI, S.A. (hereinafter, MERLIN) in accordance with the provisions of article 529 *nonies* of the Revised Capital Companies Law, this Committee prepares an annual report on its work, highlighting the main activities carried out in relation to its functions, which is made public on the terms provided for in the applicable regulations in force.

In accordance with the aforementioned article, as well as with Recommendation 6 of the Good Governance Code for listed companies, Section 79 of Technical Guide 3/2017 of the Spanish Securities Market Commission (CNMV) and the provisions of Article 25.2 of the Audit and Control Committee Regulations, this *Report on Activities for fiscal year 2021* has been prepared, which will be available to investors, shareholders and any other stakeholders, at the corporate website (<https://www.merlinproperties.com/gobierno-corporativo/informes-anuales/>) from the time the Annual Shareholders' Meeting is called.

In addition to the provisions of current legislation, the Committee is governed by the provisions of the Company's Bylaws, the Regulations of the Board of Directors of the Company, and more specifically, the *Regulations of the Audit and Control Committee*, approved by the Board of Directors on January 30, 2018 and subsequently amended on December 16, 2020, upon proposal of the Audit and Control Committee itself.

Said Committee Regulations, incorporate all the aspects included in the recommendations of *Technical Guide 3/2017 of the Spanish Securities Market Commission (CNMV) on Audit Committees at Public-Interest Entities*, as well as the updates to the recommendations included in the New Code of Good Governance approved by the CNMV in June 2020.

All MERLIN's internal regulations (Bylaws, Regulations of the Board of Directors and Regulations of the Audit and Control Committee) are available at the corporate website: (<https://www.merlinproperties.com/gobierno-corporativo/normativa-de-gobierno-corporativo/>).

During the year and throughout its fourteen sessions, the Committee's activity has entirely fulfilled the Annual Working Plan for the year 2021, included in the "*Work Calendar for the year 2021*", approved by the Committee in December 2020 and which set out the expected content of its sessions and the reports to be submitted to the Board the appearances of the external auditor, as well as a training plan for the Committee.

In this regard, and as reflected in this Report on Activities, during fiscal year 2021, the Committee has addressed the analysis and examination of all issues and aspects within its powers, reporting on a timely basis on the most relevant issues to the Board of Directors of the Company, including the review of financial information, supervision of the relations and independence of the External Audit, supervision of the Internal Audit, supervision of the risk control and management systems, including tax and technological risks, supervision of related-party transactions, supervision of the regulatory compliance system and associated control structures, as well as recommendations for the continuous improvement of the Company's Corporate Governance System.

2.- COMPOSITION, FUNCTIONING AND POWERS

The composition and powers of MERLIN's Audit and Control Committee are regulated in Chapters II and III of the Regulations of the Audit and Control Committee in accordance with the provisions of article 529 *quaterdecies* of the Capital Companies Law. Such provisions establish, in summary, the following main aspects with regard to the Committee:

2.1. Composition

With regard to its composition, and in accordance with the provisions of Articles 12 and 13 of the Regulations of the Audit and Control Committee, the Committee will have a minimum of three (3) and a maximum of five (5) members, all of whom will be non-executive directors and most of whom will be independent directors; said members will be appointed by the Board, at the proposal of the Nominations Committee. The proposal and appointment of its members must procure diversity in its composition, in particular with respect to gender, professional experience, skills and knowledge of the industry.

Committee members, as Board members, must have the experience and knowledge of management, economics, finance and business necessary in all good directors. In addition, the Committee, collectively, must have the pertinent technical knowledge related to the industry to which the Company belongs; and at least one of the Committee members must also be designated having equal regard to his knowledge and experience in matters of accounting, audit or both.

In addition to the foregoing, when proposing and appointing Committee members and officers, the Committee, the Nominations Committee, the Compensation Committee and the Board must procure that the Committee chairman has knowledge, aptitudes and experience suitable to the functions he is called to perform in accounting, auditing or risk management matters; Committee members, collectively, have aptitudes in financial and internal control matters; and at least one of the Committee members has experience in information technology (IT), among other reasons, so as to provide effective supervision of internal control and risk management systems, which generally use complex computer applications, and so as to be able to make a suitable assessment of new emerging risks, such as that of cybersecurity.

The Audit and Control Committee will appoint a chairman from among its members, who must be an Independent Committee member in all cases and must be replaced every four (4) years, and can be re-elected after a period of one (1) year has elapsed since the end of his term, notwithstanding his continuity or re-election as a Committee member.

The number of members, powers and functioning rules of the Committee are designed to promote the independence of its functioning.

During fiscal year 2021, there have been no changes in the composition of the Committee; therefore, as of the date of this report, it is as follows:

OFFICE	MEMBER	CATEGORY AS DIRECTOR	EXPERIENCE IN ACCOUNTING/FINANCIAL/RISK MANAGEMENT/ TECHNOLOGY
Chairman	Mr. Juan María Aguirre Gonzalo	Independent	✓
Member	Ms. Ana María García Fau	Independent	✓
Member	Mrs. María Luisa Jordá Castro	Independent	✓
Member	Ms. Francisca Ortega Hernández-Agero	Nominee	✓
Member	Ms. Ana Forner Beltrán	Nominee	✓

In May 2022, Mr. Juan María Aguirre Gonzalo will be replaced as Chairman of the Committee upon expiration of the 4-year term.

The profiles of each Committee member, including information about their education, work and management experience, dates of appointment and subsequent re-election, can be consulted at the corporate website.

(<http://www.merlinproperties.com/gobierno-corporativo/consejo-de-administracion/>)

Pursuant to the provisions of Article 13 of the Committee Regulations, the Secretary, who is not a member of the Committee, is Mr. Ildefonso Polo del Mármol, who is also the Deputy Secretary of the Board of Directors.

2.2. Functioning

The Audit and Control Committee, in accordance with the provisions of Article 17 of its Regulations, prior to the commencement of each year, approves an annual working plan that covers the specific objectives for each of the Committee's functions, the organization of the information and agenda for meetings or other periodic forms of communicating with Company directors, with the head of the internal audit department and with the external auditor, and the training deemed appropriate for the correct performance of the Committee's functions.

In this regard, the Committee carried out its functions during the year in accordance with the "*Working Plan for year 2021*", approved by the Committee in December 2020, and approved the "*Working Plan for year 2022*" at its meeting held on December 14, 2021.

In any case, the Committee will call a meeting not less than once every quarter, in order to review the periodic financial information that, pursuant to the Company's internal procedures and, if applicable, the regulations in force, is to be forwarded by the Board to the securities market authorities, and other periodic obligations (AML/CFT, Compliance, risks, etc.), as well as the information to be approved by the Board and included in its annual public documentation.

These meetings will be attended by the Head of Internal Audit and, if a review report is issued, by the external auditor. At least a part of these meetings will be held without the

presence of Company management, so that specific matters arising from the reviews performed can be discussed exclusively with them.

The Committee may also enlist the cooperation or advisory services of external professionals, and request any type of information or documentation available to the Company in connection with the matters under the Committee's authority and deemed necessary by the committee for the performance of its functions.

2.3. Powers

The Committee's functions are detailed in articles 5 to 10 of the specific Regulations of the Audit and Control Committee. Its main powers are summarized below:

- (i) to approve the Policy defining the procedure used to select and contract the external auditor, all relations with it, any circumstances that could affect its independence and the instruments used to ensure that such relations are sufficiently transparent.
- (ii) to present to the Board, for submission to the Shareholders' Meeting, the proposal for the selection, appointment, reelection and replacement of the external auditor, as well as the contracting terms and, as the case may be, terms of revocation or non-renewal.
- (iii) to receive from the external auditor, on an annual basis, the statement of its independence, as well as the information on additional services provided, of any type, and the related fees received by the external auditor or by the persons or entities related to it, pursuant to the audit legislation; and
- (iv) to issue, on an annual basis, prior to the issue of the audit report, a report in which it gives an opinion on whether the independence of the external auditor has been compromised.
- (v) to review with the external auditor the main incidents detected during the audit, comparing them with the opinion of the management, checking that they have been resolved and, if not, ascertaining why not, and to perform a follow-up of the external auditor's recommendations.
- (vi) to analyze with the external auditor the significant weaknesses of the internal control system detected during the audit, to present recommendations or proposals to the Board and to specify the related period in which they are to be monitored.
- (vii) to grant prior authorization to non-audit services to be provided by the external auditor (or the audit firm to which it belongs) or by the persons or entities related to them (pursuant to the audit legislation) to the group of companies, as stipulated by law.
- (viii) to supervise the correct application of the generally accepted accounting principles and applicable international financial reporting standards and to supervise the process of preparing and presenting the Company's financial statements and any periodic financial information which, pursuant to the

legislation in force, the Company is to report to the markets and to their supervisory bodies, including their preparation and publication process, reporting on them to the Board prior to their approval and subsequent to the submission of recommendations or proposals aimed at safeguarding their integrity.

- (ix) to review the clarity and integrity of all financial information and related non-financial information made public by the Company, such as financial statements, the management report, risk management and control reports and the annual corporate governance report, ensuring that the half-yearly financial reports and the quarterly management statements are prepared using the same accounting methods as the annual financial reports and, for such purpose, to consider whether it would be appropriate to have the auditor perform a limited review of the half-yearly financial reports.
- (x) to review the contents of the audit reports and, as the case may be, of the reports on the limited review of interim accounts and other mandatory reports by the external auditor, prior to issue, with a view to avoiding qualifications.
- (xi) to review, with the cooperation of the internal audit department, the financial information posted on the Company's website, ensuring that it is updated on an ongoing basis and is in line with the financial information prepared by the Company's directors and posted, as the case may be and where obligatory, on the website of the National Securities Market Commission.
- (xii) to approve the guidelines and annual working plan of the internal audit department and to receive periodic information on its activities; when supervising the working plan, the Committee must check that the plan covers the main areas of financial and non-financial risk of the business and that it clearly identifies and defines the Committee's responsibilities, in the interest of suitable coordination with any other existing assurance functions, such as the risk management and control, management control, and legislative compliance units and the external auditor.
- (xiii) to supervise everything related to the various types of risk faced by the Company, including financial or economic risks, contingent liabilities, other off-balance sheet risks, operating, environmental, technological, legal, social, political and reputational risks.
- (xiv) to assess, at least once a year, the list of the most significant financial and non-financial risks and the level of tolerance stipulated for each one, having regard to the information provided by the management, the head of the internal audit department and, if appropriate, the risk management and control unit, bearing in mind that setting the risk levels deemed acceptable by the Company is an executive function of the Board..
- (xv) to review the Company's internal control and risk management systems and, in particular, the correct design of the system for internal control and management of financial information (ICFRS), so that the main risks are identified, managed and reported suitably.

- (xvi) to approve the internal audit department's plan for assessing the ICFRS, and its modifications, and to receive periodic information on the findings of its work, as well as the action plan for correcting any deficiencies observed.
- (xvii) To hold a meeting, at least once a year, with the heads of the business units, at which the latter explain the business trends and the associated risks, and to enhance the idea that the heads of the business units are directly responsible for effective risk management and that a business unit head should be assigned to each risk identified.
- (xviii) to report at the Shareholders' Meeting on issues raised in connection with the matters for which the Committee is responsible and, in particular, on the findings of the audit, explaining how the audit has contributed to the integrity of the financial information and clarifying the function performed by the Committee in this process.
- (xix) to report at the General Shareholders' Meeting on issues raised in connection with the matters for which the Committee is responsible.
- (xx) to supervise the hiring process of external real estate asset appraisers, proposed by Management, ensuring that the rotation policy is applied and that possible conflicts of interest and threats to independence that may their suitability into question are identified.
- (xxi) to ensure that the methodology applied and that the relevant hypotheses and assumptions used by external real estate asset appraisers are in line with international financial reporting standards (IFRS).
- (xxii) to be aware of and assess the results of the work performed by the external auditor in relation to the valuations of the Company's assets.
- (xxiii) to report to the Board on the creation or acquisition of holdings in special-purchase entities or entities with registered office in countries or territories treated as tax havens, the economic terms and accounting impact and, if applicable, the exchange ratio in the structural and corporate modifications to be carried out by the Company and related-party transactions.
- (xxiv) to review the annual activities plan of the Criminal Compliance Body, as well as the half-yearly report on its activities and subsequently to forward them to the Board; to receive information from the Criminal Compliance Body in connection with any significant issue related to regulatory compliance and the prevention and correction of illegal or fraudulent conduct.
- (xxv) to review, through the Internal Control Body, the Company's internal policies and procedures, with a view to ensuring that they effectively prevent money laundering and terrorism financing, and to identify eventual policies or procedures that more effectively promote the highest ethical standards, and to submit them to the Board.

3.- MAIN ACTIONS CARRIED OUT DURING THE YEAR 2021

3.1. Meetings

The Committee performs its functions with total independence and full operational autonomy, being directed by its Chairman, who is responsible for calling the meetings, proposing the agenda of the matters to be discussed and requesting the attendance of any Company director, manager or employee or the external auditor or any other third party that may be necessary for the performance of its functions.

The Committee met on fourteen (14) occasions during fiscal year 2021 (in particular, on January 26, February 16, February 23, February 23, March 23, April 22, May 11, June 10, July 19, July 27, September 15, October 13, November 10, November 14 and December 14). Most of the meetings held during the year were held remotely via videoconference due to the security measures adopted by MERLIN because of the health crisis caused by the Covid-19 pandemic.

In addition to its members, the meetings of the Audit and Control Committee were attended by Company employees and managers, such as the Executive Director and Head of Corporate Affairs, the Head of Legal Counsel, the Head of the Tax Department, the Head of Internal Audit, the Head of Retail Business, the Head of the Office Business, the Head of the Technical Department, the Appraisals Coordinator and the Systems Manager, to deal with the items of the agenda for which they had been called to appear.

Likewise, the External Auditor attended 6 of the Committee's meetings to report on the audit carried out during fiscal year 2020, the Limited Review for the first half of 2021, the half-yearly review of appraisals, as well as to present the update of accounting and tax regulations, as part of the Committee's training plan.

3.2. General actions

As general information, at its meetings during fiscal year 2021 and in the performance of the functions attributed to it, the Committee:

- (i) raised to the Board several reports in connection with the presentation of the separate and consolidated financial statements for the year ended December 31, 2020, as well as the quarterly and half-yearly financial information and management reports required (during fiscal year 2021) from the Company, as a listed company, pursuant to the applicable legislation;
- (ii) reported to the Board on the external audit carried out in relation to the fiscal year ended December 31, 2020, as well as on the limited and preliminary reviews conducted by the external auditor in relation to the financial information for the first half-year and preliminary to the close required of the Company during fiscal year 2021.
- (iii) informed the Board about all the work entrusted to the external auditor during the year in progress and its prior analysis regarding compatibility and independence in accordance with the Audit Law.

- (iv) supervised the annual process of engaging external appraisers, proposed by Management, ensuring the application of the rotation policy and the identification of potential conflicts of interest and threats to independence that could compromise their suitability.
- (v) reviewed the methodology applied by the external real estate asset appraisers and the significant assumptions used, which are compliant with international financial reporting standards (IFRS).
- (vi) supervised the result of the work performed by the external auditor in relation to the appraisals of the Company's assets.
- (vii) took note of the related-party transactions, reporting the same to the Board of Directors for approval, where appropriate.
- (viii) took note and, where appropriate, reported favorably to the Board, on the corporate transactions from the accounting and tax standpoints.
- (ix) kept the 2021 Risk Map up to date in accordance with the *COSO-ERM 2017* methodology, and periodically monitored the main business risks by calling in the heads of the business units along to provide an explanation of business trends and associated risks.
- (x) analyzed the risks affecting the Company in terms of technological and cybersecurity risks, overseeing the IT Department's action plans in this area.
- (xi) reviewed the tax policies followed during the year, before preparing the financial statements and filing the Corporate Income Tax, in compliance with MERLIN's Tax Policy.
- (xii) supervised the performance of the internal audit work within the framework of the internal control systems and in accordance with the *2021 Annual Activity Plan* approved at the meeting held on December 15, 2020, monitoring compliance by the Company's management with its recommendations.
- (xiii) reviewed the activities of the various control bodies set up at the Company to supervise and manage criminal risks (Criminal Control Body) and to prevent money laundering and terrorism financing (Internal Control Body).
- (xiv) supervised the functioning of the ICFRS, and in turn, reviewed the internal audit reports on the same, revising the ICFRS Manual and the Group's Accounting Policies Manual.
- (xv) verified the evolution of the work carried out by the Company's management with respect to Data Protection regulations, ensuring, at all times, the implementation of control systems that minimize the risk of the vulnerability of the rights of the users of the Company's assets.
- (xvi) prompted an improvement in policies and procedures, within the Committee's responsibilities, such as, among others, those regarding Non-Financial Information, even if it does not apply to the Company.

3.3. Specific actions

Within the particular framework of its powers, the Committee, during fiscal year 2021, has carried out the following actions:

3.3.1. Financial Information

The Committee, within this area of its powers, is responsible for supervising the process of preparing and presenting the mandatory financial information relating to the Company and submitting recommendations or proposals to the Board aimed at safeguarding its integrity, as well as supervising compliance with regulatory requirements, the suitable definition of the consolidation perimeter and the correct application of accounting standards.

Regarding the process of preparation and presentation of the mandatory financial information of the Company and its group, during 2021 and prior to its presentation to the Board of Directors, the Committee has analyzed and supervised the following information that the Board of Directors must provide to the market and submit to the National Securities Market Commission (CNMV) because of its status as a listed company, for the purpose reviewing its reliability, correctness, sufficiency and clarity:

- (i) The Separate and Consolidated Financial Statements and Management Reports for the year 2020 of MERLIN and its consolidated group, having analyzed the process of preparation of such information and the existing guarantees within the Company's Internal Control Model, as well as the suitable definition of the consolidation perimeter and the correct application of the accounting standards used (IFRS and National Chart of Accounts (PGC)).
- (ii) The Quarterly and Half-yearly Periodic Financial Information of MERLIN and its consolidated group for fiscal year 2021, verifying the suitable definition of the consolidation perimeter, the consistency of accounting criteria and the identification of accounting risks that could jeopardize the audit opinion on the 2021 Financial Statements.

In this regard, it should be noted that the Audit and Control Committee, at its meeting held on February 23, 2021, submitted a report to MERLIN's Board, with the proposed Annual Financial Statements and Management Reports drawn-up for fiscal year 2020, both separate and consolidated, on the same terms that were submitted to vote at the Shareholders' Meeting and which were accompanied by an audit report from the firm Deloitte, S.L. with a favorable and unqualified opinion.

Likewise, and regarding the Quarterly and Half-yearly Periodic Financial Information for fiscal year 2021, the Committee, at its meetings held on May 11, July 27 and November 10, submitted favorable reports to MERLIN's Board on the aforementioned periodic financial information, verifying, at the July meeting, that the Limited Review report on the half-yearly financial statements for 2021 contained a favorable and unqualified conclusion.

Finally, during fiscal year 2021, the Committee reviewed that the financial information posted on the Company's website is permanently updated, and coincides with that which, if applicable, has been prepared by the Company's directors and posted on the CNMV website.

Likewise, the Committee is responsible for approving the internal audit plan for the evaluation of the ICFRS, and its modifications, and for receiving periodic information on the results of its work, as well as the action plan to correct any deficiencies observed.

In this regard, the Committee has worked during this fiscal year on:

- (i) Supervising compliance with the Internal Control Policy, approved in 2019, which defines a framework that regulates the process of preparing and supervising financial information, applicable to all Group companies.
- (ii) Reviewing and approving the materiality levels of the accounting headings used in MERLIN Group's financial statements, with a view to identifying the key controls within the Internal Control Model, as well as approving the update of the ICFRS Functions and Supervision Manual, as well as the Company's Accounting Policies Manual.
- (iii) Overseeing the review of the ICFRS controls within the framework of the *2021 Annual Internal Audit Plan* and follow up on the weaknesses and proposals for improvement noted.

3.3.2. External auditors

The Committee is responsible for obtaining from the auditors, on a regular basis, information on the audit plan and its enforcement, in addition to preserving the external auditor's independence in the performance of its functions. It must also ensure that the Company and the external auditor comply with the provisions in force on the provision of non-audit services and, in general, all other provisions on the independence of auditors.

In accordance with the "Auditor Engagement Policy and Relations Framework", approved on November 13, 2017 and in accordance with the provisions of the "2021 Working Plan with the External Auditor" set on December 15, 2020, during fiscal year 2021, the Committee has established the relevant relations with the Auditor, Deloitte, S.L., with the aim of monitoring the evolution of the audit work, knowing its significant findings, supervising its fees and work assignments and ensuring that the opinion on the financial statements and the main contents of the audit report, as well as the special report, have been drafted in a clear and accurate manner.

Therefore, and as regards the performance of their work, in 2021 the Company's external auditors appeared before the Committee on three occasions, each time having the opportunity to present their findings without the presence of the management team, at the Committee meetings of (i) February 23, (ii) July 27; and (iii) December 14, all in 2021. They also appeared twice to present the audit process for the review of the asset appraisals

(February 16 and July 19). In addition, the external auditors appeared on one additional occasion for the implementation of Committee's 2021 Training Plan.

The main aspects of the work carried out by the Committee in relation to the External Auditor are as follows:

(i) ***Regarding MERLIN's Financial Statements***

In fiscal year 2021, the Committee was informed of and supervised the progress of the external audit work, including the planning, the scope of the tests performed, the work calendar, their fees, the risks identified in the audit, the judgments on the applicability of accounting criteria and principles, the opinion on the accounting treatment of significant corporate transactions and the conclusions of the various works reflected in their reports submitted to the Committee during the fiscal year.

In this regard, at the Audit and Control Committee meeting held on 23 February 2021, the representatives of the auditor, Deloitte, S.L., presented the main conclusions of the work performed in relation to the audit of the Separate and Consolidated Annual Financial Statements of MERLIN and its consolidated group for fiscal year 2020, presenting the Draft Audit Opinion and Additional Report on the separate and consolidated annual financial statements at 31 December 2020, with a favorable and unqualified opinion

Subsequently, at the meeting held on July 27, 2021, the main conclusions of the work performed in connection with the Limited Review of the Half-Yearly Interim Financial Statements of MERLIN, and its consolidated group, corresponding to the first half of fiscal year 2021, were presented, with a favorable and unqualified conclusion, detailing the main significant events of the period, as well as the main audit risks.

Lastly, at the meeting held on December 14, 2021, the auditor presented the work carried out in the preliminary review as of September 30, 2021 with a view to the review of the accounts for financial year 2021, and the key audit matters detected in the course of their work.

(ii) ***Regarding the analysis of its Independence***

The Audit and Control Committee receives annually from the Company's auditor written confirmation of its independence from the Company or entities directly or indirectly related to it, as well as detailed and individualized information on the services, other than the auditing of accounts, provided by the auditor, or by persons or entities related to it in accordance with the provisions of current audit legislation.

The Company's Auditor submitted its statement of independence regarding the audit of the financial statements for fiscal year 2020 at the Committee's meeting held on February 23, 2021. This communication contained a detailed breakdown of the fees for audit services and audit-related services, as well as for other additional services provided to MERLIN Properties SOCIMI S.A. and the companies in its Consolidated Group during fiscal year 2020. Likewise, on this

same date, the Auditor submitted to the Audit and Control Committee the Additional Report to the Audit Committee in which the auditor confirmed that it had complied with the applicable independence requirements established by law.

Likewise, to guarantee the independence of the external auditor, the Audit and Control Committee has supervised compliance by both the Company and the external auditor with current regulations on the provision of non-audit services. In this regard, the Committee has analyzed, among other aspects:

- Compliance with the "*Auditor Engagement Policy and Relations Framework*", whereby the Audit and Control Committee has pre-authorized the contracting of all non-audit services.
- The express statement of the Auditor confirming its independence, with a detailed breakdown of the services provided and fees accrued.
- The Auditor's express confirmation of the establishment of internal procedures aimed at identifying and assessing threats that may arise from circumstances related to audited entities and, where applicable, the application of safeguard measures.
- Individualized analysis of the services provided to MERLIN Properties SOCIMI S.A. and the companies in its Consolidated Group.

During the course of the 2020 audit, the Committee did not identify any situations that could have posed a threat to the auditor's independence, and therefore the Committee concluded its analysis of the auditor's independence by stating that the auditor has acted in accordance with the independence standards that apply under current audit legislation.

In this regard, on February 23, 2021, the Audit and Control Committee submitted its Annual Report on Auditor Independence to the Board of Directors. This report is available for any interested party at the corporate website.

[\(http://www.merlinproperties.com/gobierno-corporativo/informes-anales/\)](http://www.merlinproperties.com/gobierno-corporativo/informes-anales/)

In addition, and with respect to fiscal year 2021, on a regular basis during the external auditor's appearances before the Audit and Control Committee, a periodic monitoring of the non-audit work performed by the Company's auditor has been carried out, as well as of the amounts paid for the same, in order to assess the auditor's independence.

In this regard, in the various appearances before the Audit and Control Committee during fiscal year 2021, the auditor reported negatively on the identification of situations that could jeopardize its independence.

(iii) ***Regarding its assessment and reelection***

In relation to the re-election process, section 4 of MERLIN's "Auditor Engagement Policy and Relations Framework" establishes: "When analyzing the re-election of the auditor, the Audit and Control Committee shall take into account the result of the annual assessment of the independence and quality of the work performed by the Company's auditor, as well as the time and

quantitative limitations established by the current regulations from time to time".

In compliance with these requirements, MERLIN's Audit and Control Committee, at its meeting held on February 23, 2021, analyzed the re-election process of the auditor for the audit report (separate and consolidated) of MERLIN Properties SOCIMI S.A. and Subsidiaries for fiscal year 2021, concluding positively with respect to the latter, according to the following criteria:

- MERLIN's Audit and Control Committee, on December 15, 2020, at the end of the year in which the appointment of the Company's auditor concluded, analyzed their possible reappointment, concluding positively with respect to such appointment.
- On February 23, 2021, the Audit and Control Committee issued the annual report on auditor independence, concluding favorably on compliance with the requirements established in current audit legislation.
- Also, the Audit and Control Committee, on the same date of February 23, 2021, assessed the work performed by the auditor, concluding satisfactorily on the work and quality of review of accounts (Report of the Audit Committee on the Annual Assessment of the Auditor, submitted to the Board of Directors).

In view of the foregoing, the Audit and Control Committee submitted a report to the Board of Directors with the proposal to submit to the Shareholders' Meeting, the re-election of the firm Deloitte, S.L. as auditor of MERLIN Properties, SOCIMI, S.A. and its consolidated group, to carry out the consolidated and separate audit of the MERLIN Group, for fiscal year 2021.

In view of the foregoing and at the proposal of the Audit and Control Committee, the Board of Directors submitted to the Shareholders' Meeting the proposal for the re-election of the Company's auditor, which was approved on April 27, 2021, and at the Shareholders' Meeting it was resolved to authorize the Board, with express power to delegate, to enter into the relevant professional services contract.

Lastly, in fiscal year 2021, the Audit and Control Committee approved the schedule for the rotation of the external auditor, so that the election of the external auditor for fiscal years 2024-2027 will be approved within the first half of fiscal year 2022.

(iv) ***Regarding their terms of engagement***

The Regulations of the Audit and Control Committee establish the power to "present to the Board, for submission to the Shareholders' Meeting, the proposal for the selection, appointment, reelection and replacement of the external auditor, as well as the contracting terms and, as the case may be, terms of revocation or non-renewal".

In compliance with these requirements, MERLIN's Audit and Control Committee, at its meeting held on December 15, 2020, analyzed the process of engaging the auditor for the audit report (separate and consolidated) of MERLIN Properties

SOCIMI S.A. and Subsidiaries for fiscal year 2021, as well as for the limited review report for the first half of the 2021 financial year, concluding positively with respect to the latter.

Similarly, MERLIN's Audit and Control Committee, at its meeting held on April 22, 2021, analyzed the process of engaging the auditor for the audit report (separate and consolidated) of MERLIN Properties SOCIMI S.A. and Subsidiaries for fiscal year 2021, as well as for the limited review report for the first half of fiscal year 2021, concluding positively with respect to the latter, according to the following criteria:

- MERLIN's Audit and Control Committee has reviewed the scope of the 2021 audit, the map of Group companies and variations during the period, verifying the accurate definition of the consolidation perimeter used in the audit proposal for fiscal year 2021.
- The Committee has taken note of the proposed fees to be received by the Auditor for the audit of the Company's financial statements for fiscal year 2021 and the limited review of the first half of fiscal year 2021.

Therefore, and based on the work performed, the Audit and Control Committee of MERLIN Properties SOCIMI S.A., in its report dated April 22, 2021, proposed to the Company's Board the approval of the terms of engagement of the auditor for fiscal year 2021 and for the limited review of the first half of fiscal year 2021.

(v) ***Regarding the supervision of their fees and work assignments***

MERLIN's Corporate Governance System ensures that the necessary relations are established between the Audit and Control Committee and the auditor so that the latter receives timely information on matters that may pose a threat to its independence.

So, during fiscal year 2021, the Audit and Control Committee has ensured that the Company's auditor is independent and this is evidenced in the relations between the auditor and the Company.

In this regard, the Company has a pre-authorization policy whereby the Audit and Control Committee must pre-authorize for subsequent approval by the Board, prior to its formalization, any contract to be entered into with the auditor (or member of its network) for the provision of non-audit services to the Company or any of its Group companies, in order to be able to analyze individually and globally the threats to independence that such contracts may pose.

During the course of fiscal year 2021, the Audit and Control Committee has pre-authorized various non-audit assignments with companies belonging to the Deloitte group, which have always been duly justified, in accordance with the regulations in force, and which in no case have posed a threat to the auditor's independence.

(vi) ***Regarding Internal Control Recommendations***

At the meeting held on February 16, 2021 between MERLIN's Audit and Control Committee and the external auditor, in the course of its audit work and corresponding to the final phase of 2020, the auditor informed the Audit and Control Committee that there were no significant deficiencies in the Group's internal control.

With respect to the rest of the internal control recommendations made, during fiscal year 2021, the Audit and Control Committee, through the Internal Audit department, has been continuously monitoring the status of implementation of the Internal Control recommendations, most of which have been implemented or show a high degree of progress, as reflected in the external auditor's report dated December 14, 2021.

Lastly, and with a view to the coming year, at the meeting held on December 14, 2021, the Committee established a 2022 Working Plan with the External Auditor, with the contents foreseen for each recommendation and the reports required by the Committee.

3.3.3. Asset appraisals

The Committee is responsible for supervising the hiring process, reviewing the methodology applied by the external appraisers and being aware and evaluating the work performed by the external auditor in relation to such appraisals.

During fiscal year 2021, the Audit and Control Committee has supervised, on a half-yearly basis, the appraisal process of the Company's assets, ensuring that the process has been carried out in accordance with International Valuation Standards (IVS) and International Financial Reporting Standards (IFRS).

In this regard, the Audit and Control Committee has held half-yearly meetings with the firms in charge of the valuation of the assets (Savills, CBRE and JLL), submitting to the Board the relevant reports on the asset appraisal process, the first one dated February 16, 2021 for the annual closing of fiscal year 2020, and the second one dated July 19, 2021, for the half-yearly closing process for June 30, 2021.

In these reports, the Audit Committee has reviewed, among other matters, the following:

- a) *Rotation and hiring:* The Committee, at its meeting of April 22, 2021, monitored the annual hiring process proposed by Management.
- b) *Independence and no conflicts of interest:* The appraisal firms are multinational firms of recognized prestige that are not financially dependent on the MERLIN Group's fees and have declared in writing to the Committee their independence from the company and its fees, as well as the absence of conflicts of interest in the provision of services.
- c) *Methodology and Assumptions used:* The Committee has reviewed the adequacy of the valuation methodology used in accordance with international financial reporting standards (IFRS).

3.3.4 Risk management

The Committee, among its powers, is entrusted with supervising the effectiveness of the Company's internal control and risk management systems. To this end, it evaluates everything related to the Company's non-financial risks, including operational, environmental, technological, legal, social, political and reputational risks.

The Company has a corporate risk management model supervised by the Committee, through which potential events that may affect the organization are identified, its risks are managed, and reasonable assurance is provided regarding the achievement of objectives.

The Committee (with the support of the Internal Audit department) supervises the model, based on the application of risk management methodology through the supervision of the identification and assessment of risks (probability and impact) that affect the objectives of each of the areas. Through the development of the plan, it evaluates and concludes on the sufficiency and effectiveness of the controls implemented by the Company, issuing, where appropriate, recommendations.

In 2021, once the relevant critical processes were identified, the Committee began the analysis of the determination of risk tolerance thresholds.

During the year, the Committee, in collaboration with the Internal Audit Manager, continued with the work undertaken in the previous year in the area of internal audit;

- (i) Update in January of the Risk Map for subsequent presentation to the Board and half-yearly review in September 2021.
- (ii) Tendering of the IT Risk Map with the aim of engaging an external adviser to assess the level of security of the various MERLIN assets, by detecting the highest risks, vulnerabilities and security threats, and establishing the action plans to mitigate them and the design of a specific roadmap for the company's cybersecurity.
- (iii) Annual review of the Risk Management and Control Policy, analyzing compliance with this policy, its viability and whether or not it should be updated.
- (iv) Analysis of the Spanish economic and real estate climate and identification of early key risk indicators (KRIs).
- (v) Half-yearly monitoring of the main key risk indicators (KPI's), and the different actions established for their mitigation.
- (vi) Regular monitoring of main business risks through the appearance of the heads of business units (Retail and Offices) along with their explanation of business trends and associated risks.
- (vii) Analysis of the risks affecting the Company in terms of technological and cybersecurity risks, overseeing the IT Department's action plans in this area.

- (viii) Review of tax risks, compliance with the Tax Policy and compliance with the REIT Regime.

Likewise, and as regards the risks of the Company's lines of business, the Committee's work plan for 2021 has taken into account informative meetings for managers of the organization who have presented to the Committee members the most relevant aspects of their areas of action, such as the risks associated with the Shopping Center and Office Division.

3.3.5. Tax policy and legal risks

The Committee, among its powers, has been entrusted with supervising the effectiveness of the Company's internal control and risk management systems. To this end, it evaluates everything related to the Company's non-financial risks, including operational, environmental, technological, legal, social, political and reputational risks.

In compliance with the MERLIN Group's Tax Policy and Strategy, the Committee has supervised and monitored, during 2021, the main tax risks, as well as the tax policies applied during the year, having been informed of them prior to the preparation of the financial statements and the filing of the Corporate Income Tax.

The Committee has also monitored on a recurring basis the Group's main legal risks, mainly arising from ongoing litigation, analyzing, where appropriate, their potential impact on the financial statements and the need to disclose them in the notes to the financial statements of the MERLIN Group.

3.3.6. Internal Audits

The Committee, within its powers and among other aspects, is responsible for ensuring the independence and effectiveness of the internal audit management function, supervising, among other aspects, the annual working plan, it approves its budget and supervises its remuneration, verifying that the members of the management team take into account the conclusions and recommendations of its reports.

So, within the framework of the responsibility attributed to the Committee in fiscal year 2021:

- (i) it has reviewed the implementation of the 2021 Internal Audit Annual Plan, approved on December 15, 2020.
- (ii) it has reviewed the monitoring of progress made in 2021 in terms of Digitalization of the Internal Audit function, whose project has been completed with the publication of the updated data as of September 21 in Power BI Service (with access to General Management and Management Control).
- (iii) it has carried out a review of the reports issued by the internal audit department, reviewing the recommendations included and verifying that the Company Management complied with the action plans included.
- (iv) The Internal Audit Manager has appeared at all Committee meetings and explained the developments and progress in the area of his responsibility, with

special emphasis on the different review work regarding the control models and processes that were being carried out in this respect (mainly auditing of business processes, review of the ICFRS, Data Protection, Criminal Compliance and the Risk Management System).

- (v) It has reviewed and approved the Internal Audit Budget and Annual Plan for 2022, at its meeting held on December 14, 2021.

3.3.7. Regulatory Compliance

The Committee's responsibilities include the following:

- *Review the annual plan of activities of the Criminal Compliance Body, as well as the half-yearly report on its activities for subsequent submission to the Board.*
- *Review, through the Internal Control Body, the Company's internal policies and procedures to verify their effectiveness regarding anti-money laundering and countering the financing of terrorism.*
- *Supervise compliance with regulatory requirements, as well as establish and supervise a whistleblower channel that enables employees to report, confidentially and, if possible and appropriate, anonymously, any potentially significant irregularities, especially financial and accounting irregularities they notice within the company.*
- *Inform the Board of Directors, prior to the adoption by the Board of the relevant decision, on (i) the creation or acquisition of holdings in special-purchase entities or entities with registered office in countries or territories treated as tax havens; (ii) related-party transactions; (iii) the economic terms and accounting impact and, if applicable, the exchange ratio in the structural and corporate modifications to be carried out by the Company.*

3.3.7.1. Criminal Risk Prevention (Criminal Compliance)

During fiscal year 2021, the Committee has supervised MERLIN's Crime Prevention Model, verifying its permanent updating and renewing its quality certification under the UNE 19.601 standard for Criminal Compliance Management Systems, obtained in 2019.

The 2021 audit report and recommendations have been issued with no recommendations, allowing one further step to be taken and become certified under the ISO 37.001 standard for Anti-Bribery Management Systems.

Additionally, the scope of the report has been extended to include the Portuguese group of companies, both under the UNE 19.601 standard for Criminal Compliance Management Systems and under the ISO 37.001 standard for Anti-Bribery Management Systems.

Likewise, the most relevant actions have been the following:

- (a) Updating of the Criminal Risk Map, on the assessment, in terms of impact and probability, of the business activities sensitive to the occurrence of a conduct considered an offence under the Spanish Criminal Code.
- (b) Supervision of the review by Internal Audit of the specific controls implemented in the Crime Prevention Model, as well as of the action plans established and the follow-up of their evolution.
- (c) Supervision of the activity of the Criminal Compliance Body, through the annual and half-yearly activity reports, as well as through the appearances of the head of the same before the Committee.
- (d) Supervision of the Criminal Compliance Body's training plan, highlighting the training received by the Board of Directors, Senior Management and the most exposed employees.

3.3.7.2. Anti-money laundering and countering the financing of terrorism

In the course of fiscal year 2021, the Committee has carried out various actions in the area of anti-money laundering and countering the financing of terrorism:

- (a) Review of compliance with the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Policy, approved by the Board of Directors in July 2019.
- (b) Analysis and review of the Independent Expert Report, dated January 26, 2021, regarding the due diligence measures implemented by the Spanish MERLIN Group companies that are considered addressees of Law 10/2010 on the Prevention of Money Laundering.
- (c) Supervision of the actions carried out by the Company in Portugal, analyzing the action plans and their implementation, to comply with the new AML/CFT regulations issued during the 2020 financial year.
- (d) Review and approval of the Risk Self-Assessment Report, in accordance with RDL 11/2018, for subsequent submission to the Board of Directors for approval.
- (e) Update of the Anti-Money Laundering and Countering of the Financing of Terrorism (AML/CFT) Manual, to adapt it to the 2021 legislation, for approval by the Board.
- (f) Review and Approval of the Internal Control Body' Activities Report for fiscal year 2021.
- (g) Analysis and review of the Internal Audit Half-yearly Reports regarding compliance with internal procedures in matters of anti-money laundering and countering the financing of terrorism, both in Spain and Portugal, and follow-up of the recommendations issued in this respect.

3.3.7.3. Personal data protection

During fiscal year 2021, the Audit and Control Committee monitored compliance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of their personal data.

At the meeting of March 23, 2021, the Committee conducted a general review of the personal data protection system, referring, among others, to the general control framework, regulatory framework (Personal Data Protection and Privacy Compliance Policy) and Risks and controls.

3.3.7.4. Whistleblower Channel

The Whistleblower Channel acts as a mechanism that enables employees to confidentially report any potentially significant irregularities, especially financial and accounting irregularities, that they notice within the company.

The Lead Director and/or the Internal Audit Manager report to the Audit Committee the complaints received, the status of their resolution and the conclusions reached on the Reporting procedure in place.

On October 14, 2021, the Board of Directors approved the update of the Code of Conduct and the Procedure for Reporting through the Whistleblower Channel, incorporating technical improvements concerning the order and wording (simplification and greater alignment with MERLIN), reinforcing the gifts and hospitality policy, improving the procedure for reporting to the Channel and reinforcing the message of the duty to know and report.

During fiscal year 2021, four complaints were received through the Whistleblower Channel, initiating the process established by the procedure for reporting to the Whistleblower channel. These complaints have been investigated and processed in accordance with the current Procedure for Reporting through the Whistleblower Channel.

3.3.7.5. Corporate transactions

In relation to proposals for transactions and transactions regarding structural and corporate modifications and in compliance with recommendation 44 of the Code of Good Governance for listed companies, the Committee has taken note and reported on said proposals, as well as, where applicable, on the transactions and supporting documentation, carried out by the Company during the fiscal year.

3.3.7.6. Related-party transactions

During fiscal year 2021, the Committee has reviewed compliance with the provisions of current legislation and has reported on transactions that may have involved conflicts of interest and, in general, on the matters contemplated in Article 35 of the Regulations of the Board of Directors.

In this sense, the Committee has analyzed the outstanding balances and the related-party transactions that have been submitted for pre-authorization during the year, to ensure that they were carried out under market conditions and on an arm's length basis among shareholders, submitting, where appropriate, those reported on favorably to the Board of Directors for subsequent approval.

The Procedure for Transactions with Related parties was updated on September 15, 2021, to adapt it to the new regulations regulated by Law 5/2021, which amends the Capital Companies Law.

3.3.7.7. Treasury stock

During fiscal year 2021, the Audit and Control Committee, as the responsible body designated by the Board of Directors, monitored treasury stock transactions, verifying compliance with MERLIN's Treasury Stock Policy, as well as daily and global holding limits, transparency and reporting of transactions in order to avoid potential risks and conflicts of interest.

In October 2021, the Committee updated the Treasury Stock Policy to align it with National Securities Market Commission's Circular 2/2019.

3.3.7.8. Improvement of policies and procedures

During fiscal year 2021, the Audit and Control Committee has continued with the review of MERLIN's policies and procedures with reference to current national and international recommendations and best practices.

During the months of September and October 2021, the Committee has proceeded to update, among others, the Anti-Corruption and Anti-Bribery Policy to bring it up to ISO 37.001; the Investment Policy and the Financing and Financial Risks Policy and the Treasury Stock Policy.

3.3.8. 2021 Training Plan

In the interest of continuous improvement and continuous updating of technical and industry knowledge, the Committee established a specific training program for 2021, which included the following training activities:

- At the meeting held on June 10, 2021, the Committee members received training on "*Accounting, tax and regulatory developments 2021*" in which they discussed current accounting issues, amendments to the National Chart of Accounts - RD 1/2021, as well as other commercial issues and resolutions of the ICAC (Spanish Accounting and Audit Institute). They also explained the key points of Law 5/2021, which specifies the content to be included in the statement of non-financial information of capital companies.
- At that meeting, the Committee received training on the functioning of SAP and its working environments.
- At the meeting held on September 15, 2021, the Audit and Control Committee, together with the Sustainability Committee, received training on ESG (environmental, social and governance) risks.
- In November, the Compliance training module included in the MERLIN 2021 Training Plan was made available to the Committee members.

- In addition, during fiscal year 2021, the members of the Audit and Control Committee received training together with the other Board members.

4. CONCLUSIONS

As reflected in this Report on Activities, during fiscal year 2021 the Audit and Control Committee has satisfactorily addressed the analysis of the main issues that fall within its powers, reporting on a timely, recurring and regular basis to MERLIN's Board of Directors.

In this regard, during fiscal year 2021 the Committee has:

- ✓ supervised the preparation and reviewed the clarity and integrity of all **Financial Information**, which the Company has published during the year, such as the annual and quarterly financial statements, management reports and the annual corporate governance report.
- ✓ supervised the **process for engaging external appraisers**, carried out by the Company's management, ensuring the application of the rotation policy and the identification of potential conflicts of interest and threats to independence that could call into question their suitability.
- ✓ reviewed that the **methodology and assumptions** used by the external appraisers are consistent with international financial reporting standards (IFRS).
- ✓ supervised the result of the work carried out by the **external auditor in connection with the appraisals** of the Company's assets.
- ✓ reported to the Board of Directors on the **External Audit** carried out for the year ended December 31, 2020, as well as on the limited and preliminary reviews carried out by the external auditor in relation to the financial information for the first half of the year and the preliminary closing information required of the Company during fiscal year 2021.
- ✓ supervised the application of the **Risk Control and Management Policy**, analyzing the different types of risk faced by the Company, including financial or economic risks, operational, environmental, technological, legal, tax, social, political and reputational risks, as well as contingent liabilities and other off-balance sheet risks.
- ✓ supervised the application of the **Internal Control Policy**, reviewing the Company's internal control and risk management systems and, in particular, the correct design and operation of the internal control and financial information management system (ICFRS), so that the main risks are identified, managed and disclosed in an appropriate manner.

- ✓ supervised compliance with the **Tax Policy**, reviewing the tax policies applied during the year, prior to the preparation of the annual accounts and the filing of the Corporate Income Tax.
- ✓ supervised the application of the **Criminal Compliance Policy**, reviewing the annual activities plan of the Criminal Compliance Body, as well as the half-yearly reports on its activities, including the Company's Criminal Risk Map, being permanently informed of any relevant issue regarding regulatory compliance and the prevention and correction of illegal or fraudulent conduct. It has also supervised the renewal process of the quality certification under the UNE 19.601 standard. The 2021 audit report and recommendations have been issued without recommendations, allowing to step up to the ISO 37.001 standard for Anti-bribery management systems. Additionally, the scope of the report has been extended to include the Portuguese group of companies, both under the UNE 19.601 standard for Criminal Compliance Management Systems and under the ISO 37.001 standard for Anti-Bribery Management Systems.
- ✓ supervised the application of the ALM/CFT Policy, reviewing, through the Internal Control Body, the Company's internal policies and procedures to verify their effectiveness in the prevention of money laundering and countering the financing of terrorism, ensuring that the policies and procedures applied are effective in strict compliance with current legislation and in promoting the highest ethical standards.
- ✓ Supervised the execution of the Internal Audit work within the framework of the internal control systems and in accordance with the 2021 Annual Activity Plan approved at the meeting held on December 15, 2020, monitoring the Company's management's compliance with its recommendations.

Therefore, the Audit and Control Committee concludes that during fiscal year 2021 it has carried out its activities in a satisfactory manner in compliance with the legislation in force, the functions established in its Regulations and in accordance with the best Corporate Governance practices in the market.

5. WORKING PLAN FOR 2022

The Committee's action plan for fiscal year 2022 will focus on continuing to perform its functions and exercise its powers, as set forth in the regulations in force and in the specific Regulations of the Audit and Control Committee, mentioned in section 2 of this report.

To this end, the Committee has approved a working plan that includes specific actions to be undertaken at each of the different times of the year;

- Report, where appropriate, at the General Shareholders' Meeting on any issues that may arise in connection with matters within the scope of its powers and, in particular, on how its actions have contributed to safeguarding the integrity of the MERLIN Group's financial information.

- Continue and reinforce the practice followed by the Committee in the performance of its functions of supervising the process of preparing financial information, the control and risk management systems, with special focus on the ICFRS, legal and regulatory compliance, as well as the supervision of the external audit, the real estate appraisal services and the Internal Audit Department.
- Supervise the development of the internal control for reporting non-financial information system (ICRNFIS), in accordance with best market practices.
- Improve the flow of communication and ensure information is received by Committee members sufficiently in advance, especially with regard to related-party transactions and corporate transactions and/or with relevant legal or tax aspects.
- Continue to monitor activities and progress in the areas of Cybersecurity and IT Controls.
- Maintain the training of Committee members, including a plan with training sessions throughout the year, with the participation of the persons in charge of the different business areas and the participation of external specialists in those aspects deemed necessary.

This Report on Activities was approved by the Audit and Control Committee at its meeting held on January 25, 2022, and by the Board of Directors at its meeting held on January 26, 2022.