

ANNEX I

**ANNUAL CORPORATE GOVERNANCE REPORT
FOR LISTED PUBLIC LIMITED COMPANIES**

IDENTIFICATION DETAILS OF THE ISSUER

REFERENCE END OF YEAR DATE: 31/12/2014

C.I.F. A81862724

COMPANY NAME

DINAMIA CAPITAL PRIVADO, S.A., SCR

REGISTERED ADDRESS

PADILLA, 17 4a PLANTA, MADRID

ANNUAL CORPORATE GOVERNANCE REPORT

FOR LISTED PUBLIC LIMITED COMPANIES

A. OWNERSHIP STRUCTURE

A.1 Complete the following table regarding the capital structure of the company:

Last modification date	Share capital (€)	Number of shares	Number of voting rights
28/10/2011	48,837,600,00	16,279,200	16,279,200

Indicate if there are different share classes with different associated rights:

Yes []

No [X]

A.2 List the direct and indirect significant shareholders in your company as at the end of the year, excluding directors:

Name or company name of the shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
BARWON INVESTMENT PARTNERS, PTY LTD	2,072,905	0	12.73%
MR RICARDO PORTABELLA PERALTA	0	3,679,999	22.61%
ELECTRA PARTNERS, LLP	0	1,699,891	10.44%
CROWN LISTED ALTERNATIVES PLC - LGT CROWN LISTED PRIVATE EQUITY	510,000	0	3.13%
MR EMILIO CARVAJAL PÉREZ	0	612,000	3.76%

Name or company name of the indirect shareholder	Held through: Name or company name of the direct shareholder	Number of voting rights
MR RICARDO PORTABELLA PERALTA	ANPORA PATRIMONIO S.L.	3,679,999
ELECTRA PARTNERS, LLP	ELECTRA PRIVATE EQUITY PARTNERS 1995	1,699,891
MR EMILIO CARVAJAL PÉREZ	SODECAR S.L.	612,000

Indicate the most significant movements in the company's shareholding structure during the year:

Name or company name of the shareholder	Transaction date	Description of the transaction
CROWN LISTED ALTERNATIVES PLC - LGT CROWN LISTED PRIVATE EQUITY	22/08/2014	It exceeded 3% of the share capital
CORPORACIÓN FINANCIERA ARCO, S.L.	20/08/2014	It fell below 5% of the share capital
CORPORACIÓN FINANCIERA ARCO, S.L.	02/09/2014	It fell below 3% of the share capital

A.3 Complete the following tables about members of the Company's Board of Directors that hold shares in the company with voting rights:

Name or company name of the director	No. of direct voting rights	No. of indirect voting rights	% of the total voting rights
MR FERNANDO D'ORNELLAS SILVA	500	0	0.00%

Name or company name of the director	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
MR SANTIAGO BERGARECHE BUSQUET	4,521	4,729	0.06%
MR JOAQUÍN GARCÍA-QUIRÓS RODRÍGUEZ	100	0	0.00%
MR RAFAEL JIMÉNEZ LÓPEZ	508	0	0.00%
MR NICOLÁS VILLÉN JIMÉNEZ	510	0	0.00%
MR JOSÉ JAVIER CARRETERO MANZANO	1,000	0	0.01%

Name or company name of the indirect shareholder	Held through: Name or company name of the direct shareholder	Number of voting rights
MR SANTIAGO BERGARECHE BUSQUET	KARENZA INVERSIONES SICAV, S.A.	4,729
% of total voting rights attributable to the Board of Directors		0.07%

Complete the following tables about members of the Company's Board of Directors that hold rights on shares in the company:

A.4 Indicate, if applicable, the relationships of a familial, commercial, contractual or corporate nature that exist between the significant shareholders, in so far as they are known by the company, unless they have little relevance or are derived from the ordinary commercial business of the company:

A.5 Indicate, if applicable, the relationships of a commercial, contractual or corporate nature that exist between the significant shareholders and the company and/or its group, unless they have little relevance or are derived from the ordinary commercial business of the company:

A.6 Indicate if the company has been notified of any shareholder agreements that affect it, pursuant to Articles 530 and 531 of the Capital Companies Act. Describe them briefly and list the shareholders connected by the agreement, if applicable:

Yes []

No [X]

Indicate if the company is aware of the existence of arranged actions between its shareholders. Give a brief description, if applicable:

Yes []

No [X]

If any of these pacts, agreements or agreed actions have been modified or terminated during the year, please describe them below:

The company is not aware of the existence of any shareholder agreements or agreed actions relating to the Company.

A.7 State if any individual or legal person exercises or could exercise control over the company pursuant to Article 4 of the Securities Market Act (LMV). Identify them here, if applicable:

Yes []

No [X]

Observations

A.8 Complete the following tables regarding the company's treasury stock:

At the end of the year:

Number of direct shares	Number of indirect shares (*)	% of total share capital
52,818	0	0.32%

(*) Held through:

Describe the significant variations, according to Royal Decree 1362/2007, that occurred during the year:

A.9 Describe the conditions and the term of the current mandate from the Shareholders' Meeting to the Board of Directors to issue, repurchase or transfer treasury stock.

The General Shareholders' Meeting held on 11 June 2014 authorised the Company's Board of Directors to make derivative acquisitions of treasury stock through Dinamia Capital Privado, S.C.R., S.A. within the legally established limits and requirements, and under the following conditions:

1. Categories: By means of purchases, swaps, donations, allotments or payments in kind, and in general via any other means of acquisition of fully paid up shares in circulation, for good and valuable consideration, allowable by law.
2. Maximum number of acquirable shares: Up to the legal limit of ten percent (10%) of the share capital or the limit established by law.
3. Maximum and minimum prices: The maximum and minimum prices must not be, respectively, greater than 5% of the share price on the stock exchange at the time of the acquisition, or less than the par value of the share.
4. Duration of the authorisation: Five years from the date of the agreement.

Shares acquired in this way shall not have any voting rights or other non-financial rights. The financial rights attributable to these shares, according to article 148 of the Capital Companies Act, shall be proportionately attributed to the remaining shares. The authorisation granted shall expressly include the derivative acquisition of treasury stock for the purpose of disposing or redeeming the shares as well as directly awarding them to the company's employees or directors or as a result of exercising option rights that they may hold, as well as developing programmes that promote the holding of shares in Dinamia, such as, for example, dividend reinvestment plans, loyalty bonds or other similar instruments.

This authorisation substitutes and cancels any unused amount under Resolution Six adopted by the Ordinary General Shareholders' Meeting held on 2 June 2010, which authorised the Company's Board of Directors to make derivative acquisitions of treasury stock.

A.10 State if there are any restrictions on the transferability of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restrictions that could make it difficult to take control of the company by acquiring its shares in the market.

Yes

No

A.11 State if the General Shareholders' Meeting has agreed to adopt measures to neutralise takeover bids, pursuant to Law 6/2007.

Yes

No

If yes, explain the approved measures and the terms under which the restrictions would be ineffective:

A.12 State if the company has issued securities that are not traded on an EU regulated market.

Yes

No

If applicable, indicate the different share classes and state the rights and obligations conferred to each class.

B. GENERAL MEETING

B.1 Indicate if there are differences between the minimum requirements established in the Capital Companies Act (LSC) regarding the quorum of the General Shareholder's Meeting, and give details if appropriate.

Yes [] No []

B.2 Indicate if there are any differences compared to the system established in the Capital Companies Act (LSC) for adopting company resolutions, and give details if appropriate:

Yes [] No []

Describe the differences compared to the LSC.

B.3. State the rules that apply to changes to the Company's by-laws. In particular, explain the majorities required to amend the by-laws as well as, if appropriate, the rules for protecting shareholders' rights when amending the by-laws.

Only the General Meeting can agree any amendments to the company's by-laws, in accordance with the law, article 15 of the company's by-laws and article 19 of the Regulations of the General Meeting. Article 19.1 of the Regulations of the General Meeting establishes that at least two thirds of the shares present or represented at the Meeting must vote in favour of any amendments to the company's by-laws when the meeting is attended by shareholders representing less than 50% of the issued capital with the right to vote.

B.4 Indicate the attendance details for General Shareholders' Meetings held during the year to which this report refers and for the previous year:

Meeting date	Attendance details				Total
	% present	% represented	% distance voting		
			Electronic vote	Others	
13/06/2013	8.19%	61.88%	0.00%	0.00%	70.07%
11/06/2014	9.28%	57.16%	0.00%	0.00%	66.44%

B.5 State if there are any statutory restrictions that establish the minimum number of shares required to attend the General Shareholder's Meeting:

Yes [] No []

B.6 Indicate whether it has been agreed that certain decisions that entail a structural modification of the company ("subsidiarisation", purchase/sale of critical operating assets, transactions equivalent to winding up the company...) must be subject to the approval of the General Shareholders' Meeting, even though it is not expressly required by mercantile law.

Yes [] No []

B.7 State the address and method for accessing the company's website and the information on corporate governance and other information about General Meetings that must be made available to shareholders via the company's website.

The Company's website address is www.dinamia.es, which includes information for shareholders and investors and the documents required by law. Click on the option in the upper part of the page entitled "Shareholders and investors" and then on the "Corporate Governance" option to access information about corporate governance. The information about corporate governance and General Shareholders' Meetings is also accessible on the website of the CNMV (www.cnmv.es).

C. ADMINISTRATIVE STRUCTURE OF THE COMPANY

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the by-laws:

Maximum number of directors	10
Minimum number of directors	3

C.1.2 Complete the following table with the members of the Board:

Name or company name of the director	Representative	Position on the Board	1st appt. date	Last appt. date	Election procedure
MR FERNANDO D 'ORNELLAS SILVA		DIRECTOR	20/02/2013	13/06/2013	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
MR SANTIAGO BERGARECHE BUSQUET		CHAIRPERSON	11/12/2002	13/06/2013	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
MR JOAQUÍN GARCÍA- QUIRÓS RODRÍGUEZ		VICE-CHAIRPERSON	04/06/2009	11/06/2014	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
MR RAFAEL JIMÉNEZ LÓPEZ		DIRECTOR	22/03/2011	11/06/2014	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
MR NICOLÁS VILLÉN JIMÉNEZ		DIRECTOR	20/02/2013	13/06/2013	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
MR EMILIO CARVAJAL BALLESTER		DIRECTOR	28/06/2007	07/06/2012	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
MR JOSÉ JAVIER CARRETERO MANZANO		DIRECTOR	20/02/2012	07/06/2012	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
MR ALFRED MERTON VINTON		DIRECTOR	17/12/2003	11/06/2014	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING

Total number of directors 8

Indicate if any directors have left the Board of Directors during the period being reported:

C.1.3 Complete the following tables about the members of the Board and their different roles:

EXECUTIVE DIRECTORS

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of the director	Committee that proposed his/her appointment	Name of the significant shareholder represented or that has proposed his/her appointment
MR JOAQUÍN GARCÍA-QUIRÓS RODRÍGUEZ	AUDIT AND APPOINTMENTS COMMITTEE	AQUAMAGICA INVERSIONES S.A.
MR RAFAEL JIMÉNEZ LÓPEZ	AUDIT AND APPOINTMENTS COMMITTEE	ANPORA PATRIMONIO S.L.
MR EMILIO CARVAJAL BALLESTER	AUDIT AND APPOINTMENTS COMMITTEE	SODECAR S.L.

Total number of shareholder directors	3
% of total Board	37.50%

INDEPENDENT EXTERNAL DIRECTORS

Name or company name of director:

MR FERNANDO D'ORNELLAS SILVA

Profile:

Fernando D'Ornellas has a law and economics degree from Universidad Pontificia de Comillas (ICADE E-3) and an MBA from the IESE business school (International section). He has spent most of his career in the Bergé Group, where he was CEO until 2012. The Bergé Group is a Spanish business group with an international presence in the sectors for shipping and ports, automotive distribution, logistics, renewable energy and finance. He has also been a member of the Board of Directors of Endesa and is currently a director of Meliá Hotels International.

Name or company name of director:

MR NICOLÁS VILLÉN JIMÉNEZ

Profile:

Nicolás Villén is a qualified industrial engineer from the University of Madrid. He also holds a Masters in electrical engineering from the University of Florida and an MBA from the University of Columbia (New York). In the last few years he has worked at Ferrovial, where he has been CFO of the group as well as CEO of Ferrovial Aeropuertos. He has been a member of the Board of Directors of ONO, Cintra,

Budimex (Poland), BAA (UK) and ACR Grupo S.A. among other companies. At present he is a member of the board of CLH, S.A. and Aer Lingus Group, Plc.

Name or company name of director:

MR JOSÉ JAVIER CARRETERO MANZANO

Profile:

José Javier Carretero is a qualified industrial engineer from Universidad Pontificia de Comillas (ICAI) and holds a Master's degree in economics and business management from the IESE business school. He has spent his career in the industrial sector and has been CEO of Ferroli España, S.A. and Cointra Godesia, S.A., among other positions, both part of the Italian multinational group Ferroli, which operates in the environmental comfort sector (heating, air conditioning and solar power). He is currently director general of the Spanish Chamber of Commerce and a director of ICEX, among other positions.

Total number of independent directors: 3

% of total Board 37.50%

Indicate whether any director classified as an independent director receives any amount or benefit from the company or from its group, for any concept other than remuneration for being a director, or has or has had during the last year a business relationship with the company or with any company in its group, whether in his/her own name or as a significant shareholder, director or senior manager of an entity that has or may have had such a relationship.

No.

If applicable, include an explanatory statement from the Board about the reasons why it believes that this director can perform his/her functions as an independent director.

OTHER EXTERNAL DIRECTORS

Name or company name of director	Committee that reported or proposed the appointment
MR ALFRED MERTON VINTON	AUDIT AND APPOINTMENTS COMMITTEE
MR SANTIAGO BERGARECHE BUSQUET	AUDIT AND APPOINTMENTS COMMITTEE

Total number of other external directors	2
% of total Board	25.00%

State the reasons why they cannot be considered as shareholder or independent directors, and their relationships either with the company, its managers or its shareholders:

Name or company name of the director:

MR ALFRED MERTON VINTON

Company, manager or shareholder with which there is a link:

ELECTRA PRIVATE EQUITY PARTNERS 1995

Reasons:

Mr Vinton has been a shareholder director of Dinamia in the past, representing Electra Private Equity Partners 1995, a significant shareholder in Dinamia. However he no longer represents the firm on the Board of Directors of Dinamia. Mr Vinton continues to be associated with the Electra group.

Fred Vinton has spent his professional career at JP Morgan, as VP and General Manager of JP Morgan in London; as Chief Operating Officer at NM Rothschild & Sons, Ltd.; and as CEO of Bemberg Group. He was also Chairman of Electra Partners Limited. At present Mr Vinton is also a director of N+1 Private Equity International Limited, a fund management company, and in particular of the N+1 Private Equity fund. He is also a member of the Board of Directors of GP Investments Limited, Unipart Group of Companies and various other fund management firms and companies.

Name or company name of the director:

MR SANTIAGO BERGARECHE BUSQUET

Company, manager or shareholder with which there is a link:

OTHERS

Reasons:

Mr Bergareche has been reclassified as an external director in accordance with article 529 duodecies 4.i) of the Capital Companies Act, which forbids directors being classified as independent if they have been directors for more than 12 years.

As of the date of this report, Mr Santiago Bergareche is Chairman of the Board of Directors and of the Board's Committee of Vocento, S.A. (Grupo Correo Prensa Española), Vice-chairman of the Ferrovial Group and a director of Maxam. Mr Bergareche has been General Manager of BBVA, Chairman of Metrovacesa, Chairman of Agroman, CEO of Ferrovial and Chairman of CEPESA.

State any changes that have occurred to the status of each director during the period, if applicable:

Name or company name of the director	Date of change	Previous status	Current status
MR SANTIAGO BERGARECHE BUSQUET	11/12/2014	dependent	Other External

C.1.4 Complete the following table with information relating to the number of female directors during the last four years, as well as the type of director:

	Number of female directors				Number of total directors of each type			
	4	3	2	1	4	3	2	1
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Shareholder	0	0	0	0	0.00%	0.00%	0.00%	0.00%

Independent	0	0	0		0.00%	0.00%	0.00%	0.00%
Other external	0	0	0		0.00%	0.00%	0.00%	0.00%
Total:	0	0	0		0.00%	0.00%	0.00%	0.00%

C.1.5 Explain the measures that, if appropriate, may have been taken to try to include a number of women on the board of directors to achieve a balance between men and women.

Explanation of the measures

All of the company's directors have been appointed by taking into account their recognised authority, abilities and experience in accordance with internal regulations, without considering their gender. Nevertheless, the Board of Directors and the Audit and Appointments Committee (within their respective areas of responsibility), shall try to include women that fulfil the indicated professional criteria, among potential candidates.

C.1.6 Explain the measures that, if applicable, may have been agreed so that selection procedures do not suffer from implicit bias that hinders the selection of female directors, so that the company deliberately seeks and includes women with the appropriate professional profile among potential candidates:

Explanation of the measures

The Audit and Appointments Committee evaluates the authority, abilities and experience of candidates to be elected as members of the Board of Directors so that selection processes do not suffer from any implicit bias.

When despite of the measures that may have been taken, if applicable, there are still few or no female directors, explain the justifying reasons:

Explanation of the reasons

The selection process to appoint the company's directors is based on candidates' merits. Article 16 of the Board Regulations establishes that the Board of Directors – and the Audit and Appointments Committee (currently the Appointments and Remuneration Committee) – within the scope of their respective competencies, shall try to ensure that candidates are elected based on their proven authority, abilities and experience. There is therefore no bias against women being part of the Company's Board of Directors.

C.1.7 Explain the way that shareholders with significant shareholdings are represented on the Board.

None of the directors are shareholders with significant shareholdings. Nevertheless, Mr Emilio de Carvajal y Ballester, Mr Joaquín García-Quirós Rodríguez and Mr Rafael Jiménez López have been classified as shareholder directors having been appointed at the request of the Company's significant shareholders as reported in section C.1.3.

C.1.8 Explain, if appropriate, the reasons why shareholder directors have been appointed at the request of shareholders that own less than 5% of the capital:

Indicate if formal requests for representation on the Board from shareholders with shareholdings equal to or greater than other shareholders –whose requests for shareholder directors have been appointed– have not been acted upon. Explain the reasons why they have not been acted on, if applicable:

Yes [] No []

C.1.9 Indicate if any director has left his/her position prior to completion of his/her term; if the director has explained his/her reasons to the Board, and by what means; and, in the event that the written communication was sent to every Board member, explain the reasons given below:

C.1.10. State the powers that have been delegated to the CEO(s), if one exists:

C.1.11 Identify, if appropriate, the members of the Board that hold administrative or management positions in other companies that form part of the group of the listed company:

C.1.12 State, if appropriate, the directors of your company that are members of the Board of Directors of other companies listed on official stock exchanges, other than companies in your group, which the company has been notified of:

Name or company name of the director	Company name of the group entity	Position
MR FERNANDO D'ORNELLAS SILVA	MELIA HOTELS INTERNATIONAL, S.A.	DIRECTOR
MR SANTIAGO BERGARECHE BUSQUET	FERROVIAL, S.A.	VICE-CHAIRMAN
MR JOAQUÍN GARCÍA-QUIRÓS RODRÍGUEZ	OBRASCÓN HUARTE LAÍN, S.A. (OHL)	DIRECTOR
MR NICOLÁS VILLÉN JIMÉNEZ	COMPAÑÍA LOGÍSTICA DE HIDROCARBUROS CLH, S.A.	DIRECTOR
MR NICOLÁS VILLÉN JIMÉNEZ	AER LINGUS GROUP PLC	DIRECTOR
MR ALFRED MERTON VINTON	GP INVESTMENTS LTD	DIRECTOR
MR SANTIAGO BERGARECHE BUSQUET	VOCENTO, S.A.	DIRECTOR

C.1.13 State, and if appropriate explain, if the company has established rules on the number of boards that its directors may belong to:

Yes []

No [X]

C.1.14 Indicate the Company's general strategies and policies that the full Board is required to approve:

	Yes	No
The investment and financing policy	X	
The definition of the corporate group structure		X
The corporate governance policy	X	
The corporate social responsibility policy	X	
The strategic or business plan, as well as management objectives and the annual budget	X	
The policy on remuneration and performance appraisals of senior managers	X	
The risk control and management policy, as well as regular monitoring of internal information and control systems	X	
The dividend and treasury stock policy, especially their limits.	X	

C.1.15 State the combined remuneration of the Board of Directors:

Remuneration of the Board of Directors (thousands of euros)	418,077
Amount of the combined remuneration that corresponds to the rights accumulated by directors in relation to pensions (thousands of euros)	0
Combined remuneration of the Board of Directors (thousands of euros)	418,077

C.1.16 Identify members of the senior management team that are not executive directors and indicate the total remuneration they received for the year:

C.1.17 Identify, if appropriate, the members of the Board that are also members of the Board of Directors of companies that hold significant shareholdings in the listed company and/or in entities of its group:

Director or company name of the director	Name of significant shareholder	Position
RAFAEL JIMÉNEZ LÓPEZ	OPORA PATRIMONIO S.L.	DIRECTOR
EMILIO CARVAJAL BALLESTER	DECAR S.L.	DIRECTOR

State, if appropriate, the relevant relationships, other than those in the point above, of members of the Board of Directors that connect them with significant shareholders of the company and/or of entities in its group:

C.1.18 State if there have been any amendments to the Board Regulations during the year:

Yes

No

C.1.19 Indicate the procedures for selection, appointing, re-electing, evaluating and removing directors. List the competent bodies, procedures and criteria used for each of these procedures.

Directors will be designated by the General Meeting or by the Board of Directors in accordance with the provisions set out in the Capital Companies Act and following a proposal from the Audit and Appointments Committee. The Board of Directors -and the Audit and Appointments Committee - will ensure that candidates have the appropriate professional skills, experience and knowledge. The Board of Directors will specify the nature of each director to the General Meeting of Shareholders, which must appoint or ratify this person.

The Board of Directors cannot propose or designate persons to cover an independent external director's position if they fail to satisfy the binding criteria of independence. Directors will hold office for the period set out by the General Meeting, which cannot exceed five years, and they may be elected at the end of this term for periods of the same or shorter duration. Directors designated through co-option will hold office until the date of the first General Meeting following their designation.

The director that terminates their mandate or otherwise ceases to perform their post for any other reason cannot provide services at another venture-capital company or venture-capital management company for a term of two years. Should it deems such action appropriate, the Board of Directors may dispense with this obligation with regard to the outgoing director or shorten the term thereof.

The Board of Directors must regularly assess the quality and efficiency of its performance and activities. As regards the assessment of its performance and the development of its meetings, since the last assessment the company has verified that these are performed correctly, with regular meetings that have been convened sufficiently beforehand and with the appropriate information. Furthermore, the attendance, time spent and active participation of all directors have been assessed.

Directors will cease to hold office upon expiration of the term of office for which they were appointed or when so resolved by the General Meeting. Notwithstanding the foregoing, directors must tender their resignation to the Board of Directors in those cases specified in article 18.2 of the Board Regulations. Directors affected by proposals for appointment, re-election or removal will refrain from intervening in the deliberations and votes that deal with these issues.

C.1.20 Indicate whether the board has evaluated its performance during the year:

Yes

No

Explain, if applicable, to what extent this evaluation has prompted significant changes in its internal organisation and the procedures applicable to its activities:

Description of amendments

The Board of Directors has fully evaluated the quality and efficiency of its performance, based on the report drawn up by the Audit and Appointments Committee, pursuant to the provisions set out in article 5.6 of the Board Regulations. The aforementioned evaluation has not led to any relevant changes vis-à-vis its internal organisation or with regard to the procedures applicable to its activities.

C.1.21 Indicate the cases in which directors must resign.

In accordance with article 18 of the Board Regulations, a director will tender his or her resignation to the Board of Directors and formally resign from office in the following cases:

- (a) When they are subject to any of the conditions of prohibition or incompatibility pursuant to applicable laws or the By-laws.
- (b) When they receive a serious warning from the Board of Directors, following a report from the Audit and Appointments Committee, for infringing their duties as directors.
- (c) When remaining on the Board could jeopardise the interests of the Company.
- (d) When the shareholder represented by a proprietary director sells all of their shareholding stake or the number of corresponding shares, when this shareholder reduces their stake to a level that requires a reduction in the number of proprietary directors.

The Board of Directors may only propose the resignation of an independent director prior to the elapse of the statutory period whenever there is just cause, ratified by the Board. More specifically, just cause will be understood to exist in the following cases: (i) breach of the duties inherent to the position, or (ii) ensuing incurrence of a circumstance that prevents their qualification as such. Said removal may likewise be proposed as a consequence of a takeover bid, mergers or other similar business operations that represent a significant change to the Company's share capital structure.

C.1.22 Indicate whether the duties of the chief executive officer fall upon the chairman of the board. If so, describe the measures taken to limit the risk of powers being concentrated in a single person:

Yes

No

Indicate, and if necessary, explain whether rules have been established that enable any of the external independent directors to convene board meetings or include new items on the agenda, to coordinate and voice the concerns of non-executive directors and oversee the evaluation by the board

Yes

No

C.1.23 Are qualified majorities other than those prescribed by law required for any type of action?:

Yes

No

If applicable, describe the differences.

C.1.24 Indicate whether there are any specific requirements, apart from those relating to the directors, to be appointed chairperson of the board.

Yes

No

C.1.25 Indicate whether the chairperson has a casting vote:

Yes

No

C.1.26 Indicate whether the by-laws of the board regulations set an age limit for directors:

Yes

No

C.1.27 Indicate whether the by-laws or the board regulations set a limited term of office for external independent directors different from the one established in the applicable law:

Yes

No

C.1.28 Indicate whether the by-laws or board regulations stipulate specific rules on appointing a proxy to the board, the procedures thereof and, in particular, the maximum number of proxy appointments a director may hold. Also indicate whether only one director of the same category may be appointed as a proxy. If so, give brief details.

In accordance with article 23 of the Board Regulations, directors will make every effort to attend Board meetings and the meetings of those bodies on which they sit, and they will actively take part in the deliberations so that their criterion effectively contributes to the making of decisions.

Furthermore, article 15 of the Board Regulations sets out that whenever directors cannot attend meetings of the Board they will try to award their representation to another member of the Board, including the opportune instructions and reporting this to the Chairperson of the Board.

C.1.29 Indicate the number of board meetings held during the year. Also indicate, where applicable, how many times the board has met without the chairperson's attendance. Attendance will also include proxies appointed with specific instructions.

Number of board meetings	11
Number of Board meetings held without the chairperson's attendance	0

Indicate the number of meetings of the various board committees held during the year:

Audit and Appointment Committee	Number of meetings
AUDIT AND APPOINTMENTS COMMITTEE	6

C.1.30 Indicate the number of board meetings held during the year with all members in attendance. Attendance will also include proxies appointed with specific instructions.

Attendance of directors	9
Number of attendances of the total votes cast in the year	97.92%

C.1.31 Indicate whether the consolidated and individual financial statements submitted for authorisation for issue by the board are certified previously:

Yes

No

Indicate, where applicable, the person(s) who certified the company's individual and consolidated financial statements prior to their approval by the board:

Name	Position
SERGIO JERONIMO GONZALEZ	FINANCE DIRECTOR OF DINAMIA'S MANAGEMENT CO COMPANY
FEDERICO PASTOR ARNAUDA	CHAIRMAN OF DINAMIA'S MANAGEMENT COMPANY

C.1.32 Explain the mechanisms, if any, established by the board to prevent the individual and consolidated financial statements it prepares from being laid before the General Meeting with a qualified audit report.

In accordance with article 35 of the Board Regulations, the Board of Directors will draw up the Company's financial statements so that such financial statements do not give rise to a qualified certificate issued by the auditors. However, if the Board of Directors deems it appropriate to draw up financial statements such that a qualified opinion is issued by the auditors, the directors will publicly explain the content and scope of the discrepancy.

For the purpose of preventing individual and consolidated financial statements drawn up by the Board of Directors being submitted to the General Meeting with a qualified report from the auditors, and prior to drawing up the financial statements, article 13 of the Board Regulations sets out that the Audit and Appointments Committee, *inter alia*, shall:

1. Review the financial statements and the periodic financial reporting of the Company, overseeing compliance with the legal requirements and proper application of the generally accepted accounting principles.
2. Establish the appropriate relations with the accounts auditors or audit firms to receive information on those issues that could jeopardise the independence of these parties, for due examination by the Committee, and whatsoever others related to the accounts auditing procedure, and any other communication set out under accounts auditing legislation and audit standards.
3. Issue, every year and prior to issue of the audit report, a report that will give an opinion on the independence of the accounts auditors or audit firms. This report must, under all circumstances, give information on the additional services of any kind rendered by the accounts auditors or audit firms, or by any related parties.
4. Supervise the process of preparing and the integrity of the periodic financial reporting to be supplied by the Board to the markets and to the supervisory bodies with regard to the Company and, where appropriate, the group, reviewing compliance with regulatory requirements, the appropriate delimitation of the consolidation perimeter and proper application of accounting criteria. The Audit and Appointments Committee will notify the Board, prior to adoption by the Board of the corresponding decisions concerning financial reporting which, as a listed company, the Company must periodically publish. The Committee must ensure that the intermediate financial statements are drawn up with the same accounting criteria as the annual statements and, to this end, will consider whether or not an external auditor should perform a limited review.
5. Oversee the internal audit services, review the financial statements and the periodic financial reporting of the Company, overseeing compliance with the legal requirements and proper application of the generally accepted accounting principles.
6. Supervise and be aware of the efficiency of the Company's internal control, the internal audit, where appropriate, and the risk management systems, as well as discuss with the accounts auditors or audit firms any significant weaknesses in the internal control system detected during the audit.
7. Supervise compliance with the audit contract, ensuring that the opinion on the financial statements and the main contents of the audit report are drafted in a clear and accurate way, and also assess the results of each audit.

Furthermore, the management contract signed with the Management Company sets out that the Management Company will be obliged to provide the Company, among other items, with the following administrative services concerning the company's activities and business:

1. The Company's bookkeeping and additional accounts generated with regard to valuation of the assets, with due separation from its own accounting.
2. Collaborate with auditors and the Board of Directors of the Company in verifying the Company's financial statements and, more specifically, in the valuation of the assets of these financial statements. This must be performed both with regard to the six-monthly review of said valuation performed by the Company's auditors or other independent experts that the Management Company proposes and the Board of Directors of the Company designates, as well as those carried out by the Company's auditors every year during the audit of the Company's financial statements.

C.1.33 Is the secretary of the board also a director?

Yes

No

C.1.34 Explain the procedure for appointing and removing the secretary of the board, indicating whether their appointment and removal has been notified by the appointments committee and approved by the board in plenary session.

Appointment and removal procedure

In accordance with the provisions set out in article 18 of these By-laws and article 11 of the Board Regulations, this body will elect and remove the Secretary and, where appropriate, a Vice-secretary, following a report from the Audit and Appointments Committee. It is not necessary to be a Director in order to be appointed Secretary or Vice-secretary of the Board of Directors. The resolutions for the appointment and removal of the Secretary of the Board must be adopted through a majority of votes of those in attendance at a quorate Board meeting. The Board of Directors will be quorate when the majority of board members are present or represented at the meeting.

The current Secretary of the Board of Directors was unanimously appointed by the Board at the meeting held on 23 October 2012, following a favourable report from the Audit and Appointments Committee agreed at the meeting held earlier on that same date.

	Yes	No
Does the appointments committee propose appointments?	X	
Does the appointments committee advise on dismissals?	X	
Do appointments have to be approved by the board in plenary session?	X	
Do dismissals have to be approved by the board in plenary session?	X	

Is the secretary of the board entrusted in particular with the function of overseeing corporate governance recommendations?

Yes [X]

No []

Remarks

Article 11.3 of the Board Regulations sets out that under all circumstances the Secretary will ensure the formal and substantive legality of all action taken by the Board of Directors and that it complies with its by-laws, as well as compliance with regulations issued by supervisory bodies and ensure observance of the Company's corporate governance procedures and Board regulations.

C.1.35 Indicate and explain, where applicable, the mechanisms implemented by the company to preserve the independence of the auditor, financial analysts, investment banks and ratings agencies.

Articles 13 and 35 of the Board Regulations set out that the Board's relations with external auditors will be channelled through the Audit and Appointments Committee. This Committee will refrain from making proposals to the Board of Directors, and in turn the Board will refrain from proposing to the General Meeting the appointment of any audit firm to be the accounts auditor of the Company if said firm is in any way affected by incompatibility pursuant to legislation governing accounts auditing.

Royal Legislative Decree 1/2011, of 1 July, which approves the consolidated text of the Accounts Auditing Act, sets out that every year the accounts auditors or audit firms must send written confirmation to the Company with regard to their independence concerning the audited entity or related parties, directly or indirectly, as well as information on the additional services of any kind rendered to these entities by the aforementioned auditors or firms or by related parties, pursuant to the provisions set out in the Accounts Auditing Act.

In this regard, the concept of related party is defined under articles 15, 16, 17 and 18 of the consolidated text of the Accounts Audit Act.

Moreover, the Audit and Appointments Committee will issue, every year and prior to issue of the audit report, a report that will give an opinion on the independence of the accounts auditors or audit firms. This report must, under all circumstances, give information on the additional services of any kind rendered by the accounts auditors or audit firms, or by any related parties. Thus, in 2015, the Audit and Appointments Committee issue the corresponding report, prior to issue of the accounts audit report for the year that ended in December 2014, which placed on record the independence of the Company's auditors.

The Board of Directors will also publicly report the overall fees paid to the audit firm, both for the audit services as well as any other services. In particular, in 2014 the audit firm PRICEWATERHOUSE COOPERS AUDITORES invoiced 49 thousand euros for its audit services (excluding VAT). In 2014, the fees paid to the audit firm for projects other than auditing (which basically includes advice in the introduction of a risk control system and drawing up a report on SICFR) totalled approximately 21 thousand euros (excluding VAT). Fees totalling 6 thousand euros were also paid to other companies belonging to the same group as the audit firm for translation services.

The Audit and Appointments Committee is therefore in charge of relations with the external auditors of the Company, and receives information on issues that could jeopardise the independence of these auditors and any other parties related to the development of accounts auditing, as well as other communications under audit legislation and technical auditing standards (article 22 bis of the By-laws and article 13 of the Board Regulations).

Moreover, article 34 of the Board Regulations regulates the Company's relations with the markets in general, which includes financial analysts and investment banks with whom the relationship of Dinamia is based on the principles of transparency and non-discrimination. The Management Company coordinates dealings with these parties, catering to their requests for information as well as those from institutional or private investors. As regards rating agencies, the Company is not subject to credit rating.

C.1.36 Indicate whether the company has changed its external audit firm during the year. If so, identify the incoming audit firm and the outgoing auditor:

Yes []

No [X]

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

C.1.37 Indicate whether the audit firm performs non-audit work for the company and/or its group. If so, state the amount of fees paid for such work and the percentage they represent of all fees invoiced to the company and/or its group:

Yes No

	Company	Group	Total
Amount of non-audit work (thousands of euros)	27	0	27
Amount of non-audit work as a % of the total amount billed by the audit firm	35.00%	0.00%	35.00%

C.1.38 Indicate whether the audit report on the previous year's financial statements is qualified or includes reservations. Indicate the reasons given by the chairperson of the audit committee to explain the content and scope of those reservations or qualifications.

Yes No

C.1.39 Indicate the number of consecutive years during which the current audit firm has been auditing the financial statements of the company and/or its group. Likewise, indicate how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements of been audited:

	Company	Group
Number of consecutive years	8	0
Number of years audited by current audit firm/Number of years the company's financial statements have been audited (%)	44.44%	0.00%

C.1.40 Indicate and give details of any procedures through which directors may receive external advice:

Yes No

Details of the procedure

Chapter VII of the Board Regulations (articles 20 and 21) regulates the director's right to information. By virtue of article 20, the director may request information on any issue of the Company for which the Board is responsible, and may examine its ledgers, records, documents and other documentation, including all that information which, by virtue of the management contract, has been compiled or is held by the Management Company. The information right extends to the investees, wherever possible.

The request for information must be sent to the Chairperson of the Board, who will forward it to the appropriate party at the Company or at the Management Company. The Chairperson will notify the director of the confidential nature of the information requested and received and of their duty to nondisclosure, in accordance with the provisions set out in the foregoing Regulations.

The Chairperson may refuse to disclose information if he or she considers: (i) that it is not required for the appropriate performance of the duties assigned to the director, or (ii) that the cost of this is not reasonable in light of the importance of the problem and of the company's assets and income.

As appropriate, new directors may request a guideline programme that enables them to acquire quick and sufficient knowledge of the Company. By the same token, the Company may establish knowledge update programmes targeted at directors, whenever circumstances deem this appropriate.

Furthermore, article 21 of the Regulation sets out that, for the purpose of being assisted in the performance of their duties, external directors may request the Company to hire legal, accounting, financial or other expert advisers. The commission must focus on specific problems of a certain size and complexity that occur in the performance of the job. The application to recruit outside experts must be notified to the Chairperson of the Company and be approved by the Board of Directors, which may refuse to give authorisation if it considers: (a) that it is not required for the appropriate performance of the duties assigned to external directors; (b) that the cost of this is not reasonable in light of the importance of the problem and of the company's assets and income; or (c) that the technical assistance required may be appropriately given by experts and specialists of the Management Company.

C.1.41 Indicate whether there are procedures for directors to receive the information they need in sufficient time to prepare for meetings of the governing bodies:

Yes []

No []

Details of the procedure

Article 14 of the Board Regulation sets out that the call to meeting will be given at least seven days in advance and that the call will always include the items on the agenda and will be accompanied by the relevant information, duly summarised and prepared.

C.1.42 Indicate and, where appropriate, give details of whether the company has established rules obliging directors to inform the board of any circumstances that might harm the organisation's name or reputation, tendering their resignation as the case may be:

Yes []

No []

Details of rules

In accordance with article 30.2 of the Board Regulations, a director must disclose to the Company any events or situations that could be relevant for their action as an administrator, if these could interfere with the dedication required.

In addition, the Director must tender his resignation to the Board in the following cases, as set out in article 18.2 of the Board Regulations:

- when they are subject to any of the conditions of prohibition or incompatibility pursuant to applicable laws or the By-laws;
- when they receive a serious warning from the Board of Directors, following a report from the Audit and Appointments Committee, for infringing their duties as directors;
- when remaining on the Board could jeopardise the interests of the Company; or
- when the shareholder represented by a proprietary director sells all of their shareholding stake or the number of corresponding shares, when this shareholder reduces their stake to a level that requires a reduction in the number of proprietary directors.

C.1.43 Indicate whether any director has notified the company that they have been indicted or tried for any of the offences stated in article 213 of the Capital Companies Act:

Yes []

No []

Indicate whether the board has examined this matter. If so, provide a justified explanation of the decision taken as to whether or not the director should continue to hold office or, if applicable, detail the actions taken or to be taken by the board.

C.1.44 List the significant agreements entered into by the company which come into force, are amended or terminate in the event of a change of control of the company due to a takeover bid, and their effects.

The Company has not signed any agreements that come into force, are amended or terminate in the event of a change of control of the Company due to a takeover bid.

C.1.45 Identify, in aggregate form, and provide detailed information on agreements between the company and its officers, executives and employees that provide indemnities, guarantee or “golden parachute” clauses in the event of resignation, unfair dismissal or termination as a result of a takeover bid or other type of transaction.

Number of beneficiaries 0

Type of beneficiary:

NO

Description of the Resolution:

NO

Indicate whether these agreements must be reported to and/or authorised by the governing bodies of the company or its group:

	Board of Directors	Shareholders' meeting
Body authorising the clauses	No	No

	Yes	No
Is the General Meeting informed of the clauses?		X

C.2 Board committees

C.2.1 give details of all the board committees, their members and the proportion of proprietary and external independent directors:

AUDIT AND APPOINTMENTS COMMITTEE

Name	Position	Type
FERNANDO D'ORNELLAS SILVA	CHAIRMAN	Independent
RAFAEL JIMÉNEZ LÓPEZ	MEMBER	Proprietary
NICOLÁS VILLÉN JIMÉNEZ	MEMBER	Independent
JOSÉ JAVIER CARRETERO MANZANO	MEMBER	Independent

% of executive directors	0.00%
% of proprietary directors	25.00%
% of external independent directors	75.00%
% of other non-executive directors	0.00%

C.2.2 Complete the following table on the number of female directors on the various board committees over the past four years:

	Number of female directors							
	Financial year 2014		Financial year 2013		Financial year 2012		Financial year 2011	
	Number	%	Number	%	Number	%	Number	%
AUDIT AND APPOINTMENTS COMMITTEE	0	0.00 %	0	0.00 %	0	0.00 %	0	0.00 %

C.2.3 Indicate whether the Audit Committee is responsible for the following:

	Yes	No
Monitoring the preparation and integrity of financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter and the correct application of accounting principles	X	
Reviewing internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed	X	
Monitoring the independence and efficacy of the internal audit function, proposing the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget, receive regular report-backs on its activities and verifying that senior management are acting on the findings and recommendations of its reports		X
Establishing and supervising a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial accounting irregularities, with potentially serious implications for the company		X
Making recommendations to the board for the selection, appointment, reappointment and removal of the external auditor, and the terms of their engagement	X	
Receiving regular information from the external auditor on the progress and findings of the audit programme, and checking that senior management are acting on its recommendations	X	
Monitoring the independence of the external auditor	X	

C.2.4 Describe the organisational and operational rules and the responsibilities attributed to each of the board committees.

The sole Committee of the Company has assumed the terms of reference with regard to 1) auditing, and 2) appointments and remuneration. The Board of Director believes that, given the particularities of Dinamia, which has delegated its management to a venture risk management company and therefore has no management team, setting up an Appointments and Remunerations Committee would not be the most appropriate course of action. So, this committee has been unified with the current Audit Committee to represent a single delegate body, which performs the duties of both committees. In addition to the audit duties, it reports to the Board of Directors on the appointments, ratifications and removals of members of the Board of Directors, and with regard to their remuneration and requirements for proper performance.

The organisational and performance rules of the Audit and Appointments Committee are the following, as set out in articles 22.bis of the By-laws and 13 of the Board Regulations:

Composition: The By-laws and the Board Regulations require the AAC to comprise at least three non-executive directors appointed by the Board of Directors for a term of three years or until their removal as directors, and with the possibility of re-election.

At the close of 2014, the AAC was made up of four external directors (three are independent and one is a proprietary director): Nicolás Villén, Javier Carretero, Fernando D'Ornellas and Rafael Jiménez. The Chairperson of the Committee is elected from among the independent directors. The position of chairperson is rotated among its members, who hold the post for annual periods. Nicolás Villén held the position as Chairman in 2014 until he was replaced by Fernando D'Ornellas, at the meeting on 22 April, and with effect from 9 May 2014, taking into consideration the annual rotation. The position of Secretary and Vice-secretary (non-members of the committee) are held by the Secretary and Vice-secretary of the Board of Directors. The post of Secretary of the Committee has been exercised by Marta Rios, and that of Vice-secretary by Ignacio Zarzalejos.

Performance: The AAC meets every quarter to review the periodic financial reporting to be sent to the authorities and the information that the Board of Directors needs to approve. It meets whenever it is convened by its Chairperson, who must call the meeting whenever the Board or the Chairperson requests the issue of a report or the take-up of proposals and, in any case, whenever this is appropriate for its proper performance.

The committee met six times in 2014, among other items to review the periodic financial reporting that the Company had to send to the National Securities Market Commission (CNMV).

It also reviewed the evaluation reports drawn up by the Management Company and the proposals for appointments, re-elections and ratifications of directors.

The representative from the Management Company was present at all meetings, and occasionally the auditors also attended.

No significant incidences were revealed at any of the meetings.

In accordance with articles 22.bis of the By-laws and 13 of the Board Regulations, the AAC will draw up an annual report on its performance, highlighting the key incidents. Furthermore, the report will include proposals to improve the governance rules of the Company whenever the Committee deems this appropriate. The AAC report will be available to shareholders and investors through the Company's website. Members of the management team, of personnel and of the Management Company will be obliged to attend the sessions of the Committee and to provide their collaboration whenever requested by the Committee. The Committee may request the attendance of the auditors and any other employee or manager of the Management Company. The AAC may request advisory services from outsourced experts.

Duties: Articles 22.bis of the By-laws and 13 of the Board Regulations attribute the following duties to the AAC, without prejudice to other functions that may be assigned:

- To report to the General Meeting of Shareholders on issues raised by shareholders with respect to matters within its terms of reference.
- To submit to the Board of Directors, for subsequent submission to the General Meeting, proposals for selection, appointment, re-election and replacement of the external accounts auditors to verify the financial statements, and the terms of engagement.
- To report to the Board of Directors with regard to appointments, ratifications and removals of members of the Board, and their remuneration, and the requirements for the proper performance of their duties, and it will report on the appointment and removal of the Secretary or Vice-secretary.
- To review the financial statements in the periodic financial reporting of the Company, overseeing compliance with the legal requirements.
- To establish the opportune relations with the accounts auditors or audit firms to receive information on issues that may jeopardise their independence.
- To issue a yearly report with its opinion on the independence of the accounts auditor, which should also refer to the additional services rendered by the auditors.
- To supervise the integrity and the process of preparing the periodic financial reporting that the Board has to supply to the markets and to its supervisory bodies, checking compliance with the regulatory requirements, the delimitation of the consolidation perimeter and proper application of the accounting criteria. The Audit and Appointments Committee will notify the Board of decisions concerning the financial reporting that the Company has to publish periodically.
- To supervise and check the efficiency of the Company's internal control, the internal auditing and the risk management systems, and to discuss with the accounts auditors any internal control system weaknesses detected.

C.2.5 Indicate, as appropriate, whether there are any regulations governing the board committees. If so, indicate whether they can be consulted on whether any amendments have been made during the year. Also indicate whether an annual report on the activities of each committee has been prepared voluntarily.

The organisation and performance rules of the Audit and Appointments Committee are set out in the Board Regulations and in the By-laws, which are available for consultation on the Company's website (www.dinamia.es) and at the CNMV.

The Audit and Appointments Committee prepares an annual report on its performance, highlighting any key incidents that have arisen, with regard to the functions for which it is responsible. Furthermore, the report will include proposals to improve the governance rules of the Company whenever the Audit and Appointments Committee deems this appropriate. The AAC report will be available to shareholders and investors through the Company's website.

C.2.6 Indicate whether the composition of the executive committee reflects the participation within the board of the different types of directors:

Yes []

No [X]

If the answer is No, explain the composition of the executive or delegate committee

The Board of Dinamia has not set up an executive committee, and this section is therefore not applicable to the Company.

D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1 Identify the competent body and explain, if applicable, the procedures for approving related-party or intragroup transactions.

Competent body approving related-party transactions

The Board of Directors, following a report from the Audit and Appointments Committee.

Procedure for the approval of related-party transactions

In accordance with the Board Regulations, the decisions concerning related-party transactions are taken by the Board of Directors, following a report from the Audit and Appointments Committee.

Explain if the authority to approve related-party transactions has been delegated to another body or person, including, in this case, the body or person to which it has been delegated.

The approval of related-party transactions has not been delegated to any body.

D.2 List any relevant transactions by virtue of their amount or importance, between the company or its group of companies and the company's significant shareholders:

Name or corporate name of significant shareholder	Name or corporate name of the company or group company	Nature of the relationship	Type of transaction	Amount (thousands of euros)
ELECTRA PARTNERS, LLP	DINAMIA CAPITAL PRIVADO S.A., SCR	Contractual	Others	3,003

D.3 List any relevant transactions, by virtue of their amount or importance, between the company or its group of companies and the company's managers or directors:

D.4 List any relevant transactions undertaken by the company with other companies in its group that are not eliminated in the process of drawing up the consolidated financial statements and whose subject matter and terms set them apart from the company's ordinary trading activities.

In any case, list any intragroup transactions carried out with entities in countries or territories considered to be tax havens:

D.5 Indicate the amount involved in other related-party transactions.

45,338 (in thousands of Euros).

D.6 List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its directors, management or significant shareholders.

According to article 26 of the Board Regulations, the director must report the existence of any conflicts of interest to the Board of Directors and refrain from attending or intervening in the deliberations that affect those issues in which there is a personal interest.

There is also personal interest of the director whenever the issue affects related parties, with related parties understood as the following: In the case of a director that is natural person: (a) their spouse or similar; (b) ascendants, descendants and siblings of the administrator or of the spouse of the director; (d) companies in which the director, either himself or through a third party, is affected by any of the situations considered in the first section of article 42 of the Commercial Code. in the event of a director that is not an artificial person, related parties will be understood as the following: (a) partners affected by any of the situations set out in section 1 of article 42 of the Commercial Code; (b) *de facto* or *de jure* directors, receivers or attorneys-in-fact with general powers of attorney from the director that is an artificial person; (c) companies that form part of the same group; and (d) persons that with regard to the representative of the director that is an artificial person are considered to be related parties.

The director cannot directly or indirectly perform professional or commercial transactions with the Company unless he previously notifies the conflict of interest and the Board approves the transaction. In the event of transactions within the ordinary course of corporate business that represent standard practice, a generic authorisation of the line of transactions and of the conditions for execution will be sufficient.

The director cannot make use of the company's assets or his position to obtain a patrimonial benefit unless he has paid an appropriate consideration. The director must heed the codes of conduct established under security market legislation and, more specifically, in the Company's Internal Code of Conduct in the Securities Markets. Article 12 of Dinamia's internal Code of Conduct sets out the general principles of action to be heeded by Restricted Persons (article 1.3 of the foregoing Regulations) that are faced with conflicts of interest, and which are as follows:

- (a) Independence: Restricted Persons must act in good faith at all times in what they consider to be the interests of Dinamia and its shareholders, irrespective of their own or other interests. Accordingly, they must refrain from placing their own interests over those of the Company or from placing the interests of one shareholder over those of others.
- (b) Abstention: Restricted Persons must abstain from participating in or influencing decisions regarding transactions or resolutions that may affect conflicted persons or entities from obtaining confidential information concerning the conflict in question. Disclosure: Restricted Persons must notify the Company in writing,

addressed to the Secretary or Vice-secretary of the Board of Directors, of the potential conflicts of interest deriving from their activities outside of Dinamia, their family relationships, their personal finances or arising on any other grounds with Dinamia, significant suppliers to or customers of Dinamia, entities engaged in the same business as or which compete with Dinamia and the Management Company.

In the written notification, the Restricted Person must indicate whether the potential conflict affects him or her directly or through someone with whom there is a close relationship. The notification must also specify the situation giving rise to the conflict, detailing as appropriate the purpose and main terms of the planned transaction or decision, its amount or an estimation of its economic value, and the department or person at the Company or Management Company with which initial contact has been made. Any question regarding the potential existence of a conflict of interest must be addressed to the Secretary or Vice-secretary. The final decision is ultimately the responsibility of the Audit and Appointments Committee.

A conflict of interest is considered to exist when the Restricted Person meets any of the following conditions in relation to the entities referred to in the previous section: serves as a director or senior executive; owns a significant interest (in the case of listed companies, of those referred to in article 53 of Law 24/1988, of 28 July, governing the Securities Market and in its implementing legislation, and for unlisted Spanish or foreign companies, any direct or indirect stake of over 20% in the issued share capital); is related, up to the second degree of affinity or consanguinity with its directors, holders of significant stakes in the share capital or senior executives; and holds significant contractual relationships. All transactions giving rise to a conflict of interest will be subject to approval by the Company's Board of Directors on the basis of a favourable report from the Audit and Appointments Committee. Through the Audit and Appointments Committee, the Board is responsible for ensuring that related-party transactions go through on an arm's-length basis and uphold the fiduciary duty to treat all shareholders equally.

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

Yes []

No [X]

Identify the listed subsidiaries in Spain:

Listed subsidiary

Indicate whether they have provided detailed disclosure on the type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;

Define the business dealings between the parent and listed subsidiary, as well as between the subsidiary and other group companies

Identify the mechanisms in place to resolve possible conflicts of interest between the listed subsidiary and other group companies:

Mechanisms to resolve possible conflicts of interest

E. SYSTEMS OF CONTROL AND RISK MANAGEMENT

E.1 Describe the risk management system in place at the company.

Dinamia has a Risk Management System to ensure that risks with a potential impact on the Company's business targets are identified, analysed, assessed, managed and controlled systematically, with uniform criteria and within the risk tolerance levels defined.

Dinamia's Risk Management System encompasses Dinamia, as a listed Venture Capital Company, the Management Company of Dinamia and its investees. For organisational reasons, this system involves management and operational personnel of Dinamia's Management Company.

The Board of Directors is responsible for approving the risk management and control policy, while the Audit and Appointments Committee is responsible for supervision of the risk management systems established. This policy defines the scope of the risk management system, and defines the different types of risks (strategic, financial, tax, operational, regulatory compliance, etc.), sets the tolerance or level that the rest of the company considers acceptable and determines the responses and checks required to mitigate these risks.

E.2 Identify the bodies responsible for preparing and implementing the Risk Management System.

In line with the previous point, the Board of Directors of Dinamia holds ultimate responsibility for the existence and maintenance of an appropriate risk management system, delegating responsibility for supervision of this to the Audit and Appointments Committee, while the Management Company is responsible for its introduction and review.

Within this framework of responsibilities, the Board of Directors of Dinamia has delegated responsibility for introduction and review of the risk management system to the Chairperson and senior management of the Management Company, who in turn have designated the Finance Director of the latter as the Corporate Risks Manager of Dinamia. This Manager holds supreme responsibility as coordinator, at least every year, of the identification and assessment of key risks, as well as for compilation of responses and performance checks and, where appropriate, the required action plans.

The Risk Managers designated by the Corporate Risks Manager also take part in this process. In this regard, the managers of investment teams of the investees and the head of investor relations, among others, have been designated as risk managers.

Whenever requested by the Board of Directors or the Audit and Appointments Committee of Dinamia, the Corporate Risks Manager must report the most relevant risks of Dinamia, the responses and performance checks and possible action plans for each risk or, in the absence of this, must provide the map of updated risks, which includes the risk catalogue, and must do so at least every year. Furthermore, every year the Audit and Appointments Committee of Dinamia will approve the risk tolerance of Dinamia at the proposal of the Corporate Risks Manager.

Lastly, any change to the organisational structure of the Risk Management System must be approved by the Audit and Appointments Committee of Dinamia at the proposal of the Corporate Risks Manager.

E.3 Indicate the main risks which may prevent the company from achieving its business targets.

In accordance with the risk identification procedure, the main categories of risks of most relevance and which, therefore, form part of the risk control system, are:

- Environment risks: The environment risks stem from the status of venture capital listed on the Spanish market, with investments in the Iberian market (Spain and Portugal) and with an international expansion strategy. In this regard, and although the economic setting is undergoing a recovery, Dinamia could be affected by regulatory changes to the sector both in the Spanish market as well as outside, by potential changes in the social and political setting, and through the capacity of some of its investees to comply with business expectations.

Given the regulatory environment to which the company is subject, despite not investing in regulated sectors, regulatory changes could have a significant impact on the development of its investment activity.

Lastly, the delay in recovery of the economic situation could reduce investment and divestiture opportunities of Dinamia.

- Strategic and financial risks: These risks could arise as a consequence of the current strategic process in which the company is involved, the nature and positioning of Dinamia and management of analysts, financial institutions, potential investors and shareholders of Dinamia.
- Risks stemming from the Management Company of Dinamia: The main areas of risk focus on possible errors in the investment and divestiture activities and on the possible loss of investment and divestiture opportunities stemming from the current process in which Dinamia is involved.

To minimise these errors, the Management Company has highly qualified investment teams overseen by partners responsible for investment and with the support of prestigious outsourced advisers in the investment and divestiture processes. Moreover, the investees perform thorough control of the strategy and monitoring of the compliance level.

Lastly, although the loss of key personnel both at the investee companies as well as the Management Company is a relevant factor, the development plans and remuneration of staff members over the year has enabled us to align the objectives of key personnel with the objectives of Dinamia and of the Management Company.

- Risks stemming from investees: At business level, the main source of risk for Dinamia is if the investees do not achieve the targets defined or if the financial and business information reported by the investees is not reliable enough. However, as referred to previously, the activity of the investees is thoroughly monitored by management teams of the Management Company together with qualified investment teams and outsourced advisors of renowned prestige.

E.4 Identify whether the company has a risk tolerance level.

Dinamia has a Risk Management Protocol approved by its Board of Directors at the proposal of the Audit and Appointments Committee. This Protocol sets out how to define the risk tolerance level of Dinamia and the risk measurement scales in accordance with their impact and likelihood of occurrence.

In order to adapt to the strategy of Dinamia and to the conditions of the activity it performs, this tolerance and these measurement scales must be approved at least every year by the Audit and Appointments Committee, at the proposal of the Corporate Risks Manager.

Dinamia has considered that these measurement scales must consider the potential financial impact (determined through the value of investments or financial revenue), the potential impact on the reputation or image of Dinamia, as well as the potential impact resulting from regulatory breaches. These scales are set out in a guideline that enables uniform measurement of the company's risks by the Risks Managers. Furthermore, these measurement scales consider the likelihood

of each risk occurring, in accordance with the expectations of the risk materialising as well as the level of preparation and response capability of Dinamia, the Management Company and the investees, to which end the responses and performance checks for key risks are identified.

E.5 Identify any risks that have occurred during the year.

In 2014, some of the risks inherent to Dinamia's activity have occurred, as a consequence of carrying out the operations themselves, the business and the current economic climate in Spain.

The slow economic recovery in the area in which Dinamia and its investees operate has meant that some of the existing investees have not managed to achieve their business targets, which has led to Dinamia having to activate some of the existing control mechanisms to anticipate and minimise the impact.

Lastly, the control mechanisms implemented by Dinamia have worked properly, allowing the company to minimise the impact of these risks on the present and future financial statements.

E.6 Explain the response monitoring plans for the main risks the company is exposed to.

Each Risk Manager of Dinamia defines and formalises the responses and performance controls for each key risk in their area of responsibility, pursuant to the strategy defined by the Audit and Appointments Committee.

It is the Risk Managers of Dinamia that are responsible for periodic monitoring of risks, as set out in the Risk Management Protocol.

Supervision of the effectiveness of the Risks Management System is carried out at different levels within the investee companies, the Management Company and Dinamia. In this regard, the investment teams are in charge of supervising risk management at investees. The Risks Manager supervises risk management by these investment teams and management of risks at the Management Company of Dinamia. In the final instance, supervision of the effective nature of the Risk Management System is undertaken by the Audit and Appointments Committee through periodic analysis of the reporting by Senior Management and the Corporate Risks Manager.

F. INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

Describe the mechanisms that comprise the Internal Control over Financial Reporting (ICFR) risk control management system at the company.

F.1 The entity's control environment

Provide information, setting out their main characteristics, or at least:

F.1.1. The bodies and/or functions responsible for: (i) the existence and regular updating of a suitable, effective ICFR; (ii) its implementation, and (iii) its monitoring.

According to article 5 of the Board Regulations, the Board of Directors is a supreme decision-taking body of the company and its financial reporting functions include the following: (i)

the compilation of the financial statements, the directors' report and application of profits (losses) of the Company; and (ii) the review of financial reporting that must be periodically published in its status as a listed company.

Furthermore, article 22bis of the Company's By-laws and article 13 of the Board Regulations include, *inter alia*, the duties and responsibilities of the Audit and Appointments Committee with regard to the internal control over financial reporting system, and in particular the following:

- Review the financial statements and the periodic financial reporting of the Company, overseeing compliance with legal requirements and proper application of the generally accepted accounting principles.
- Supervise the process of preparing and the integrity of the periodic financial reporting to be supplied by the Board to the markets and to the supervisory bodies with regard to the Company and, where appropriate, the group, reviewing compliance with regulatory requirements, the appropriate delimitation of the consolidation perimeter and proper application of accounting criteria.
- Oversee the internal audit services, review the financial statements and the periodic financial reporting of the Company, overseeing compliance with the legal requirements and proper application of the generally accepted accounting principles.
- Supervise and be aware of the efficiency of the Company's internal control, the internal audit, where appropriate, and the risk management systems, as well as discuss with the accounts auditors or audit firms any significant weaknesses in the internal control system detected during the audit.

In addition, the Board of Directors has checked and reviewed the Supervision Protocol of the ICFR drawn up by the Management Committee, which sets out that supervision of the ICFR will be commissioned to the Audit and Appointments Committee of the Company, whose supervisory activity involves: (i) supervising the appropriate design and efficiency of the ICFR, assisted through the internal audit function of the Management Company; and (ii) supervising the process for preparing and presenting regulated financial reporting before this is formulated by the Board of Directors.

The aforementioned Protocol sets out that the Audit and Appointments Committee must be proactive in analysing the key control and supervision areas of the ICFR. Said committee will commission the performance of supervision and assessment tasks of the ICFR as part of the support duties of the Management Company. These include the internal audit or other experts, such as those in charge of reviewing assessment reports, with whom it will maintain a fluid relationship in order to develop its supervisory responsibilities.

Lastly, the Company's Board of Directors has signed an agreement with the management company N más 1 Capital Privado, S.G.E.I.C. to enable this company to assume the management and direction of the Company, including the introduction of the Internal Control over Financial Reporting.

F.1.2. The existence or otherwise of the following components, especially in connection with the financial reporting process:

- The departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) deploying procedures so that the structure is communicated effectively throughout the company.

Given the particularities of the Company, which has designated its management to a collective investment undertaking management company and which, therefore, does not have a management team, the organisational structure of the Company and definition of the lines of responsibility, authority and appropriate distribution of tasks and functions, as well as the appropriate dissemination at the Company, are instrumented through guidelines from the Management Company.

The Management Company has a Procedures Manual that describes its processes, identifying the bodies, persons and key documentation for control. This Procedures Manual include references to the key processes in Dinamia's activities, such as financing, investment, management and divestiture at investees.

The Procedures Manual of the Management Company is available on a shared network of the Management Company that is restricted to employees to whom it applies.

- Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action.

The Board of Directors considers that the fundamental aspects that could have an impact on the material error risk over financial reporting focus on the processes for valuation of the investment portfolio and, as a consequence, it closely monitors this risk through the Audit and Appointments Committee and through an independent third party, which every six months reviews the assessment reports on the portfolio valuation drawn up by the Management Company.

The Management Company has its own Internal Code of Conduct, which sets out the ethical values and principles that govern the action of its employees and which is obligatory for all persons that work at the Management Company. There are also strict rules for the management of possible conflicts of interest that may arise through the performance of operations.

Under all circumstances, members of the Audit and Appointments Committee that supervise the financial reporting are designated in accordance with their expertise and experience in accounting, audit or risk management issues, as set out in article 13.1 of the Board Regulations, and directors are informed, in general, of any regulatory changes that affect these issues.

Furthermore, considering the Company's status as a listed company, there is an Internal Code of Conduct in the securities markets (hereinafter, the Regulation) approved by the Company's Board of Directors and available on its website. This Regulation, which applies not only to members of the Board of Directors of Dinamia but also the Management Company, its directors, senior management and shareholders, contains the rules governing actions and supervision that must be applied in the activities carried out by the Company within the sphere of the securities market including, *inter alia*, rules of conduct with regard to insider information and the record of operations, situations of conflict of interest and limitations on transactions with securities.

The body in charge of monitoring the aforementioned Regulation is the Audit and Appointments Committee. In the event of detecting any breaches of the rules set out in the Regulations, it will be this body that is responsible for taking disciplinary action against the restricted persons.

- "Whistleblowing" channel, for the reporting to the Audit Committee of any irregularities of a financial and accounting nature, as well as breaches of the code of conduct and malpractice within the organisation, stating whether reports made through this channel are confidential.

The Company has an internal whistleblowing channel, and information may be channelled through an e-mail available on the intranet "info@dinamia.es", to report, *inter alia*, financial irregularities by shareholders of the Company.

The details of this whistleblowing are analysed by the head of investor relations of the Management Company and they are analysed internally at the Management Company. In 2014 there were no reports of any note. The Company is currently implementing a channel to enable employees of the Management Company to make direct communication with the Audit and Appointments Committee of the Company.

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

Personnel of the Management Company involved in the preparation and review of financial information, as well as evaluation of the ICFR, are kept up-to-date with regard to regulatory changes concerning accounts, auditing, internal control and risk management issues thanks to agreements that the Management Company has with prestigious legal advisors, tax consultants and audit firms

F.2 Risk assessment in financial reporting

Indicate the following points, at least:

F.2.1. What are the main characteristics of the process of risk identification, including risks of error or fraud, regarding:

- Whether the process exists and is documented.

The Board of Directors of Dinamia has taken note of the Procedures Manual of the Management Company, in which the key processes in the business of financing, investment and management of investees are documented and described, and in which, for each of these areas, the risks and controls that help reduce these risks are identified, especially those relative to the risk of material error in financial reporting that refers to the market, the people who intervene in them and the documentation that support them.

- Whether the process covers all financial reporting objectives (existence and occurrence; integrity; valuation; presentation, disclosure and comparability; and rights and obligations), is updated and with what frequency.

In accordance with the process of risk identification of material errors in financial reporting that has been conducted, and taking into account the activity carried out and the structure of the balance of the managed vehicles, the Audit and Appointments Committee understands that the area with the highest risk is that of investment portfolio valuations.

Apart from this risk, no other additional significant risks have been identified.

- The existence of a process of consolidation scope identification, taking into account, among other matters, the possible existence of complex corporate structures or special purpose vehicles.

The Company is not currently a part of any group and, as of 31 December 2014, is not obliged, in accordance with current regulations, to file annual consolidated financial statements for the 2014 financial year. Notwithstanding the foregoing, a strict control is maintained on the investees in the Dinamia portfolio, share percentages and their valuations.

- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, reputational, environment, etc.) insofar as they may affect the financial statements.

The area with the highest risk in the preparation of financial statements is that of investment portfolio valuations. Apart from this risk, no other additional significant risks have been identified. Notwithstanding the foregoing, on this point we refer to section E above in which the Company's Risk Management System is described.

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

The Audit and Appointments Committee is the governing body responsible for overseeing the process of risk identification, which the Management Company carries out.

F.3 Control activities

Indicate the existence of at least the following points, specifying their main characteristics:

F.3.1. Procedures for reviewing and authorizing financial reporting and the description of the ICFR, to be disclosed to the securities market, indicating those responsible, as well as descriptive documentation of activity

and control flows (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including the procedure for accounting closure and for the specific review of relevant judgments, estimates, valuations and projections.

The Management Company has a Procedures Manual, applicable to the Company, which describes the controls that reduce the risks of material error in financial reporting related to the different processes and activities, as well as the main judgments and estimates carried out:

(i) Company financing and management process: obligations before the regulator/supervisor, information and reporting obligations to investors, obligations before tax authorities, and corporate policies in terms of management and accounting, including the process of accounting closure, and the completion of judgments and estimates, mainly those addressing investment valuations.

(ii) Investment Process: initiation of opportunities, approval of opportunities and execution of the investment.

(iii) Portfolio management process: financial reporting, monitoring and decision-making mechanisms, and divestiture processes.

Financial reporting and description of the ICFR prepared by the Management Company are reviewed and authorized by the Audit and Appointments Committee and the Board of Directors as well as by independent experts.

F.3.2. Internal control policies and procedures for IT systems (including regarding access security, change control, system operation, operational continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial reporting.

The key company processes regarding the preparation of its financial reporting are based on the corporate regulations and procedures of the Management Company. There are a Systems Security Policy, a Contingency Plan and a Business Continuity Plan in place, which make up the upper regulatory level, relative to information security. Their content is mainly related to matters such as access security, change control, file management, IT system acquisition, development and support, business continuity management and segregation of duties.

F.3.3. Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of the assessment, calculation or valuation services commissioned to independent experts, when these may materially affect the financial statements.

The Management Company has subcontracted its accounting services to the provider Accentia. The Procedures Manual of the Management Company describes the controls that the Management Company has established in order to verify that the accounting records prepared by Accentia are correct. In particular, the finance head of the Management Company is in charge of supervising all information reported by Accentia, manifesting his conformity by means of a written confirmation in the accounting records document prepared by Accentia.

F.4 Information and communication

Indicate the existence of at least the following points, specifying their main characteristics:

F.4.1. A specific duty responsible for defining and maintaining accounting policies up to date (accounting policies area or department) and settling doubts or disputes over their interpretation, in regular communication with the team in charge of the organization's operations, as well as a manual of accounting policies regularly updated and communicated to all the company's operating units.

This duty corresponds to the Management Company, which will be in charge of updating the accounting standards in accordance with current legal regulations.

As already pointed out, the Audit and Appointments Committee is in charge of supervising the corporate auditing services, reviewing the Company's annual financial statements and periodic information, and ensuring compliance with legal requirements and the correct application of generally accepted accounting principles.

Given the characteristics and activity of Dinamia, the Management Company does not consider it efficient to keep a formalized accounting policies manual. However, the Management Company has prepared accounting records for each of the Company's investments, in which the accounting criteria and valuation standards applicable to each of them are established based on their individual characteristics.

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

In accordance with aforementioned sections, the Company is not obliged to prepare annual consolidated financial statements. In terms of the necessary financial reporting regarding investments during the valuation process of said investments, the Company has deemed it unnecessary to establish standard formats to be used by them.

The accounting activities of Dinamia are subcontracted to the provider Accentia, who carries out the accounting records of the Management Company. At the same time, the Management Company has access to the systems used by Accentia and is in charge of preparing the financial reporting that is published on the market.

F.5 Monitoring system performance

Indicate the following points, specifying their main characteristics, at least:

F.5.1. The ICFR monitoring activities carried out by the Audit Committee as well as whether the company has an internal audit function whose powers include supporting the Audit Committee in its role of monitoring the internal control system, including the ICFR. Furthermore, describe the scope of the ICFR assessment conducted in the financial year and the procedure that the person in charge of the assessment must follow in order to communicate his findings, whether the company has an action plan specifying possible corrective measures, and whether its potential impact on financial reporting has been taken into account.

The Management Company has outsourced its Internal Audit services to the provider Internal Audit and Financial Control, S.L. (hereinafter, "Interafi"), which acts as the Company's Internal Audit Unit, and the Audit and Appointments Committee relies on this provider to execute the ICFR's monitoring and assessment activities. As stipulated by the ICFR Monitoring Protocol of the Management Company, the Internal Audit Unit prepares an annual report regarding the ICFR's monitoring activities, and this report is presented to the Company's Audit and Appointments Committee. The ICFR Monitoring Protocol of the Management Company specifies the main tests that the Internal Audit Unit must carry out relative to the obligations before the regulators.

F.5.2. Whether there exists a discussion procedure whereby the auditor (in accordance with the TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the annual financial statements or other assignments, to the company's senior management and its Audit Committee or Board of Directors. State also whether the company has an action plan to correct or mitigate the weaknesses found.

The Audit and Appointments Committee meets at least on a quarterly basis with the purpose of obtaining and analyzing the financial reporting that will be published in the markets, which is then submitted to the Board of Directors for its approval prior to its publication in the markets.

Furthermore, this Committee keeps open channels of communication with the external and internal auditors and meets with them at least on an annual basis.

The internal auditor of the Management Company presents annual results of the audits carried out by the Company's Audit and Appointments Committee and prepares a report regarding the ICFR's monitoring activities, which is presented and sent to the Company's Audit and Appointments Committee as well as its Board of Directors.

F.6 Other significant information

See foregoing sections.

F.7 External auditor report

Report whether:

F.7.1. The ICFR information sent to the markets has been submitted for verification by the external auditor, in which event the company must include the corresponding report as an appendix. Otherwise, the company must report its motives.

See attachment

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the Company's degree of compliance with the recommendations of the Unified Code of good governance.

In the event that any recommendations are not complied with or are partially complied with, include a detailed explanation of the Company's motives in a way that shareholders, investors and the market in general have sufficient information to evaluate the company's actions. General explanations are not acceptable.

1. The By-laws of listed companies should not limit the maximum number of votes held by a single shareholder, or impose other restrictions that hinder the Company's takeover via the market acquisition of its shares. See sections: A.10, B.1, B.2, C.1.23 and C.1.24.

Complies

Explain

2. In the event that a parent and subsidiary company are listed, they should both publicly and precisely define:

- a) The respective areas of activity and any business dealings between them, as well as the listed subsidiary's dealings with the other companies of the group;
- b) The mechanisms in place to resolve possible conflicts of interest.

See sections: D.4 and D.7

Complies

Partially complies

Explain

Not applicable

3. Even if not expressly required under corporate laws, transactions involving a structural change in the company, and particularly the following, should be subject to the approval of the General Shareholders' Meeting:

a) The transformation of listed companies into holding companies through the process of "subsidiarisation" or incorporation into subsidiary companies of core activities that were previously carried out by the originating firm, even though the latter retains full control of the former;

b) The acquisition or disposal of key operating assets that would effectively alter the Company's corporate purpose;

c) Transactions that would effectively add up to the Company's winding up.

See section: B.6

Complies

Partially complies

Explain

The Company's activity, in accordance with its corporate purpose, consists of temporarily acquiring shares pertaining to non-financial companies and companies not involved in real estate which, when the shares are acquired, are not listed in the stock market or in any other equivalent market in the European Union or OECD.

For the development of its core purpose, the Company may provide equity loans as well as other types of financing. In this respect, transactions such as the "subsidiarisation" or incorporation into subsidiary companies of core activities, carried out by the Company, in order to turn listed companies into holding

companies, are neither produced nor submitted to the General Meeting, due to the actual activity and structure of the Company, which is in fact a holding company.

Furthermore, taking into account that article 20 of the By-laws stipulates that a Management Company of Venture Capital Firms must manage the Company's assets, and, given the structure and nature of Dinamia, the Company lacks key operating assets with the exception of its own and external resources that the Management Company will use for investments in the companies that it decides to be shareholder of and its own shares in companies in which it is already shareholder. The acquisition or disposal of operating assets does not entail changes in the corporate purpose given that, in essence, the Company's activity consists of the acquisition and disposal of other companies' shares.

4. The detailed proposals regarding the agreements to be adopted at the General Meeting, including the information referred to in recommendation 27, should be made public on the date on which the meeting is publicly called.

Complies Explain

5. Substantially independent items should be voted for separately at the General Meeting, so that shareholders can express their preferences in each case. And this rule applies particularly to the following:

a) The appointment or ratification of directors, who should be voted for individually;

b) In the event of amendments to the By-laws, each substantially independent article or group of articles.

Complies Partially complies Explain

Companies should allow split votes, in order for financial intermediaries appearing as shareholders on record but acting on behalf of different clients to issue their votes according to these clients' instructions.

Complies Explain

The Board should perform its duties with unity of purpose and independence of judgment, treat all shareholders equally, and be guided by the interests of the Company, to be understood as maximizing the Company's economic value over time.

It should also ensure that the Company abides by the law and regulations in its relations with stakeholders; fulfils its obligations and contracts in good faith; respects the standards and good practices of the sectors and territories where it conducts its business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Complies Partially complies Explain

The core components of the Board's mission should be to adopt the Company's strategy and the necessary organization to put it into practice, as well as supervising and monitoring Management's compliance with the established objectives while pursuing the Company's interests and corporate purpose.

And, to that end, the Board in full should reserve the right to adopt:

a) The general strategies and policies of the company, in particular:

i) The strategic or business plan, as well as annual management objectives and budget;

ii) Investing and financing policy;

iii) The definition of the corporate group structure;

iv) Corporate governance policy;

v) Corporate social responsibility governance;

vi) Senior management remuneration and performance assessment policy;

vii) Risk control and management policy, and the periodic monitoring of internal information and control systems;

viii) Policy on dividends and treasury stock and, particularly, their limits.

See sections: C.1.14, C.1.16 and E.2

b) The following decisions:

i) At the proposal of the Company's chief executive officer, the appointment and removal of senior managers, as well as their compensation clauses.

ii) The remuneration of directors, and in the case of executive officers, the additional remuneration for their executive functions and other conditions as set out in their contracts.

iii) The financial reporting that must be published regularly by the company given that it is listed.

iv) Investments or transactions of any kind that, due to their high value or special characteristics, are of a strategic nature, unless their approval corresponds to the General Meeting;

v) The creation or acquisition of shares in special purpose vehicles or those registered in countries or territories considered tax havens, as well as other similar transactions or operations that, due to their complexity, may impair the transparency of the group.

c) Operations that the company may carry out with directors, significant shareholders or those represented on the Board, or with any person related to them ("related-party transactions").

However, authorisation of the Board should not be required for related-party transactions that simultaneously meet the following three conditions:

1a. They are carried out under agreements with standardised conditions and are applied in a general way to a large number of clients;

2a. They are carried out at rates or prices which are set in a general manner by the supplier of the good or service;

3a. The transaction amount does not exceed 1% of the company's annual revenue.

The Board is advised to approve related-party transactions only after receiving a favourable report from the Audit Committee or from any other committee that has been authorised to this end; and directors affected by the transaction may neither exercise nor delegate their vote, and should be absent from the meeting room while the Board deliberates and votes on the issue.

It is recommended that the powers attributed to the Board in these matters are not delegated, except those previously mentioned in letters b) and c), which may be adopted in urgent cases by the Executive Committee, and subsequently ratified by the Board in full.

See sections: D.1 and D.6

Complies Partially complies

Explain

The Board reserves the right to adopt most of the matters provided in the recommendation that are applicable to the Company. Taking the Company's activity and structure into account, in which there are no executive directors or senior managers and in which, in accordance with article 20 of the By-laws, management of the Company's assets has been entrusted to a Management Company of Venture Capital Firms, some of the Board's powers or decisions that are provided in the recommendation are not applicable in the case of the Company.

9. In the interests of maximum effectiveness and participation, the Board should ideally comprise no fewer than five and no more than fifteen members.

See section: C.1.2

Complies Explain

10. A large majority of the Board should be composed of external proprietary and independent directors and the number of executive directors should be the minimum necessary, taking into account the complexity of the corporate group and the percentage of share capital that the executive directors hold in the company.

See sections: A.3 and C.1.3.

Complies Partially complies Explain

11. Regarding external directors, the ratio of proprietary and independent directors should reflect the existing proportion between the Company's share capital represented by proprietary directors and the remaining capital.

This guideline of strict proportionality may be relaxed in a way that the percentage of proprietary directors is greater than the total percentage of capital that they represent:

1° In large cap companies in which few or no shareholdings are legally considered significant, but with shareholders with block shareholdings of considerable value.

2° In companies in which there are several shareholders represented on the Board and these shareholders have no links between them.

See sections: A.2, A.3 and C.1.3

Complies Explain

12. The number of independent directors should represent at least a third of all directors.

See section: C.1.3

Complies

Explain

13. The nature of each director should be explained by the Board before the General Meeting, which must appoint them or ratify their appointment, and should be confirmed or reviewed each year, as applicable, in the Annual Corporate Governance Report, after verification by the Appointments Committee. And this report should also explain the reasons why proprietary directors have been appointed at the request of shareholders who hold less than 5% of the share capital; and state the reasons for denying, as applicable, formal requests for representation on the Board from shareholders whose holding is equal to or above that of other shareholders at whose request proprietary directors have been appointed.

See sections: C.1.3 and C.1.8

Complies Partially complies Explain

14. When there are few or no women directors, the Appointments Committee should ensure, when considering new Board members, that:

a) Recruitment procedures are not implicitly biased in a manner that hinders the selection of female directors;

b) The company deliberately seeks and includes women who match the professional experience sought among the potential candidates.

See sections: C.1.2, C.1.4, C.1.5, C.1.6, C.2.2 and C.2.4.

Complies

Partially complies

Explain

Not applicable

There is no implicit bias hindering the selection of female directors. Article 16 of the Board Regulations stipulates that the Board of Directors—and the Audit and Appointments Committee, within its powers—should ensure that the candidates elected are people of good standing, skills and experience. Although it is not specifically stipulated in the internal regulations of Dinamia, in practice, the Audit and Appointments Committee ensures that, when there are new openings on the Board of Directors, the recruitment procedures are not implicitly biased in a manner that hinders the selection of female directors.

15. The Chairperson, who is responsible for the effective functioning of the Board, should ensure that the directors receive sufficient information beforehand; promote discussion and the active participation of directors during Board meetings, ensuring their right to adopt a stance and express their opinions; and organise and co-ordinate with the chairmen of the relevant committees the periodical assessment of the Board as well as of the managing director or the chief executive officer, as applicable.

See sections: C.1.19 and C.1.41

Complies

Partially complies

Explain

16. When the Chairperson of the Board is also the chief executive officer of the company, one of the independent directors should be empowered to call Board meetings or include new points on the agenda; to co-ordinate and represent the concerns of the external directors; and to organise the Board's assessment of its Chairperson.

See section: C.1.22

Complies

Partially complies

Explain

Not applicable

17. The Secretary of the Board of Directors should particularly ensure that the Board's actions:

a) Comply with the letter and the spirit of the Law and regulations, including those adopted by regulatory bodies;

b) Comply with the company's By-laws and with the regulations of the General Meeting, the Board of Directors and any other corporate regulations;

c) Take into account the recommendations on good governance provided in this Unified Code that the company has accepted.

And, in order to safeguard the independence, impartiality and professionalism of the secretary, his appointment and removal should be notified by the Appointments Committee and approved by the Board in full; and this appointment and removal procedure should be detailed in the regulations of the Board.

See section: C.1.34

Complies

Partially complies

Explain

18. The Board should meet as often as required in order to perform its duties effectively, in accordance with the schedule of meetings and items set at the beginning of the financial year, and each director should be entitled to suggest other items for the agenda which were not initially planned.

See section: C.1.29

Complies

Partially complies

Explain

19. Non-attendance by directors should be reserved for unavoidable cases and quantified in the Annual Corporate Governance Report. And in the event that representation is unavoidable, it should be granted with instructions.

See sections: C.1.28, C.1.29 and C.1.30

Complies

Partially complies

Explain

20. When the directors or Secretary express concern regarding a proposal or, in the case of directors, regarding the Company's performance, and these concerns are not resolved in the Board, at the request of the person expressing the concern this should be noted in the minutes.

Complies

Partially complies

Explain

Not applicable

The Board in full should evaluate the following points on a yearly basis:

a) The quality and efficiency of the Board;

b) Based on the report provided by the Appointments Committee, the performance of the Chairperson of the Board and the Chief Executive Officer of the company;

c) The performance of its committees based on the reports provided by them.

See sections: C.1.19 and C.1.20

Complies

Partially complies

Explain

22. All directors should have the right to gather any additional information they consider necessary regarding matters within the powers of the Board. And, unless otherwise stated by the By-laws or the Board Regulations, they should address their requirements to the Chairperson or to the Secretary of the Board.

23. See section: C.1.41

Complies

Explain

23. All directors should have the right to receive any advice they need from the company in order to perform their duties. And the company should facilitate the appropriate channels for exercising this right, which in special circumstances may involve external advice at the expense of the company.

See section: C.1.40

Complies

Explain

24. The companies should set up a guidance programme to ensure that new directors are acquainted with the company and its corporate governance regulations in a quick and sufficient manner. And should also offer knowledge update programmes to directors when circumstances deem this appropriate.

Complies

Partially complies

Explain

25. The companies should require directors to dedicate the necessary time and effort to perform their duties effectively and, therefore:

a) Directors should report to the Appointments Committee on any other professional obligations that could interfere with the commitment required;

b) The companies should regulate the number of boards to which their directors may belong.

See sections: C.1.12, C.1.13 and C.1.17

Complies

Partially complies

Explain

The Board Regulations of Dinamia have not stipulated any explicit number of Boards to which its directors may belong. However, the Board Regulations stipulate that its directors should report on their positions in other listed company Boards or on facts or situations that may be relevant to their actions as administrators that could interfere with the commitment required.

26. Proposals to appoint or re-elect directors submitted by the Board to the General Shareholders' Meeting, and provisional appointments by means of co-opting, should be approved by the Board:

a) At the proposal of the Appointments Committee, in the case of independent directors.

b) Subject to a report by the Appointments Committee, in the case of all other directors.

See section: C.1.3

Complies

Partially complies

Explain

27. Companies should publish the following updated information regarding their directors on their web page:

a) Professional experience and background;

b) Other Boards of Directors to which they belong, regardless of whether these are listed companies;

c) Specification of the category of director to which they belong, indicating, in the case of proprietary directors, the shareholder they represent or to whom they are linked;

d) Date of their first appointment as director of the company, as well as subsequent appointments, and;

e) Shares and share options held by the director.

Complies

Partially complies

Explain

28. Proprietary directors should offer their resignation when the shareholders they represent sell all their shares in the company. And they should also offer their resignation, in the appropriate amount, when said shareholders reduce their shareholdings to a level that requires a reduction in the number of proprietary directors.

See sections: A.2, A.3 and C.1.2

Complies

Partially complies

Explain

29. The Board of Directors should not propose the removal of independent directors before the end of the tenure for which they were appointed, unless the Board recognises just cause after a report by the Appointments Committee. In particular, just cause is understood to exist if the director were to fail to fulfil the duties inherent in the post, or if any circumstances were to transpire which would lead him to no longer be independent, as stipulated in Order ECC/461/2013.

The removal of independent Board Members may also be proposed when a takeover bid, merger or similar corporate transaction causes changes in the capital structure of the Company when said changes in the Company's structure meet the proportionality standards stipulated in Recommendation 11.

See sections: C.1.2, C.1.9, C.1.19 and C.1.27

Complies

Explain

30. Companies should establish rules that require the directors to report and, if applicable, resign in cases where the Company's name and reputation may be harmed and, in particular, require them to report to the Board on any criminal proceedings in which they are charged, as well as any subsequent trials.

If a director is indicted or tried for any of the offences set out in Article 213 of the Capital Companies Act, the Board should examine the case as soon as possible and, based on the specific circumstances, decide whether the director should continue in his post.

The Board should report and explain all such occurrences in the Annual Corporate Governance Report.

See sections: C.1.42, C.1.43

Complies

Partially complies

Explain

31. All directors should clearly express their opposition when they deem that a proposed decision submitted to the Board could be against the interests of the Company. In particular, independent directors and other directors who are not affected by any potential conflict of interest should express their opposition to decisions that may be detrimental to shareholders not represented on the Board.

And when the Board adopts significant or reiterated decisions about which a director has expressed serious reservations, the director should draw the appropriate conclusions and, if he were to decide to resign, he should explain his reasoning in the letter referred to in the following recommendation.

This Recommendation should also apply to the Board secretary, even if he is not a director.

Complies

Partially complies

Explain

Not applicable

32. When a director leaves his post before the end of his mandate, either due to a resignation or for another reason, he should explain his reasoning in a letter to be sent to all Board members. And, notwithstanding the fact that this departure is reported as a significant event, the reason for the departure should be reported in the Annual Corporate Governance Report.

See section: C.1.9

Complies

Partially complies

Explain

Not applicable

33. Executive directors' remuneration should be limited to shares in the company or companies of the Group, share options or other share-based instruments, and variable payments linked to company performance or pension systems.

This recommendation should not include the provision of shares when it is conditional upon directors to hold them until their departure as director.

Complies

Partially complies

Explain

Not applicable

34. The remuneration of external directors should be enough to reward the dedication, qualifications and responsibilities that the post demands; but not so high as to compromise their independence.

Complies

Explain

Not applicable

35. Remuneration relating to the company's profits should take into account any caveats which may appear in the external auditor's report and which reduce those profits.

Complies

Explain

Not applicable

36. In the case of variable remuneration, the payment policies should include limits and the necessary technical safeguards to ensure that said remunerations are related to the professional performance of the beneficiaries and that they do not simply derive from the general state of the market or the sector of activity of the Company, or other similar circumstances

Complies

Explain

Not applicable [X]

37. When there is a delegate or executive committee (hereunder, "Executive Committee"), the participation structure of the different categories of directors should be similar to that of the Board itself, and the secretary should be the same as for the Board.

See sections: C.2.1 and C.2.6

Complies

Partially complies

Explain

Not applicable [X]

38. The Board should always be aware of the matters discussed and the decisions adopted by the Executive Committee, and all the members of the Board should receive copies of the minutes of Executive Committee sessions.

Complies

Explain

Not applicable [X]

39. The Board of Directors should create, in addition to the Audit Committee required by the Securities Market Act, a committee, or two separate committees, for appointments and remunerations.

The rules regarding the composition and functioning of the Audit Committee and the committee(s) for appointments and remunerations should be stipulated in the Board Regulations and should include the following:

a) The Board should appoint the committee members on the basis of their knowledge, skills and experience, and the tasks of each committee; it should deliberate on their proposals and reports; and at the first plenary session of the Board following their meetings, directors should report on their activity and be held accountable for the work they have carried out;

b) These committees should be exclusively formed by external directors, comprising at least three members. The foregoing is without prejudice to the attendance of executive directors or senior managers, when expressly agreed upon by the members of the committee;

c) Their chairpersons should be independent directors;

d) They should receive outside advice when they deem it necessary for the performance of their duties;

e) Their meetings should be recorded in minutes, a copy of which will be sent to all Board members.

See sections: C.2.1 and C.2.4

Complies

Partially complies

Explain

Given the structure of Dinamia (who has subcontracted management to a Management Company and who has no employees or managers), the Board of Directors of Dinamia has set up a single Audit and Appointments Committee, which has taken on the duties that the Corporate Governance recommendations attribute to the Audit Committee and the Appointments and Remunerations Committee insofar as they are applicable to the Company. The rules regarding the composition and functioning of this Committee are stipulated in the Board Regulations and comply with those stipulated in this recommendation 39, letters a) to e), applicable to the Company.

However, on 23 February 2015, the Board of Directors of Dinamia set up an Appointments and Remunerations Committee, with the duties stipulated in article 529 quindecim of the Capital Companies Act.

40. The supervision of compliance with the internal codes of conduct and the rules of corporate governance should be attributed to the Audit Committee, the Appointments Committee, or, if existing separately, the Compliance or Corporate Governance Committee.

See sections: C.2.3 and C.2.4

Complies

Explain

41. The members of the Audit Committee, and its chairperson in particular, should be designated taking into account their knowledge and experience in the fields of accounting, auditing or risk management.

Complies

Explain

42. The listed companies should have an internal audit function which, supervised by the Audit Committee, should safeguard the smooth operation of the internal control and information systems.

See section: C.2.3

Complies

Explain

43. The head of the internal audit function should present his annual work plan to the Audit Committee; he should inform the committee directly regarding any incidents that may arise during its implementation; and, at the end of each financial year, he should submit an activity report to the committee.

Complies

Partially complies

Explain

44. The risk management and control policy should identify at least the following points:

a) The different types of risk (operational, technological, financial, legal, reputation-related, etc.) to which the company is exposed, including contingent liabilities and other off-balance-sheet risks among the financial and economic risks;

b) The level of risk that the company considers acceptable;

c) The measures taken to reduce the impact of identified risks, should they materialise;

d) The internal control and information systems that will be used to control and manage the aforementioned risks, including contingent liabilities or off-balance-sheet risks.

See section: E

Complies

Partially complies

Explain

45. It should be the responsibility of the Audit Committee to:

1° Regarding internal control and information systems:

a) Ensure that the main risks identified as a consequence of supervising the effectiveness of the company's internal control and internal auditing, where applicable, are managed and reported appropriately.

b) Safeguard the independence and effectiveness of the duty of internal auditing; propose the selection, appointment, re-election and removal of the internal audit service head; propose the budget for this service; receive periodic information about its activities; and verify that senior management takes the conclusions and recommendations of its reports into account.

c) Establish and supervise a mechanism that allows employees to report confidentially and, if considered appropriate, anonymously any irregularities they might encounter within the company that might be potentially significant, especially in the areas of finance and accounting.

2° Regarding the external auditor:

a) Regularly receive information from the external auditor about the auditing plan and results of its implementation, and verify that senior management takes its recommendations into account.

b) Ensure the independence of the external auditor and, for this purpose:

i) Ensure that the company notifies the CNMV of a change in auditor as a significant event, accompanied by a statement on the existence of any disagreements with the outgoing auditor and, if these exist, their content.

ii) If the external auditor resigns, examine the circumstances causing this event.

See sections: C.1.36, C.2.3, C.2.4 and E.2

Complies

Partially complies

Explain

A Management Company of Venture Capital Firms takes on the duties of internal control and information, and the Company's asset management, as stipulated in article 20 of the By-laws, meaning that the Management Company of Dinamia safeguards the functioning of the auditing and internal control services, although the internal auditing function has been outsourced to a third party.

The Audit and Appointments Committee supervises the risk management policy prepared by the Management Company.

Furthermore, the Company does not have any employees or group, and therefore it has not been necessary to set up channels of communication between the Board and employees, nor has it been necessary for the group auditor to be in charge of the audits of the companies that make up the group.

46. The Audit Committee may call on any company employee or manager, and even require an interview without the presence of any other manager.

Complies

Explain

This recommendation is not applicable, given that the Company has no employees or managers.

47. The Audit Committee should inform the Board, before the latter approves the corresponding decisions, on the following matters, as set out in Recommendation 8:

a) The financial reporting which, as a listed company, the Company must periodically publish. The committee should ensure that intermediate financial statements are drawn up with the same accounting criteria as annual statements and, to this end, will consider whether or not an external auditor should perform a limited review.

b) The creation or acquisition of shares in special purpose vehicles or those registered in countries or territories considered tax havens, as well as other similar transactions or operations that, due to their complexity, may impair the transparency of the group.

c) Related-party transactions, unless the function of prior reporting has been entrusted to a committee other than the supervision and control committees.

See sections: C.2.3 and C.2.4

Complies

Partially complies

Explain

48. The Board of Directors, where possible, should present the financial statements to the General Meeting without reservations or caveats in the auditor’s report and, in exceptional cases that may arise, both the Chairperson of the Audit Committee and the auditors should clearly explain the content and scope of these reservations or caveats to the shareholders.

See section: C.1.38

Complies

Partially complies

Explain

49. The majority of the members of the Appointments Committee—or the Appointments and Remuneration Committee, if they are a single body—should be independent directors.

See section: C.2.1

Complies

Explain

Not applicable

50. The Appointments Committee is responsible for the following functions, as well as those stipulated in the foregoing Recommendations:

a) Assessing the skills, knowledge and experience required by the Board; consequently, defining the functions and abilities required of the candidates to fill each position, and evaluating the time and dedication necessary in order to appropriately perform their duties.

b) Examining or organising, as is considered suitable, the succession of the chairperson and the chief executive officer and, if applicable, making proposals to the Board in order for this succession to take place in an orderly and well-planned manner.

c) Reporting the appointments and removals of senior managers which the chief executive officer proposes to the Board.

d) Reporting to the Board on matters of gender diversity stipulated in Recommendation 14 of this Code.

See section: C.2.4

Complies Partially complies Explain Not applicable

The Company partially complies with this recommendation, given that the function of reporting on the appointments and removals of senior managers that the chief executive officer proposes to the Board is not applicable, due to the fact that there are no senior managers or chief executive officers in this Company.

51. The Appointments Committee should consult with the Chairperson and the chief executive officer of the Company, particular concerning matters relating to executive directors.

And any director should have the right to request the Appointments Committee to take into consideration potential candidates to cover any director vacancies, if they consider the candidate appropriate.

Complies Partially complies Explain Not applicable

The first part of the recommendation is not applicable to Dinamia, given that there are no executive directors. The Company complies with the second part of the recommendation, given that any director may request the Audit and Appointments Committee to take into consideration potential candidates to cover any director vacancies, if they consider the candidate appropriate.

The Remunerations Committee is responsible for the following functions, as well as those stipulated in the foregoing Recommendations:

a) Proposing to the Board of Directors:

- i) The remuneration policy for directors and senior managers;
- ii) The individual remuneration of executive directors and any other conditions of their contracts;
- iii) The basic conditions of the contracts of senior managers.

b) Ensuring that the remuneration policy established by the company is respected.

See sections: C.2.4

Complies

Partially complies

Explain

Not applicable

The Company partially complies with this recommendation, given that the functions of proposing to the Board of Directors the individual remuneration of executive directors and any other conditions of their contracts, as well as the basic conditions of the contracts of senior managers (sections ii) and iii) of letter a)) are not applicable to the Company, due to the fact that Dinamia has no executive directors or senior managers.

53. The Remunerations Committee should consult with the Chairperson and the chief executive officer of the Company, particular concerning matters relating to executive directors and senior managers.

Complies

Explain

Not applicable

H. OTHER INFORMATION OF INTEREST

1. Briefly describe any additional relevant information regarding corporate governance in the Company or the Group companies which has not been included in the other sections of this report, but which should be included in order to provide complete and detailed information on the company or group's governance structure and practices.

2. Also include in this section any other information, clarification or aspect related to previous sections of this report, where relevant and non-repetitive.

Specifically, indicate whether the company is subject to the legislation of any country other than Spain regarding corporate governance and, if applicable, include any mandatory information that differs from the information required for this report.

3. The company may also indicate whether it has voluntarily adhered to any other codes of ethics or good practices, whether international, sectorial or pertaining to any another area. If applicable, identify the relevant code and the date of adhesion.

SECTION A.2

This section comprises the information drawn from the direct shareholder records dated 31 December 2014 provided to the Company by IBERCLEAR (given that Dinamia shares are nominative) and the information that appears in the Spanish National Securities Market Commission's (CNMV) official records of significant shareholdings. Specifically, significant changes in the shareholdings of Dinamia during 2014, disclosed in this section, correspond to notifications filed with the CNMV's official records. In some cases, differences can be found between the information detailed in the CNMV's records and the information provided to the Company by the Madrid Stock Exchange and by IBERCLEAR. This is partly due to the fact that, on occasion, there is no obligation to report to the CNMV the acquisition of shares as long as the threshold limits set to this effect are not surpassed or lowered. The foregoing means that, on certain occasions, the information provided by the Stock Exchange (which is recorded in the Company's Registry Book of nominative shares) is more up to date and that the percentage or amount of shares held by significant shareholders differs in relation to the percentages or amounts disclosed in the official records of the CNMV's website.

Furthermore, on 18 February 2015, Banco Madrid Gestión de Activos SGIC, S.A. has notified an indirect stake of 3.11% and, on 26 February 2015, D. Ricardo Portabello Peralta has notified that he has increased his ownership of shares through Anpora Patrimonio, S.L. up to 4,239,099 shares (26.040% of the share capital).

SECTION A.3

It should be noted that the percentage of voting rights held by the Board of Directors stipulated in the table included in this section (0.073%) represents the sum of percentages of voting rights held by the Board members that are listed in the table in section A.3.

However, regarding the percentage of voting rights held by the Board, the percentages of significant shareholders represented in the Board by proprietary directors must also be taken into consideration (even if the latter are not the ultimate direct holders of those voting rights).

Therefore, the total percentage held by the Board of Directors of Dinamia stood at 30.05% on 31 December 2014, taking into account and adding (i) the 3.76% interest held by Sodecar, S.L., represented on the Board by Mr. Emilio de Carvajal y Ballester (director of Sodecar, S.L. and the son of Mr. Emilio de Carvajal y Pérez, who controls said company); (ii) the holding of the companies Aquamágica Inversiones, S.A. and Eletrés, S.L., which jointly

account for 3.68% of the share capital of Dinamia, both being represented by Mr. Joaquín García-Quirós on the Board of Dinamia; and (iii) the interest held by Anpora Patrimonio, S.L. which represents 22.61% of the share capital of Dinamia, represented by Mr. Ricardo Portabella Peralta.

SECTION B.2

Dinamia plans to modify its internal regulations in order to adapt them to the modifications made to the Capital Companies Act by Law 31/2014 of 3 December, on the occasion of the Ordinary General Shareholders' Meeting.

SECTION C.1.2

On 26 February 2014, director Mr. Joaquín García-Quirós Rodríguez offered his resignation as a member of the Board of Directors and as Vice-Chairperson of Dinamia due to strictly personal reasons that hinder the performance of his professional duties. Furthermore, the Board of Directors, during its meeting on 16 March 2015, has agreed to appoint Mr. [*] as new Vice-Chairperson in replacement of Mr. García-Quirós, after a favourable report from the new Appointments and Remunerations Committee.

SECTION C.1.8

It is noted that, when the proprietary directors were designated as such, the shareholders that said directors represented already were significant shareholders.

SECTION C.1.9

As explained above, on the date of this report, director Mr. Joaquín García-Quirós Rodríguez has resigned due to strictly personal reasons that hinder the performance of his professional duties.

SECTION C.1.12

It is noted that Mr. Joaquín García-Quirós is the representative, as a natural person, of Saarema Inversiones S.A. on the Board of Directors of Obrascón Huarte Lain, S.A. (OHL)

Furthermore, it is noted that, on the date of this report, director Mr. Santiago Bergareche is Chairman of the Board of Directors and of the Executive Committee of Vocento, S.A. (Grupo Correo Prensa Española).

SECTION C.1.14

It is noted that certain corporate general policies and strategies (for which it is recommended that approval be reserved to the Board in full) do not apply to Dinamia given its structure (there is no consolidated group and the Company has no senior executives due to the fact that the Company's management and administration are delegated to a management company of venture capital companies). More specifically, the Board of Directors of Dinamia in full has not reserved the right to define the structure of the corporate group as the Company does not have a consolidated group. Lastly, the Company's Board of Directors cannot approve the assessment of senior management's performance as it has no senior management.

SECTION C.1.16

Dinamia Capital Privado, S.C.R., S.A. has no senior management. In accordance to what is stipulated in Article 20 of the By-laws, Dinamia has delegated management of its assets to a management company of venture capital firms, namely Nmás1 Capital Privado S.G.E.I.R., S.A. (the Management Company), with which Dinamia entered the corresponding management agreement. Under this agreement, the Management Company receives an annual fixed management fee and a success fee:

- An annual fixed management fee of 1.75% of the value of the Company's "valued asset" (in order to determine the "valued asset", the Management Company prepares a quarterly valuation in accordance with generally recognised standards in international practice, reviewed every six months by an independent third party).
- A 20% success fee on the net capital gain obtained by the Company for the transfer of all shares in companies targeted by its operations in the same financial year and the return that said shares generate, minus a set annual management commission, and provided that the capital gain exceeds a minimum return equal to the IRR of Spanish Government Bonds at 3 years during the most recent month of December prior to the commencement of each calendar year. This fee will be paid to the Management Company insofar as all the investments acquired in the same financial year by the Company have been made.

SECTION C.1.17

Mr. Alfred Merton Vinton previously represented Electra Private Equity Partners 1995 (a significant shareholder of Dinamia) on the Board of Directors of Dinamia, therefore serving as proprietary director.

Nonetheless, in June 2007 and after leaving Electra Private Equity Partners 1995, the General Shareholders' Meeting of Dinamia of 28 June 2007 approved, at the proposal of the Company's Board of Directors, the reclassification of Mr Vinton as another external director, who was re-elected as director in 2014.

Mr. Vinton's relation with Grupo Electra is currently limited to being a consultant and external advisor for Electra Partners LLP in relation to its investments in several companies in England, Spain and Latin America (including Dinamia); however, he has no decision-making power and is not a member of any of Electra Partners, LLP's committees or decision-making bodies.

Likewise, Mr. Joaquín García-Quirós is a director of Aquamágica Inversiones, S.A., which holds, together with Eletrés, S.L., an interest of 3.68% in the share capital of Dinamia.

SECTION C.1.18

As already mentioned, there are plans to modify the Board Regulations of Dinamia in 2015, in order to adapt them to the modifications made to the Capital Companies Act by Law 31/2014 of 3 December.

SECTION C.1.29

By way of clarification, it is noted that the Board of Directors physically met on ten occasions in 2014 and has approved agreements in writing and with no meeting on one occasion.

Furthermore, as already mentioned, Dinamia created a single Audit and Appointments Committee, which met on six occasions in 2014.

It is noted that, at the end of each year, the Board approves a schedule of Board and Audit and Appointments Committee meetings for the year ahead in an attempt to facilitate and encourage director attendance.

SECTION C.1.37

The fees paid to PricewaterhouseCoopers Auditores, S.L. for auditing the Company's annual financial statements for 2014 totalled 49 thousand euros (excluding VAT). In 2014, the fees paid to the audit firm or other companies related to the audit firm for other complementary services amounted to approximately 27 thousand euros (excluding VAT).

SECTION C.1.45

Given that Dinamia has no senior management, it has no guarantees or golden parachute clauses benefiting senior management in the event of layoff or change of control. The management of the Company's assets has been entrusted to the Management Company Nmas1 Capital Privado SGEGR, S.A. under an indefinite management contract. Said management contract stipulates that it may be terminated early by either party, although said early termination should be carried out with at least three years' notice or, if such prior notice is not given, through the payment of an indemnity equivalent to the fixed annual commission that the Management Company would receive in a three-year period.

SECTION C.2.1

In 2014, there was a change in the composition of the Audit and Appointments Committee, consisting of the appointment of Mr. Fernando D'Ornellas Silva, in replacement Mr. Nicolás Villén Jiménez, as Chairman of the Board, at a meeting held in April, in accordance with the rotating Board chairpersonship arrangement stipulated in the internal regulations of Dinamia.

Furthermore, the Board of Directors, in its 23 February 2015 meeting, approved the incorporation of a Appointments and Remunerations Committee, separate from the Audit Committee, in accordance with the stipulations in article 529 terdecies of the Capital Companies Act. This Committee is composed of independent directors Mr. Javier Carretero Manzano (Chairman), Mr. Fernando D'Ornellas Silva (Member) and Mr. Nicolás Villén Jiménez (Member).

SECTION C.2.3

Dinamia's Audit and Appointments Committee is responsible for the duties referred to in this section which are applicable to said committee. Regarding the internal audit function, and given that the Company has subcontracted its management to a Management Company, the latter handles the Company's internal audit function which, in turn, it has externalised.

However, internal audit submits a report concerning its activities and recommendations to the Audit and Appointments Committee on an annual basis. In relation to channels for employees to communicate irregularities observed, this does not apply to the Company, given that it has no employees; the same occurs with the obligation to verify that senior management is acting on the recommendations of the Audit and Appointments Committee, given that the Company, due to its organisation, has no senior management. Regarding the group auditor's functions, these do not apply to Dinamia either, given that the Company does not have a group.

SECTION D.2

In relation to significant shareholder Electra Private Equity Partners 1995, a venture capital company managed by Electra Partners LLP, it is hereby noted that Dinamia holds a stake of 10% pertaining to another venture capital company managed by Electra Partners LLP, namely Electra Partners Club 2007 LP.

In 2014, Dinamia made contributions to this company totalling 3,003 euros, as a consequence of an investment commitment assumed by Dinamia on 17 December 2007.

SECTION D.5

The amount set forth under this heading includes 9,040 thousand euros as interests on participating loans, granted by Dinamia to subsidiaries, accrued and unpaid during 2014, 406 thousand euros as principal repayments on these participating loans granted to subsidiaries, and 35,892 thousand euros as amortisation for principal repayments on participating loans and interest related to these loans.

This annual corporate governance report was approved by the Company's Board of Directors at its 16/03/2015 meeting.

State whether any director voted against, or abstained from voting in relation to, the present report.

Y

N