



Report of the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. on the amendment of the Rules of the Board of Directors approved at its meeting of 27 March 2025

Madrid, 27 March 2025

REPORT OF THE BOARD OF DIRECTORS OF ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. ON THE AMENDMENT OF THE RULES OF THE BOARD OF DIRECTORS APPROVED AT ITS MEETING OF 27 MARCH 2025

1. PURPOSE OF THIS REPORT

Various good governance rules, guidelines and recommendations have recently been approved that affect different aspects related to the composition, functioning and functions of the management bodies of listed companies, which justifies and explains the need to adapt the Rules of the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. (“ACS” or the “Company”).

In accordance with Article 26.c) of the Rules of the Board of Directors, the Audit and Sustainability Committee, at its meeting of 27 March 2025, approved the proposal to amend the Rules of the Board of Directors of ACS together with the corresponding explanatory report, which it in turn submitted for approval by the Company’s Board in accordance with Article 5.2.n) of its Rules, resolved by the latter at its meeting of 27 March 2025.

2. JUSTIFICATION FOR THE AMENDMENT OF THE RULES OF THE BOARD OF DIRECTORS

The rules, guidelines and recommendations on good governance referred to below make it necessary and advisable to complete and update certain aspects of the Rules of the Board of Directors in relation to the composition, functioning and functions of both the Board itself and its Committees.

In the area of good governance recommendations or guidelines, it is worth highlighting *Technical Guide 1/2019, of 20 February 2019*, on appointments and remuneration committees, and now *Technical Guide 1/2024, of 27 June, on Audit Committees of public interest entities of the National Securities Market Commission (CNMV) (“Guide 1/2024”)*, which revises the previous version of 2017, introducing new recommendations and completing or updating the existing ones, and, more importantly, with the express purpose of ensuring that its principles and recommendations are taken into account with respect to the other internal advisory committees of the board, responsible for supporting, advising and making proposals to the board. In this regard, among others, the following aspects are highlighted:

- The terminology of *the sustainability reporting and due diligence directives CSRD and CS3D* is adopted, with Guide 1/2024 using the term “*sustainability reporting*” to refer to human rights and environmental reporting, while using the term “*non-*

financial risks” in a broad sense, beyond those strictly related to sustainability (definitions and paragraphs 50 and 51 of Technical Guide 1/2024).

- Recommendations are introduced that put the figure of **the auditor on an equal footing** in different aspects **with that of the independent verifier of sustainability reporting, extending the functions of the audit committee with respect to the latter** (section 6 of Technical Guide 1/2024).
- With regard to **relations between different Board Committees when they share functions in the same area**, different channels are envisaged to ensure the **necessary coordination** between the Committees (paragraph 50 of Technical Guide 1/2024).

In this respect, **the audit committee has the ultimate supervisory power over financial and non-financial reporting** and, therefore, over the sustainability report (paragraph 39 of Technical Guide 1/2024).

- **The legal regime on related-party transactions** envisaged in sections 529 vicies to 529 tercivies of the Spanish Corporate Enterprises Act [*Ley de Sociedades de Capital*]¹ **is supplemented** by establishing that the audit committees of listed companies must propose to the board the establishment of internal reporting and control mechanisms on related-party transactions whose approval has been delegated, reviewing them periodically (paragraph 73 of Technical Guide 1/2024).
- The importance of an appropriate framework for **relations between the audit committee and management** is reinforced, with particular emphasis on the obligation of management to provide the audit committee with all necessary information to perform its functions (paragraphs 4 and 22 of Technical Guide 1/2024).
- As regards the **composition of the audit committee**, although Guide 1/2024 makes express reference to the committee's knowledge/training in sustainability (paragraphs 9, 13 and 14 of Guide 1/2024), the emphasis is placed not on **individual suitability** but on the **“overall” suitability** of the committee. In this respect, it is also expressly mentioned that the incorporation of this knowledge and experience can be carried out through **training** and **external advice**, among other ways (paragraphs 6 and 9 of Technical Guide 1/2024).

In the regulatory sphere, **CSRD and CS3D**, as well as the **Artificial Intelligence Regulation²**, the **NIS 2 Directive on cybersecurity³** and the **CNMV's Good Governance**

¹ Revised text of the Corporate Enterprises Act, enacted by Royal Legislative Decree 1/2010, of 2 July.

² Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence (Artificial Intelligence Regulation).

³ Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972, and repealing Directive (EU) 2016/1148 (NIS 2 Directive)

*Code on Cybersecurity*⁴, also determine the need to consider these new matters both at the level of the board and its committees, insofar as they affect the definition of their functions and aspects relating to their composition from the perspective of the suitability of these corporate bodies overall to perform their functions.

Moreover, Spanish *Law 11/2021 on Measures to Prevent and Combat Tax Fraud*⁵ [*Ley 11/2021 de medidas de prevención y lucha contra el fraude fiscal*] has been taken into account to replace the reference to “tax havens” with “non-cooperative jurisdictions”, in accordance with the legal term in force, also in relation to the functions of the board's committees on transactions relating to companies located in “non-cooperative jurisdictions”.

Finally, Spanish *Organic Law 2/2024 on equal representation*⁶ [*Ley Orgánica 2/2024 de representación paritaria*], which amends section 529 bis of the Corporate Enterprises Act in relation to gender diversity requirements regarding the composition of the board, has also been taken into consideration.

On this basis, the proposal to amend the Rules of the Board of Directors has focused first and foremost on updating and systematically organising the different areas of competence of the Board and its Committees by subject matter, also stressing the need for coordination between the latter when the Committees have coinciding functions in the same area:

- In this respect, the **powers of the Board (Article 5)** are laid out systematically and completed by distinguishing between: a) Functions in relation to the organisation and functioning of the Board, the Board members and Senior Management; b) Functions in relation to the determination of the Company's general policies and strategies; c) Functions in relation to the information to be disclosed by the Company; d) Functions in relation to the General Shareholders' Meeting; and e) other Functions.
- At the same time, a new **Article 25** is created, **devoted in general to the internal advisory Committees**, which includes certain provisions that are common to these Board Committees, thus avoiding repetition with regard to each committee.
- The functions of the Committees are also laid out systematically and completed based on their different functions:
 - **Audit and Sustainability Committee (Article 26):** a) Functions in relation to the supervision of financial and non-financial reporting; b) Functions in relation to the supervision of internal control and internal audit; c) Functions in relation

⁴ CNMV Good Governance Code on Cybersecurity, published by the National Cybersecurity Forum on 14 July 2024.

⁵ Law 11/2021, of 9 July, on measures to prevent and combat tax fraud, transposing Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market amending various tax and gambling regulation rules.

⁶ Organic Law 2/2024, of 1 August, on equal representation and balanced presence of women and men.

to the supervision of risk management and control; d) Functions in relation to the external auditor and the verifier of sustainability reporting; e) Functions in relation to the supervision of the Corporate Governance System; and f) other Functions.

- **Nominations Committee (Article 27):** a) Functions in relation to the composition of the Board; b) Functions in relation to the selection and appointment of Board members and Senior Executives; c) Functions in relation to the positions on and structure of the Board; and d) other Functions.
- **Remuneration Committee (Article 28):** a) Functions in relation to the composition of the Board; b) Functions in relation to the selection and appointment of Board members and Senior Executives; c) Functions in relation to the positions on and structure of the Board; and d) other Functions.

In addition to the organisation and systematic record of the functions of the Board and its Committees, **technical reviews and improvements** to the Rules of the Board of Directors have been incorporated **on a one-off basis**.

In this regard, in addition to adapting the name of the Audit and Sustainability Committee (previously known as the “Audit Committee”) to the name resolved by the ACS Board at its meeting of 19 December 2024 throughout the Rules, the following technical details, among others, have been included:

- **Amendment of Article 2 (*Validity, Interpretation, Amendment and Dissemination*):**

In addition to completing the Article with the amendment of the Rules, as is common in the rules of the board of directors of listed companies, it is updated in accordance with sections 528 and 529 of the Corporate Enterprises Act and CNMV Circular 3/2015, of 23 June, on technical and legal specifications and information that must be set out on the websites of listed companies.

- **Amendment of Article 3 (*Composition and appointment*):**

In section 1, the term “*nature*” is replaced with “*category*”, in accordance with the legal term used by section 529 duodecies of the Corporate Enterprises Act when classifying directors as executive, independent, proprietary and other external directors, and section 2 is also adapted to the wording of section 529 bis.2 of the Corporate Enterprises Act, as amended by Organic Law 2/2024 on equal representation.

- **Addition of a new Article 4 (*Principles of action*):**

A new Article 4 is included regarding the principles of action of the Board, which, together with its link to the corporate interest and, linked to this, the creation of long-term sustainable value in the Company and its Group, includes, among other aspects, taking into consideration the different stakeholders that may be affected by its activity, in

accordance with the Company's Corporate Governance Policy and Recommendation 12 of the GGC.

- **Amendment of existing Article 12 - renumbered as Article 11 (*Passing of resolutions*):**

A new section on minutes is added, in coordination with the Articles of Association.

- **Amendment of existing Article 13 - renumbered as Article 12 (*Term of office*):**

A technical clarification is included to adapt the wording to section 529 undecies of the Corporate Enterprises Act, which stipulates that the articles of association must establish the specific term of office within the legal maximum of four years, with re-elections understood to be for the same term of office.

- **Addition of a new Article 17 (*External expert advice*):**

Recommendation 29 of the GGC referring to the assistance of external experts at the request of directors, as is customary in listed companies, is incorporated in the Rules.

- **Amendment of Article 18 (*Related-Party Transactions*):**

Section 5 is completed with a reference to the involvement of the Audit and Sustainability Committee in the establishment of an internal reporting and periodic control procedure for cases of approval of transactions by delegation, in accordance with paragraph 73 of Technical Guide 1/2024.

- **Amendment of Article 19 (*The Chair and the Coordinating Director*):**

A new section 2 is included in relation to the representative and institutional function of the Chair of the Board and section 3 incorporates the Chair's power to promote coordination between the Board and its Committees, and between the Committees themselves, also including a reference to the general power of proposal in relation to the functioning and organisation of the Board and its Committees.

Finally, a subsection is added to section 5.d) to expressly state that any contact that the Coordinating Director may have with investors and shareholders must be in accordance with the criteria established in the Company's Policy on communication and contact with shareholders, institutional investors, proxy advisers and other stakeholders, through which equal treatment and the protection of inside information, among other aspects, is guaranteed.

- **Amendment of Article 22 (*The Secretary and Vice-Secretaries*):**

Section 2 is completed with the power of the Secretary to channel requests from Board members for information and documentation on the matters that correspond to the Board, as well as channelling through the Secretary relations with Board members in all matters relating to the functioning of the Board.

Furthermore, it is expressly included that the Secretary of the Board must also be Secretary of the Committees and of the General Meeting, in accordance with the Rules, the Articles of Association and the Shareholders' General Meeting By-laws.

Finally, provision is made for the replacement of the Secretary in the event of a vacancy, absence or unavailability, in line with the provisions for the Chair of the Board.

3. ANNEX

The consolidated text of the Rules of the Board of Directors, with the amendments resolved by the Board at its meeting of 27 March 2025, is attached as an **Appendix**.

In Madrid, on 27 March 2025.

ANNEX

RULES OF THE BOARD OF DIRECTORS

PRELIMINARY TITLE

Article 1.- Purpose

1. The purpose of these Rules is to regulate the composition, organisation and functioning of the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. (the “**Company**”), as well as the Committees created within it, subject to the Act and the Company’s Articles of Association.

Article 2.- Validity, Interpretation, Amendment and Dissemination

1. These Rules enter into force upon their approval and it will be the responsibility of the Board itself to clarify any doubts that may arise from their application, supplementing them as necessary.
2. The Board may amend these Rules when it deems it appropriate, as well as at the proposal of the Audit and Sustainability Committee, and the proposed amendment must be accompanied by a report justifying the causes and scope of the amendment.
3. The Board must report on the amendment of these Rules, if any, which it may resolve, at the first Shareholders' General Meeting held after it.
4. The Board must take appropriate measures to ensure that the Rules are disseminated to shareholders and the investing public at large. In this respect, these Rules of the Board of Directors, in the version in force at any given time, may be consulted on the Company's website.
5. Likewise, these Rules and any subsequent amendments must be notified to the National Securities Market Commission (CNMV) and registered at the Commercial Registry.

TITLE ONE

THE BOARD OF DIRECTORS

Article 3.- Composition and appointments

1. Within the limits established in the Articles of Association and notwithstanding the powers of proposal which, under that, correspond to the shareholders, the Board of Directors is responsible for proposing to the General Shareholders' Meeting both the number of Board members and the persons to be appointed. The appointment proposal must state the category —executive, proprietary, independent or other external— of the proposed Board members, in accordance with the definitions set out in the Act.

Furthermore, should any vacancies arise, the Board of Directors may provisionally fill them by appointing Board members by co-option until the next General Shareholders' Meeting is

held, where a definitive appointment will take place, as appropriate. If any vacancy arises after the General Meeting has been called but before it is held, the Board may appoint a Board member until the following General Meeting is held. The Board member appointed this way by the Board need not necessarily be a shareholder of the Company.

2. The proposal for appointment or re-election of members of the Board of Directors is made by the Nominations Committee in the case of independent directors and by the Board itself in all other cases. The proposal must in all cases be accompanied by a supporting report from the Board assessing the competence, experience and merits of the proposed candidate, which must be attached to the minutes of the General Meeting or Board meeting. The proposal for the appointment or re-election of any non-independent director must also be preceded by a report from the Nominations Committee.

The Board must ensure that the procedures for selecting its members foster equality between women and men, as well as diversity with respect to such factors as age, disability, and professional training and experience, and avoid implicit biases that could give rise to discrimination, in particular, that they promote the selection of women Board members in a proportion that yields a balance between women and men.

Article 4.- Principles of action

In the performance of its duties, the Board must act with unity of purpose and independence of judgement, treat all shareholders in the same position equally and be guided by the corporate interest, meaning the achievement of a profitable and sustainable business in the long term, thus creating value in the Company and its Group, also taking into consideration the other stakeholders that may be affected by its activity.

Article 5.- Duties

1. In accordance with the Articles of Association, the Board of Directors is responsible for representing the Company and managing its business and carrying out operations comprising or relating to its purpose.
2. However, the Board policy is to focus its activity on the general function of defining the Company's strategic and management guidelines, taking into account their application to the companies of which ACS is the parent (“**ACS Group**” or “**Group**”), entrusting to the management bodies and management of the companies comprising the Group the duties of day-to-day management and effective direction of them, without prejudice to the establishment of the necessary mechanisms for the exchange of information and coordination, also ensuring the reconciliation of the Company's corporate interests with those of the companies.
3. Without prejudice to the powers reserved to the full Board of Directors in the Act, the Articles of Association or these Rules, the Board may under no circumstances delegate the following functions:
 - a) In relation to the organisation and functioning of the Board of Directors, the Board members and Senior Management:

- (i) Its organisation and functioning, and, in particular, the adoption and amendment of its Rules.
 - (ii) Supervision of the effective functioning of the Committees it has set up and of the actions of the delegated bodies and of the executives it has appointed.
 - (iii) Appointment and removal of the CEO(s) and, where appropriate, other Board members performing executive functions, as well as the establishment of the terms of their contracts.
 - (iv) Decisions regarding directors' remuneration, within the framework of the Articles of Association and the remuneration policy approved by the General Meeting.
 - (v) Appointment, at the proposal of or following a report from the Nominations Committee, as appropriate, of the internal roles within the Board and the members and internal roles of its Committees.
 - (vi) Appointment and dismissal of Board members reporting directly to the Board, as well as the establishment of the basic terms of their contracts, including their remuneration.
 - (vii) Authorisation or waiver of the obligations deriving from the duty of loyalty, except in cases where that competence is legally attributed to the General Meeting.
- b) In relation to the determination of the Company's general policies and strategies:
- (i) Approval of the strategic or business plan, management objectives and annual budget, investment and financing policy, sustainability policy and dividend policy.
 - (ii) The treasury shares policy.
 - (iii) Determination of the risk control and management policy, including fiscal risks, and oversight of internal information and control systems.
 - (iv) Determination of the corporate governance policy of the Company and of the group of which it is the parent.
 - (v) Definition of the structure of the group of companies of which the Company is the parent.
 - (vi) Approval of the policy regarding communication and contact with shareholders and institutional investors within the framework of their involvement in the Company, as well as with proxy advisors, including the communication of economic and financial, non-financial and corporate information.
 - (vii) Approval of the Board diversity selection of directors policy.

- (viii) Determination of the Company's fiscal strategy.
 - (ix) Supervision of the implementation of the above general policies and strategies of the Company.
- c) In relation to the information to be disclosed by the Company:
- (i) Supervision of the process of preparing and presenting the financial information and the directors' report, which will include the required sustainability information.
 - (ii) Preparation of the financial statements, the directors' report and the proposed distribution of profits, as well as the consolidated financial statements and directors' report, which must include the mandatory information that the Company must periodically disclose, and their submission to the General Meeting.
 - (iii) Approval of the Annual Corporate Governance Report and the Annual Directors' Remuneration Report.
 - (iv) Approval of the financial information that the Company must periodically disclose due to its status as a listed company.
- d) In relation to the General Shareholders Meeting:
- (i) The call of the General Shareholders' Meeting and the drafting of the agenda and the proposed resolutions.
 - (ii) The powers that the General Meeting has delegated to the Board, without prejudice to its express authorisation to sub-delegate them.
- e) Other duties:
- (i) Drafting of any kind of report that the law requires from the management body provided that the operation to which the report refers cannot be delegated.
 - (ii) Approval of investments or transactions of all kinds which, because of the elevated amounts involved or their special characteristics, are of a strategic nature or involve a special fiscal risk, unless their approval corresponds to the General Shareholders' Meeting.
 - (iii) Approval of the incorporation or acquisition of special purpose vehicles or entities resident in countries or territories defined as non-cooperative jurisdictions, as well as any analogous transactions or operations whose complexity may impair the transparency of the Company and its group.
 - (iv) The approval, subject to a report from the Audit and Sustainability Committee, of Related-Party Transactions, unless their approval corresponds to the General Meeting, and without prejudice to the possibility of delegation by the Board, all in the cases and on the terms established in the Act and these Rules.

4. When there are duly justified urgent circumstances, decisions corresponding to the above matters may be taken by the delegated bodies or persons; they must then be ratified at the first Board meeting after the decision is taken.

Article 6.- Duty to inform shareholders

1. For the Company's General Shareholders' Meeting to properly perform its functions, the Company's Board must make available to the shareholders, prior to the holding of each General Meeting, all legally required information or any other additional information that the Board deems necessary or appropriate insofar as it contributes to the shareholders forming an opinion on the matters to be discussed at the General Meeting and the exercise of their rights in relation to the General Meeting. Accordingly, the Board is required to respond with the utmost diligence to requests for information or clarifications which, on the occasion of the General Meeting, either prior to or during the meeting, may be requested by shareholders, within the terms and limits established by law.
2. For the purposes transparency and maximum distribution of the corresponding information and to facilitate immediate access to it by shareholders, and investors in general, the Board of Directors must include on the Company's web page the legally required information and documentation and all the documents that are for general dissemination and, especially, the Articles of Association, the Rules of the Board of Directors the publicly accessible information that the Company has disclosed to the National Securities Market Commission since the last General Meeting was held, the call notices of the General Shareholders' Meetings and the proposals that are submitted for deliberation and approval as well as the resolutions passed at the General Shareholders' Meetings on the terms set out in the law.

Additionally, the Web page must include the composition of the Board of Directors, and the professional profile of each Board member, the other Boards of Directors of which they are a member, whether or not they are listed companies, as well as the various paid activities they perform, regardless of their nature, whether they are an executive or proprietary —indicating the shareholder they represent—, independent or external director, the date on which they were appointed and, if applicable, re-elected, and the Company shares or share options they hold.

Article 7.- Obligations derived from the of listed company

The Board is required to adopt or promote the adoption of any measures necessary or advisable to ensure the transparency of the Company's actions in the financial markets and to exercise any functions deriving from its status as a listed company.

Article 8.- Annual evaluation

1. The Board must carry out an annual evaluation of its functioning and that of its Committees, and propose, based on the findings, an action plan to correct the deficiencies detected. The result of the evaluation must be recorded in the minutes of the relevant meeting or attached to the minutes.
2. The evaluation process must address, in particular, the following aspects:

- a) The quality and effectiveness of the Board's functioning.
 - b) The functioning and membership of its Committees.
 - c) The diversity of the Board's membership and powers.
 - d) The performance of the Chair of the Board and the Company's chief executive officer if they are not the Chair.
 - e) The performance and contribution of each Board member, focusing in particular upon the Board members responsible for each of the Board Committees.
3. Assessments of the different Committees will be based upon the reports submitted by them to the Board, while the evaluation of the Board itself will be based on the report submitted by the Nominations Committee.
 4. Every three years, the Board will be assisted in its evaluation by an external consultant, whose independence will be verified by the Nominations Committee.

Article 9.- Meetings and call notices

1. The Board must meet whenever required to do so by the Company's interests, prior notice from the Chair or, in their absence, by a Vice-Chair, either on their own initiative or at the request of, at least, two Board members or the Coordinating Director. In any event, the Board must meet at least eight times a year and periodically examine the Group's progress compared to the budgets and previous year.
2. The call must be issued by email or any other means of written communication that permits verification that it has been sent and received by the various Board members, including the agenda.

Except in cases of emergency, which will be freely determined by the Chair, notice must be given at least three days in advance of the date on which the Board Meeting is expected to be held.

3. The Board of Directors must meet at the Company's registered office or at any other location determined by the Chair and specified in the call notice.
4. Attendance of Board members at the Board of Directors meetings will be equally valid by means of remote communication, provided that these means allow the Board members attending to mutually recognised and identify each other, to be in permanent communication, and to take the floor and vote in real time. Board meetings that are attended by Board members through means of remote communication, in accordance with that provided in this article, are considered single meetings held at the location from where the Chair of the body, or whoever stands in for them, is attending. The meeting minutes and certificates of the resolutions must record how they were passed.

Article 10.- Quorum

1. The Board is considered quorate when a majority of its members are present or represented at the meeting.
2. Without prejudice to attendance obligations, Board members who are unable to attend a meeting in person may be represented and cast a vote through another Board member. This delegation must be in writing to the Chair and must be issued by email or any other written means that permits verification that it has been sent and received by the recipient. Non-Executive Directors may only delegate their votes to other non-executive Directors.
3. Nevertheless, the Board may meet without having called a meeting if all its members are present or represented and they unanimously agree to holding a meeting of the Board and to the meeting agenda.

Article 11.- Passing of resolutions

1. Unless otherwise provided in the Act, the Articles of Association or these Rules, resolutions of the Board of Directors must be passed by absolute majority of the Board members attending the meeting, whether in person or by proxy.
2. The passing of resolutions in writing and without a meeting is only permitted when no Board member objects and the other requirements established in the Act are met.
3. The discussions and resolutions of the Board must be recorded in a minutes book and signed by the Chair or their substitute and the Secretary. Extracts, copies and certifications of the Board minutes are deemed genuine if they are authorised by the Secretary with the approval of the Chair or other Board member acting as Chair.

TITLE TWO

THE DIRECTORS

Article 12.- Term of office

1. The term of office of Board members is four years. Directors may be re-elected for one or more terms of office of the same duration.
2. The appointment of the Board members will expire when their term has ended and the next General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether or not to approve the financial statements for the previous year.
3. However, proprietary directors must resign when the shareholder they represent fully disposes of its shareholding by any means.

Article 13.- Duties of Board members

1. General duty of care

Directors must perform their role and carry out the duties imposed by law and the Articles of Association with the skill and care of the reasonable professional, taking into account the

nature of the role and the duties assigned to each of them, placing the Company's interest above their own in any case.

The Board members must have the appropriate dedication and take any steps necessary for the proper management and control of the Company.

In the performance of their duties, the Board members have the duty to demand and the right to obtain from the Company the appropriate and necessary information to discharge their obligations.

2. Duty of loyalty

Directors must perform their duties with the loyalty of a faithful representative, acting in good faith and in the best interests of the Company. In particular, the duty of loyalty obliges the Board member:

- a) Not to exercise its powers for purposes other than those for which they were granted.
- b) To keep secret any information, data, reports or background information to which they have had access in the performance of their duties, even when they have left office, except in cases where this is permitted or required in the Act.
- c) To refrain from participating in the deliberation and voting on resolutions or decisions in which they or a related person has a direct or indirect conflict of interest. This obligation to refrain does not apply to resolutions or decisions that affect them as a Board member, such as their appointment or removal from positions on the Board or others of similar significance.
- d) To perform their duties under the principle of personal responsibility with freedom of judgement and independence from instructions and involvement of third parties.
- e) To take the necessary measures to avoid situations in which their interests, whether personal or on behalf of others, may conflict with the corporate interest and with their duties to the Company.
- f) To report and, if appropriate, resign when situations arise that affect them, whether or not they are related to their actions in the Company itself, that may damage the credit and reputation of the Company and, in particular, any criminal proceedings in which they are under investigation, and of their procedural developments.

After having been informed or otherwise learned of the matter, the Board will examine the case as soon as possible and, having regard to the specific circumstances, will decide, following a report from the Nominations Committee, whether to take any action, such as opening an internal investigation, requesting the resignation of the Board member or proposing the Board member's removal. This must be reported in the Annual Corporate Governance Report, unless there are special circumstances that justify otherwise, which must be recorded in the minutes, without prejudice to the information that the Company must disclose, if appropriate, at the time the corresponding measures are adopted.

Article 14.- Conflicts of interest

1. The duty to avoid situations of conflict of interest referred to in letter e) of the previous article obliges the Board member to refrain from:
 - a) Transactions with the Company, except for those that are exempt in accordance with Article 15 of these Rules or approved in accordance with the Act and Article 18 of the Rules in relation to Related-Party Transactions.
 - b) Using the Company's name or invoking the status of Board member to improperly to influence private transactions.
 - c) Using corporate assets, including confidential information belonging to the Company, for private purposes.
 - d) Taking advantage of the Company's business opportunities.
 - e) Receiving benefits or compensation from third parties outside the Company and its group associated with the discharge of the office of director, unless they consist merely of items.
 - f) Undertaking any activities either personally or on behalf of any third party that might result in effective competition, whether actual or potential, with the Company, which might otherwise give rise to any permanent conflict of interests with the Company.
2. The above obligation to refrain will apply where the beneficiary of the prohibited actions and activities is a related party of a Board member. The following persons will be deemed to be related to the Board members:
 - a) A Board Member's spouse or persons with a like affective relationship.
 - b) The ancestors, descendants and siblings of any Board Member and/or of their spouse.
 - c) The spouses of a Board Member's ancestors, descendants or siblings.
 - d) The Companies or entities in which the Board member directly or indirectly holds, including through an interposed person, a shareholding that confers a significant influence on them or on their parent company, a position on the management body or in senior management. For these purposes, any shareholdings equal to or greater than ten percent of the share capital or voting rights in relation to which it has been possible to obtain, in fact or in law, a proxy in the Company's management body is assumed to have significant influence.
 - e) The shareholders represented by the Board member on the Board.
3. In any event, Board members must notify the Board of any situation of conflict of interests, whether direct or indirect, which they or their related parties might have with the Company.

Any situations of conflict affecting Board members will be disclosed in the Annual Report in accordance with the Act.

Article 15.- Waiver regime

1. The Company may waive the prohibitions contained in the previous article in individual cases by authorising a Board member or a related person to carry out a specific transaction with the Company, to use certain corporate assets, to take advantage of a specific business opportunity, or to obtain an advantage or remuneration from a third party.

The authorisation must be approved by the General Meeting if it is intended to waive the prohibition on obtaining an advantage or remuneration from third parties, or if it concerns a transaction whose value exceeds ten percent of the corporate assets. In other cases, the authorisation may also be granted by the Board provided that the independence of the members granting the authorisation from the exempted Board member is guaranteed. In addition, the non-materiality of the authorised transaction regarding the corporate assets or, as appropriate, its execution under market conditions and the transparency of the process must be ensured.

2. With respect to transactions with the Company by Board members and persons related to them who are to be considered related parties of the Company, the Act and Article 18 of these Rules apply.
3. The obligation not to compete with the Company may only be waived if no harm to the Company is to be expected or if the expected harm is outweighed by the benefits expected to accrue from the waiver. The waiver must be granted by express and separate resolution of the General Meeting.

Article 16.-Information to the Board members

1. Unless the Board has been convened or has been exceptionally called for reasons of urgency, the Board members must have the information they need sufficiently in advance for deliberation and the adoption of resolutions on the matters to be discussed. The Chair of the Board, with the assistance of the Secretary, must ensure compliance with this provision.
2. If, in the Chair's opinion, the information is confidential, they must inform the Board member requesting and receiving it of this circumstance, as well as of their duty of confidentiality in accordance with these Rules.

Article 17.- Advice from external experts

1. To assist them in the performance of their duties, Board members may request the engagement, at the Company's expense, of external advisors on matters of particular importance and complexity related to the performance of their duties.
2. The request for engagement must be communicated to the Chair of the Board, through the Secretary, and may be rejected by the Board on the basis:
 - a) that is not necessary for the diligent performance of the duties entrusted to non-executive directors;

- b) that its cost is unreasonable in view of the importance of the problem and the Company's assets and income;
- c) that the technical assistance sought can be adequately provided by the Company's experts and technicians; or
- d) that it may pose a risk to the confidentiality of the information to be provided to the expert.

TITLE THREE

RELATED-PARTY TRANSACTIONS

Article 18.- Related-Party Transactions

1. The Board is responsible for hearing and approving, following a report from the Audit and Sustainability Committee, any transactions that the Company or its subsidiaries carry out with Board members, with shareholders holding 10% or more of the voting rights or represented on the Company's Board or with other persons considered to be connected parties in accordance with the Act (“**Related-Party Transactions**”), unless they must be approved by the General Meeting.
2. For the purposes of the previous section, transactions between the Company and its wholly-owned companies, directly or indirectly, the approval by the Board of the terms of contracts to be entered into with Board members who are to perform executive duties, including, where appropriate, CEOs or Senior Executives, and the determination by the Board of the specific amounts or remuneration to be paid under those contracts, is not considered a Related-Party Transaction.

Similarly, no transaction carried out by the Company with its subsidiaries or investees will be considered a Related-Party Transaction, provided that no other party related to the Company has an interest in those subsidiaries or investees.

3. The General Meeting must approve Related-Party Transactions whose amount or value is equal to or greater than 10% of the total assets in accordance with the latest balance sheet approved by the Company. The Board will approve the other Related-Party Transactions, and it may not delegate this competence except for Related-Party Transactions between Group companies that are carried out in the field of ordinary management and on an arm’s length basis, and Related-Party Transactions that are arranged under contracts with standard terms that are applied *en masse* to a large number of customers, are carried out at prices or rates established in general by the person acting as supplier of the goods or service in question, and the amount of which does not exceed 0.5% of the Company's net turnover.
4. The Audit and Sustainability Committee must issue a report before approval by the General Meeting or by the Board of a Related-Party Transaction. In this report, the Committee must assess whether the transaction is fair and reasonable from the Company's point of view and, where appropriate, from that of shareholders other than the related party, and report on the assumptions on which the assessment is based and the methods used.

The members of the Audit and Sustainability Committee affected by the Related-Party Transaction may not participate in the preparation of the report.

This report is not mandatory in relation to the conclusion of Related-Party Transactions whose approval has been delegated by the Board in the cases legally permitted and envisaged in these Rules.

5. In cases in which, in accordance with section 3 of this article, the Board delegates the approval of Related-Party Transactions, the Board itself must establish an internal procedure for reporting and periodic control in which the Audit and Sustainability Committee must intervene to verify the fairness and transparency of these transactions and, where appropriate, compliance with the applicable legal criteria.
6. The Board must ensure public disclosure of Related-Party Transactions executed by the Company or companies in its group, the amount of which reaches or exceeds either 5% of the total amount of the assets or 2.5% of the annual amount of the Company's turnover.

For this purpose, a notice, with the legally stipulated content, must be placed in an easily accessible place on the Company's website which, in turn, must be communicated to the CNMV. The announcement must be published and communicated no later than the same date as the date on which the Related-Party Transaction is executed and must be accompanied by the report issued, where appropriate, by the Audit and Sustainability Committee.

7. To determine the amount of a Related-Party Transaction, transactions entered into with the same counterparty in the last twelve months are counted in aggregate.

TITLE FOUR

POSITIONS WITHIN THE BOARD OF DIRECTORS

Article 19.- The Chair and the Coordinating Director

1. Upon a report from the Nominations Committee, the Board must appoint a Chair and, if necessary, one or two Vice-Chairs among its members.
2. The Chair is responsible for the representative and institutional position of the Company before any public or private, national or foreign bodies, authorities or agencies, in any act of the Company in which they participate.
3. The Chair is ultimately responsible for the effective functioning of the Board and has, among others, the following duties and powers:
 - a) To convene and chair the Board meetings, setting the agenda for the meetings and leading the discussions, deliberations and votes.
 - b) To chair the General Shareholders' Meeting, in accordance with its By-laws.
 - c) To ensure that the Board members receive sufficient information in advance to deliberate on the agenda items.

- d) To stimulate debate and the active participation of Board members during meetings, safeguarding their freedom to take a position, ensuring that sufficient discussion time is devoted to strategic issues.
 - e) To organise and coordinate the periodic evaluation of the Board, as well as of the chief executive officer of the Company if they are not the Chair.
 - f) To ensure that refresher programmes are in place to enable Board members to update their knowledge when the circumstances so advise.
 - g) To prepare and submit to the Board a schedule of dates and issues to be discussed.
 - h) To promote the development of the functions of the Board and the coordination of the Board with its Committees and between the Committees for optimum performance of their duties, as well as to submit to the Board any proposals deemed necessary for the optimum functioning and organisation of the Board and its Committees.
4. The office of Chair of the Board may be held by an executive director. In this case, the appointment of the Chair requires the favourable vote of two thirds of the Board members.
5. In the event that the Chair is an executive director, at the proposal of the Nominations Committee, with the abstention of the executive directors, the Board must appoint a Coordinating Director among the independent directors, who have the following powers and responsibilities:
- a) To chair the Board in the absence of the Chair and the Vice-Chairs.
 - b) To request the calling of Board meetings, as well as the inclusion of new items on the agenda of a Board meeting that has already been called.
 - c) To coordinate and bring together the non-executive directors and echo their concerns, in particular in relation to the Company's corporate governance.
 - d) To maintain contact, where appropriate, with investors and shareholders to ascertain their views to form an opinion on their concerns, in particular in relation to the Company's corporate governance, in accordance with the Company's policy on communication and contact with shareholders, institutional investors, proxy advisors and other stakeholders of the Company.
 - e) To direct, where appropriate, the periodic evaluation of the Chair of the Board.
 - f) To coordinate the succession plan for the Chair.

Article 20.- The Vice-Chairs

After a report from the Nominations Committee, the Board may also elect from among its members one or two Vice-Chairs who will act as the Chair in cases of delegation, absence or unavailability and, in general, perform all the tasks that may be entrusted to them by the Chair, the Executive Committee and the Board of Directors.

Substitution of the Chair will take place by chronological order of the Vice-Chairs' appointment or, otherwise, by order of seniority and, lastly, by order of oldest to youngest.

Article 21.- The Chief Executive Officer

The Board may appoint one or several CEO(s), delegating them the powers deemed expedient except those which, under the Act or Articles of Association, cannot be delegated.

When a Board member is appointed CEO or is attributed executive functions under another title, a contract must be concluded between them and the Company, which must first be approved by the Board with the favourable vote of two thirds of its members. The Board member concerned must refrain from attending the deliberations and from taking part in the vote. The approved contract must be attached to the minutes of the meeting.

Article 22.- The Secretary and Vice-Secretaries

1. The Board of Directors, on the basis of a report from the Nominations Committee, must appoint a Secretary and, where appropriate, one or more Vice-Secretaries. The same procedure must be followed for the dismissal of the Secretary and, where appropriate, each Vice-Secretary. The Secretary and Vice-Secretaries may or may not be Board members. If they are not Board members, they have the right to speak but not to vote.
2. In addition to the duties assigned in the Act and the Articles of Association or in these Rules, the Secretary must perform the following duties:
 - a) Keep the documents of the Board, record the proceedings of the meetings in the minutes books and attest to their content and the resolutions passed.
 - b) Ensure that the actions of the Board comply with the applicable regulations, are in accordance with the Articles of Association and other internal regulations, and take into account the good governance recommendations generally accepted or taken into account by Spanish listed companies and, in particular, those adopted by the Company.
 - c) Assist the Chair in ensuring that the Board members receive the information relevant to the exercise of their duties sufficiently in advance and in the appropriate format.
 - d) Channel requests from Board members for information and documentation on matters that correspond to the Board and, in general, relations with Board members in all matters relating to the functioning of the Board of Directors, in accordance with the instructions of its Chair and without prejudice to the powers of the Coordinating Director;
 - e) Act as Secretary of the Board Committees.
 - f) Act as Secretary of the General Shareholders' Meeting, in accordance with the Articles of Association and the Shareholders' General Meeting By-laws.
3. In the event of vacancy, absence or unavailability, the duties of the Secretary fall to the Vice-Secretary or Vice-Secretaries in the order of their appointment, and in the event of their absence, to the youngest Board member.

TITLE FIVE

BOARD COMMITTEES

Article 23.- The Committees

In the interests of greater efficiency in the exercise of its duties, and without prejudice to the powers of the Board under the Articles of Association to create Committees as it deems appropriate, an Executive Committee must be set up, with delegated powers from the Board, as well as an Audit and Sustainability Committee, a Nominations Committee and a Remuneration Committee, with the consulting and support, proposal and advisory functions in relation to the Board established in these Rules, within the framework of current law and the Articles of Association.

Article 24.- The Executive Committee

1. The Executive Committee must consist of at least two non-executive directors, at least one of whom must be independent. In any case, the Committee must consist of the Chair of the Board, who will be its Chair, the Vice-Chair or Vice-Chairs of the Board and the CEO, if these positions have been appointed, as well as by the Board members appointed for this purpose by the Board. The Secretary of the Committee will be the Secretary of the Board, who will have the right to speak but not vote.
2. The Executive Committee will meet as often as it is convened by its Chair, on their own initiative or at the request of at least two of its members. It is quorate when the majority of its members attend, present or represented, and unless the Act, the Articles of Association or these Rules provide otherwise, and it will pass its resolutions by majority vote of those attending, present or represented.
3. The Executive Committee must perform all duties delegated to it by the Board of Directors, except those that cannot be delegated by law or the Articles of Association. Nevertheless, the Board may pass on knowledge of and the decision upon any matter of its competence, and on its part, the Executive Committee may subject the decision on any matter to the Board, which even though a matter of its competence, deems necessary or expedient for the Board to decide upon.
4. As far as necessary and with the natural adaptations, the provisions of these Rules on the functioning of the Board will apply to the functioning of the Executive Committee.

Article 25.- Advisory Committees

1. Without prejudice to any others that the Board may decide to create, an Audit and Sustainability Committee, a Nominations Committee and a Remuneration Committee must be set up, with consultative functions and to support, make proposals to and advise the Board as envisaged in the Act, the Articles of Association and these Rules.
2. The Chairs of the Committees must be appointed by the Board among the independent directors who are members of the Committees. The Chairs of the Committees must act as their spokesperson at Board meetings and, where appropriate, the General Shareholders' Meeting of the Company.

3. Before attending Committee meetings, members must devote sufficient time to analysing and assessing the information received. Furthermore, during the meetings, constructive dialogue among the members is encouraged, promoting their free expression and a supervisory and analytical attitude, and the Chair of each Committee must ensure that its members participate freely in the deliberations.
4. The call notice, which must always include the agenda, must be accompanied by the necessary information, although in certain circumstances it may be justified for some or all of the information to be provided at the meeting itself. Committee meetings are quorate when the majority of their members are present and they will pass resolutions by majority vote of the attendees, with the Chair having the casting vote in the event of a tie.
5. The Company must provide the Committees with sufficient resources to enable them to carry out their duties. In particular, the Committees may have a regular training plan to refresh their members' knowledge, as well as an orientation programme for new members.
6. The Committees must establish an annual work plan covering the main activities of each Committee during the year. Moreover, the Committees must prepare an annual report on their activities during the year, including, among other matters, the significant activities carried out during the period, reporting on those carried out with the collaboration of external experts.
7. The Committees may have adequate, timely and sufficient access to any information or documentation in the possession of the Company in connection with the performance of their duties, and it may seek the advice of external experts when they deem it necessary for the proper performance of their duties in respect of matters of particular complexity, applying in this regard Article 17 of these Rules, ensuring in all cases the independence of the external advisor, requesting them in their service proposals to outline all possible conflicts with the Company or its Board members.
8. The Committees may convene any Company employee or manager to their meetings, even ordering their appearance without the presence of another senior executive, and also insist that other persons attend their sessions, though only by invitation of the Chair of the Committee, and only to address those specific points of the agenda which they are called to explain, provided the matter at hand justifies such a measure. In particular, the minutes of the Committee meetings will include the entries and exits of the various guests and, except in specific cases, the appropriate justification of which must be included in the minutes, the guests may not attend the deliberation and voting phases of the Committees.
9. The Secretary of the Company's Board must attend the meetings of the Committees, with the right to speak but not to vote, and will act as Secretary, assisting the Chair of the Committee concerned in planning its meetings and compiling and distributing the necessary information in good time. They must take minutes of the meetings, a copy of which, once approved, must be sent to all the Board members.
10. As far as necessary and with the consequent adaptations, the provisions of these Rules on the functioning of the Board will apply to the functioning of the Committees.

Article 26.- The Audit and Sustainability Committee

1. In accordance with the Articles of Association, there will be an Audit and Sustainability Committee made up of a minimum of three and a maximum of five members who will be appointed and discharged by the Board, among its members. The majority of the members of the Audit and Sustainability Committee must be independent directors and one of them will be appointed on the basis of their knowledge and experience in accounting and/or auditing. However, it must be ensured that the members of the Audit and Sustainability Committee as a whole, and in particular its Chair, are appointed with regard to their knowledge and experience in accounting, auditing and risk management, both financial and non-financial, as well as in any other areas appropriate for the overall performance by the Audit and Sustainability Committee of its duties, such as finance, internal control and information technology.

In turn, and while promoting gender and geographic diversity, the members of the Audit and Sustainability Committee must have the relevant technical knowledge in relation to the sector of activity to which the Company belongs.

2. The Chair of the Committee may not remain in office for more than four years but may be re-elected after one year has elapsed since they left office.
3. The Committee must meet as often as it may be convened by the Chair and at least four times a year, and in any event it meets at the beginning and end of the audit of the Company's and the Group's individual and consolidated financial statements, and before the issue of the pertinent audit and sustainability reporting verification reports. The Committee also must meet on the occasion of the preparation of the mandatory financial and sustainability information that the Company is required to publish. The Company's auditor, the internal auditor and the verifier of sustainability reporting may attend meetings of the Audit and Sustainability Committee where specifically invited to explain key issues arising from the audit procedures carried out.
4. The Audit and Sustainability Committee has the following functions:
 - a) In relation to the oversight of financial and non-financial information:
 - (i) To report to the General Meeting on all matters arising within the mandate of the Committee and, in particular, on the result of the audit and the verification of sustainability reporting, explaining how they contributed to the integrity of the financial and sustainability information, respectively, and the role that the Committee played in those processes.
 - (ii) To oversee and evaluate the preparation and presentation of the financial and non-financial information of the company and where applicable, that of the Group, while reviewing the compliance with regulatory requirements and ensuring the adequacy of the consolidation scope defined and the appropriate application of accounting and sustainability criteria, and in particular knowing, understanding and overseeing the efficiency of the internal financial reporting control system (IFRCS) and the internal non-financial reporting control system (INFRCS). The Committee

may present recommendations or proposals to the Board to safeguard the integrity of that information.

- (iii) To report, in advance, to the Board on the financial information and the directors' report, which must include, where appropriate, the mandatory sustainability information that the Company must periodically disclose, ensuring that the interim financial statements are drawn up under the same accounting criteria as the financial statements.
 - (iv) To ensure that the Financial Statements and the directors' report that the Board submits to the General Meeting are drawn up in accordance with accounting regulations and that, in cases where the auditor has indicated a qualification in its report, the Chair of the Committee explains its content and scope with clarity in the General Meeting in the opinion of the Audit and Sustainability Committee, placing a summary of their opinion at the shareholders' disposal when the meeting call is published, together with the other proposals and reports.
 - (v) To check that both the financial and non-financial information included in the annual and interim financial reports and published on the Company's website is permanently updated and coincides with that formulated by the Board and published on the website of the National Securities Market Commission. If, after the review, the Committee considers that any changes are necessary, it must inform the Board.
- b) In relation to the oversight of internal controls and internal audits:
- (i) To oversee the effectiveness of the Company's internal controls, ensuring that the internal control policies and procedures in place are applied effectively in practice, as well as discussing any significant weaknesses in the internal control system identified during the performance of the audit and the verification with the auditor and the verifier, all of which must be done without compromising its independence, while providing its conclusion on the level of its trust in and reliability of the system. To this end, as the case may be, it may make recommendations or proposals to the Board and define the corresponding time-frame allowed for follow-up.
 - (ii) To ensure the independence and monitor the effectiveness of the unit that assumes the internal audit function and, in particular:
 - (a) propose the selection, appointment and removal of the head of the internal audit unit, who must report functionally to the non-executive Chair of the Board or to the Audit and Sustainability Committee;
 - (b) propose the budget for that unit;
 - (c) approve the annual internal audit orientation and work plan, reporting directly on its execution, including possible incidents and scope limitations arising in its development, the results and the monitoring of its recommendations, ensuring that its activity is focused primarily on relevant financial and non-

financial risks, including reputational risks, and that it has the necessary resources for its execution;

- (d) receive regular information on its activities and, in any case, an annual activity report at the end of each financial year;
 - (e) verify that senior management takes into account the findings and recommendations of its reports; and
 - (f) evaluate the functioning of the internal audit unit as well as the performance of its functions by its head on an annual basis.
- (iii) To supervise the internal reporting system that allows employees and others related to the Company, such as Board members, shareholders and other financial investors, customers, suppliers, contractors and subcontractors, to confidentially and, where appropriate anonymously report any potentially significant violations, including those of a financial or accounting nature, or of any other nature, in relation to the Company that they may observe in the Company and its Group, by receiving periodic reports on its performance, while having the power to suggest timely actions for improvement and to reduce the risk in the future.
- c) As pertains to the oversight of risk management and control:
- (i) To supervise and evaluate the effectiveness of the financial and non-financial risk management systems related to the Company and its Group, including operational, technological (cybersecurity, artificial intelligence), legal, sustainability, political and reputational risks and those related to corruption.
 - (ii) To re-assess, at least annually, the list of the most significant financial and non-financial risks and assess the respective level of risk tolerance, while proposing, where appropriate, the corresponding adjustment to the Board.

For these purposes, the Committee will hold, at least annually, a meeting with the heads of the business units in which they will explain the business trends and associated risks.
 - (iii) Directly to oversee the performance of the internal control and risk management functions carried out by any unit or department of the Company.
 - (iv) To promote within the Board and the Committee itself a culture in which risk is a factor in all decisions and at all levels in the Company.
 - (v) To identify and understand emerging risks and their warning mechanisms and regularly assess their effectiveness.
- d) In relation to the external auditor and verifier of sustainability reporting:

- (i) To submit proposals to the Board for the selection, appointment, re-election and replacement of the external auditor and the verifier, being responsible for the selection process, and the terms of their engagement, and to this end it must, except in case of re-election of the auditor or verifier:
 - 1. define the procedure for selecting the auditor and the verifier of sustainability information; and
 - 2. issue a reasoned proposal which, in both cases, must contain at least two alternatives for the selection of the auditor and the verifier.
- (ii) To obtain regular information from the external auditor and the verifier on the audit and sustainability reporting verification plans, its execution and any other issues related to the financial auditing or verification process, in particular any discrepancies that may arise between the statutory auditor or verifier and the Company's management, in addition to preserving its independence while performing its functions.
- (iii) To establish the appropriate relationships with the external auditor and the verifier for the purpose of receiving information on any matter that may pose a threat to the respective independence, for the examination of the Committee, and any other matter relating to the development process of the financial auditing or verification, and when applicable authorise the services other than those which are prohibited, under the terms provided for in the applicable legislation, in addition to any other notification provided for in the audit and sustainability reporting standards.

In any case, it must receive a statement from the external auditors and the verifiers each year attesting to their independence in relation to the Company or entities directly or indirectly related to it, and detailed and individualised information on the additional services of any kind rendered and the corresponding fees received from these entities by the external auditor and the verifier and its network or by the persons or entities related to them, in accordance with auditing and sustainability reporting verification legislation.

- (iv) To ensure that the Company and the external auditor and verifier respect prevailing regulations governing the provision of services other than audit and verification of sustainability reporting, the limits on the concentration of the auditor's and the verifier's business and the terms of regulations governing auditor and verifier independence in general.
- (v) To issue a report on an annual basis, in advance of the issuance of the audit or sustainability reporting verification report, expressing an opinion on whether the independence of the auditor and verifier has been maintained. This report will in any case address the reasoned assessment of the provision of each and all of the services referred to in points c) and d) above, considered both individually and as a whole, other than the statutory audit and verification of sustainability reporting services and in relation to the regime of independence and prevailing audit and verification regulations.

- (vi) To examine the circumstances and reasons in the event of resignation of the external auditor or verifier.
- (vii) To ensure that the remuneration of the external auditor and the verifier for their work does not compromise quality or independence, in addition to establishing a guideline cap on the fees that the auditor and verifier may receive annually for services other than auditing and verification of sustainability reporting.
- (viii) To oversee reporting by the Company of any change of auditor or verifier to the CNMV, and to ensure that it is accompanied by a statement with regard to the possible existence of any disagreements with the outgoing auditor or verifier and their content.
- (ix) To ensure that the external auditor and the verifier hold an annual meeting with the full Board to report on the audit work carried out and on the evolution of accounting risk matters, as well as on the situation and risks regarding sustainability of the Company.
- (x) To make a final assessment of the auditor's and verifier's performance and how they have contributed to the quality of the audit and the completeness of the financial reporting, as well as to the quality of the verification and the completeness of the sustainability reporting.

The provisions of this paragraph d) do not affect the regulations governing auditing and the verification of sustainability reporting.

e) In relation to the supervision of the Corporate Governance System:

The Audit and Sustainability Committee must supervise compliance with the Company's policies, rules and internal codes of conduct, among others, in the areas of compliance, corporate governance, sustainability, information security and privacy, data protection, risks and internal management and control systems, and it has the following duties in this respect:

- (i) To submit to the Board proposals for the definition of the strategy, plans, policies and objectives in the different areas referred to above.
- (ii) To supervise compliance with the policies, rules and internal codes of conduct of the Company comprising the Company's general Governance System, also ensuring that the corporate culture is aligned with its purpose and values,
- (iii) so that they fulfil their mission of promoting the corporate interest and take into account, as appropriate, the legitimate interests of the various stakeholders.
- (iv) To supervise the application of the general policy on communicating financial/economic and non-financial corporate information and on communications with shareholders and investors, proxy advisors and other

stakeholders. The way in which the Company communicates and relates to small and medium-sized shareholders will also be monitored.

- (v) Supervision and evaluation of processes affecting different stakeholder groups.
- f) Other duties:
 - (i) To report on Related-party Transactions to be approved by the General Meeting or the Board, as well as propose, supervise and periodically review the internal reporting and periodic control procedures established by the Company for transactions whose approval has been delegated by the Board in accordance with the legislation in force.
 - (ii) To report to the Board on all matters where so required by Law, the Articles of Association and these Rules, in particular with regard to:
 - 1. the financial conditions, accounting impact and, as the case may be, exchange equation concerning transactions involving structural and corporate changes that the Company plans to carry out; and
 - 2. the creation or acquisition of investments in special purpose vehicles registered in countries or territories listed as non-cooperative jurisdictions.
- 5. The Audit and Sustainability Committee must establish an effective, regular, two-way communication channel with its usual contacts, which will normally be up to the Chair of the Committee, among others, with the Company's management, in particular the general and financial management; the head of internal audit; the lead auditor responsible for auditing the financial statements; and the lead verifier responsible for sustainability reporting. In particular, communication between the Audit and Sustainability Committee and the external auditor and the verifier must be smooth, continuous and aligned with the regulations and technical standards applicable to their activity.
- 6. The Audit and Sustainability Committee must establish the necessary coordination mechanisms with the Nominations Committee and the Remuneration Committee, so that each Committee may properly perform the functions attributed to it in respect of overlapping matters.

Article 27.- The Nominations Committee

- 1. The Board must also set up a Nominations Committee comprising a Chair and a minimum of two members who may be freely elected and removed, from among its members, by the Board, and who will perform their duties indefinitely or during the term for which they were elected. At least two of the members of the Committee must be independent directors.

The members of the Nominations Committee must be appointed in such a way as to ensure that, as a whole, they have the appropriate knowledge, skills and experience for the duties of the Committee, in the various areas within its competence, such as, among others, human

resources, selection and suitability requirements for Board members and executives, and performance of senior management duties, all while promoting, in its various aspects, diversity in the composition of the Committee.

2. After being convened by its Chair, the Committee must meet at least three times a year, endeavouring, whenever possible, to hold its meetings sufficiently in advance of Board meetings.
3. The Nominations Committee has the following duties:
 - a) In relation to the composition of the Board:

- (i) To evaluate the capabilities, expertise and experience required by the Board. To this end, it will define the functions and skills required of the candidates to fill each vacancy and assess the time and dedication necessary for them to perform their duties effectively, ensuring that non-executive Directors have sufficient time available to properly perform their duties.

To this end, the Committee must prepare and periodically update a matrix with the necessary skills of the Board that defines the aptitudes and expertise of the candidates for the Board, especially those of executive and independent directors.

- (ii) To propose to the Board of Directors the Board's diversity policy on the basis, among others, of the criteria of age, disability, training, professional experience and gender, promoting an appropriate and diverse composition of the Board and its Committees, also ensuring a balanced presence of men and women on the Board under the terms provided for by law.
 - (iii) To verify the category of Board members each year.

- b) In relation to selecting and appointing Board members and Senior Executives:

- (i) To make proposals to the Board on appointing independent directors by co-option or by approval at the General Meeting, and proposals for the General Meeting to re-elect or remove those Board members.
 - (ii) To make proposals on appointing other Board members by co-option or by approval at the General Meeting, and proposals for the General Meeting to re-elect or remove those Board members.
 - (iii) To make proposals for the appointment or removal of Senior Executives, especially those who will form part of the Group's Management Committee, and to propose the basic conditions of their contracts, in coordination, where necessary, with the Remuneration Committee.
 - (iv) To regularly verify the criteria regarding the selection of Board members.

- c) In relation to Board positions and its structure:

- (i) To make proposals for appointing the Chair and, as applicable, the Vice-Chairs of the Board.

- (ii) To make proposals for appointing the Chair, and the case being, the Vice-Chair of the Board.
 - (iii) To propose, where appropriate, the appointment of the Coordinating Director.
 - (iv) To examine and organize, under the coordination, where appropriate of the Coordinating Director and in collaboration with the Chair of the Board, the succession of the Chair of the Board and of the Chief Executive Officer of the Company and, if applicable, to make proposals to the Board for such succession to occur in an orderly and well-planned fashion, drawing up a succession plan in this regard.
- d) Other duties:
- (i) To lead, in coordination with the Chair of the Board and with the collaboration, where appropriate, of the Coordinating Director, the annual evaluation of the Board regarding the performance and composition of the Board, its Committees and the Board members of the Company.
 - (ii) To design and organise regular refresher programmes for Board members, in coordination, as necessary, with the Remuneration Committee.
4. The Nominations Committee must consult the Chair of the Board and the company's Chief Executive Officer, in particular on matters relating to executive directors and Senior Executives. Furthermore, any Board member may request the Committee to take potential candidates to cover vacancies on the Board into consideration, where they understand them to be suitable.
5. The Nominations Committee must establish an effective, regular and two-way channel of communication with its usual contact, which will normally be up to the Chair of the Committee, among others, with the Chair of the Board and the Coordinating Director, where they are not members of the Committee; and with the management of the Company.

Article 28.- The Remuneration Committee

1. The Board must also set up a Remuneration Committee comprising a Chair and a minimum of two members who may be freely elected and removed, from among its members, by the Board, and who will perform their duties indefinitely or during the term for which they were elected. At least two of the members of the Committee must be independent directors.

The members of the Remuneration Committee must be appointed in such a way as to ensure that, as a whole, they have the appropriate knowledge, skills and experience for the duties of the Committee, in the various areas within its competence, such as designing policies and

remuneration plans for Board members and Senior Executives, all while promoting, in its various aspects, diversity in the composition of the Committee.

2. After being convened by its Chair, the Committee must meet at least twice a year, endeavouring, whenever possible, to hold its meetings sufficiently in advance of Board meetings. The Remuneration Committee has the following duties:
 - a) To propose to the Board the policy regarding the remuneration of Board members and general managers or other persons discharging senior management functions and reporting directly to the Board, executive Committees or CEOs, and to verify compliance with the policy established.
 - b) To report to the Board on the individual determination of the remuneration of each Board member for serving on the Board within the rules set by the Articles of Association and the remuneration policy, and on the individual determination of the remuneration of each Board member for carrying out the executive functions attributed within the framework of the remuneration policy and in accordance with the Board member's contract.
 - c) To propose the individual remuneration and other contractual terms of Executive Directors, and propose the basic terms of the contracts of Senior Executives in matters of remuneration, in coordination, as necessary, with the Nominations Committee, verifying that they are consistent with the remuneration policies in force.
 - d) To make proposals for long-term plans that may be established in accordance with share value, such as stock option plans.
 - e) To periodically review the remuneration policy applied to Board members and Senior Executives, including share-based remuneration systems and their application, and to ensure that their individual remuneration is proportionate to what is paid to other Board members and Senior Executives of the Company.
 - f) To verify the information on remuneration of Directors and members of the management team contained in the various corporate documents, including the Annual Report on Directors' Remuneration.
 - g) To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the Committee.
3. The Remuneration Committee must consult the Chair of the Board and the company's Chief Executive Officer, in particular on matters relating to executive directors and Senior Executives.
4. The Remuneration Committee must establish an effective, regular and two-way channel of communication with its usual contact, which will normally be up to the Chair of the Committee, among others, with the Chair of the Board and the Coordinating Director, where they are not members of the Committee; and with the management of the Company.
