

Corporate Governance Policy



19 December 2023

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NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In the exercise of these responsibilities, and within the framework of the law and the *By-Laws*, the guidelines for conduct that take shape in the *Purpose and Values of the Iberdrola Group*, and its sustainable development strategy, the Board of Directors hereby approves this *Corporate Governance Policy* (the “**Policy**”).

■ 1. Purpose

The purpose of this *Policy* is to establish the general corporate governance strategy and commitments of both the Company and the other companies of the Group, based on the application of the highest ethical standards and upon compliance with the good governance recommendations generally recognised in international markets, adjusted to their needs and particularities.

All of the companies of the Group conceive of corporate governance as an element in service of the corporate interest, which the Company conceives as the common interest of all shareholders of an independent company focused on the creation of shared sustainable value by engaging in the activities included in its corporate object, taking into account its other Stakeholders related to its business activity and its institutional reality, in accordance with the *Purpose and Values of the Iberdrola Group* and the bylaw-mandated commitment to a social dividend, and particularly to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

The Company requires and hopes that its shareholders and other persons holding rights or interests in shares of the Company, and, to the extent applicable, intermediary and management institutions or depositaries, respect and comply with the provisions of this *Policy* in their relations therewith.

■ 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the lawfully established limits.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social, corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

■ 3. General Principles of the Corporate Governance Strategy

In order to achieve the objectives relating to the corporate governance strategy, the Company accepts and promotes the following general principles of conduct in each of the areas indicated below:

- a. Shareholders: the Company considers the continuous, permanent, effective and sustainable engagement of its shareholders in corporate life to be a primary objective, and it proactively and constantly seeks two-way interaction with the Company’s shareholders in order to encourage their sense of belonging through direct, fluid, constructive, ongoing, effective and inclusive dialogue with them that helps align their interests and those of the Company, in accordance with the *Shareholder Engagement Policy*.

Within the framework of the corporate interest, the Company takes specific and measurable financial and non-financial objectives into account in its strategic planning that always seek to improve profitability and to create value sustainably for the shareholders. The Governance and Sustainability System also contemplates the measures that are appropriate to safeguard the interests of the minority shareholders of the companies of the Group that are not wholly owned, to the extent that they may not be fully aligned with those of the Company.

- b. Separation of duties and decentralised management within the organisation: a configuration is established based on a separation of the duties of day-to-day and effective management from those of defining strategy and supervision, with a decentralised structure inspired by the principle of “subsidiarity” and respect for the corporate autonomy of the companies that comprise the Group.

The Company scrupulously respects the legal and functional separation of regulated companies and the autonomy that other companies of the Group should have, especially those that are listed, for this purpose providing specific mechanisms and procedures to prevent, identify and resolve conflicts of competition and interest, whether of an exceptional or a structural and permanent nature.

- c. Regulatory compliance and ethics: the Company endeavours to ensure compliance with law and the Governance and Sustainability System, as well as the ethical principles, particularly those set forth in the *Code of Ethics*, promotes a preventive culture based on the principle of “zero tolerance” towards improper conduct and acts that are illegal or contrary to law or said



Governance and Sustainability System, on the one hand, and on the other the application of ethical principles and principles of responsible behaviour that should govern the conduct of all members of the management decision-making bodies, of the professionals and of the suppliers of the Company and of the other companies of the Group.

It is for this reason that the Company has its own effective, autonomous, independent and robust Compliance System consisting of a structured set of rules, formal procedures and substantive actions intended to ensure that the Company acts in accordance with ethical principles, the law and internal rules, particularly the Governance and Sustainability System, to contribute to the full realisation of the *Purpose and Values of the Iberdrola Group* and the corporate interest, and to prevent, manage and mitigate the risk of regulatory and ethical breaches that may be committed by the directors, professionals or suppliers thereof within the organisation.

The Compliance Unit, a collective permanent and internal body linked to the Company's Sustainable Development Committee, is responsible for proactively and autonomously endeavouring to ensure the implementation and effectiveness of said Compliance System. It has the broadest powers, budgetary autonomy and independence of action to meet its goals.

The Company's Compliance Unit and the compliance units and functions of the other companies of the Group exercise their powers under principles of coordination, cooperation and information, particularly complying with the provisions of the Governance and Sustainability System in relation to the decentralisation of the effective management of the businesses and the corresponding individualisation and separation of the responsibilities of each of the companies comprising the Group.

As regards data protection, the Company has a specific policy that endeavours to ensure compliance with applicable legal provisions, particularly ensuring respect for the rights to reputation and to privacy in the processing of the various categories of personal data.

As regards taxation, the Company's *Corporate Tax Policy* is based on the concept that the taxes that the companies of the Group pay in the countries and territories in which they do business are their main contribution to the funding of public expenditures and, accordingly, one of their main contributions to society.

The Company's tax strategy consists basically of ensuring compliance with applicable tax laws and regulations and seeking to establish an appropriate coordination of the tax practices followed by the companies within the Group, all within the framework of fulfilling the corporate interest and supporting a long-term business strategy that avoids tax risks and inefficiencies in the implementation of business decisions.

- d. Promotion of diversity: the Company seeks an appropriate balance in the composition of the Board of Directors, as well as regular staggered renewal, and endeavours to ensure a diversity of skills, knowledge, experience, origins, nationalities, age and gender among its members as a reflection of the social and cultural reality of all companies of the Group.
- e. In the area of remuneration, the Company articulates its *Director Remuneration Policy* and its *Senior Management Remuneration Policy* on principles that combine motivation, loyalty-building and the objective evaluation of management and performance with dedication and achievement of the individual goals and results of the Company and the consolidated goals and results at the Group level, within the context of their international activities.
- f. Transparency: the Governance and Sustainability System entrusts to the Board of Directors the highest-level supervision of the information provided to shareholders, institutional investors and the markets in general, safeguarding, protecting and facilitating the exercise of their rights and interests within the framework of the defence of the corporate interest, endeavouring to ensure truthfulness, promptness, usefulness, clarity, reliability, symmetry and respect for the principle of equal treatment in the dissemination of information.

The Company ensures that its financial information, which it must regularly publish, presents in all material respects a true and fair view of its equity, financial position and results as provided by law, and the *Iberdrola Group Financial Information Preparation Policy* establishes a number of principles for the preparation of consolidated information that must be observed and followed by the companies of the Group.

Pursuant to the provisions of the *Iberdrola Group Non-Financial Information Preparation Policy*, the Company also prepares and discloses relevant and reliable non-financial information regarding its performance and activities to the extent applicable. In particular, the statement of non-financial information, which is formulated by the Board of Directors and, after independent verification, is approved by the shareholders at the General Shareholders' Meeting, seeks to reflect the Company's environmental, social and corporate governance performance, as well as the social dividend generated and shared with its Stakeholders.

The general communication strategy for financial, non-financial and corporate information through the information and communication channels provided for in the *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors* contributes to maximising the dissemination and the quality of the information available to the market, to shareholders and to the financial community, and to other Stakeholders.

- g. The Iberdrola brand, a hallmark of the Company's identity and one of its strategic assets in the economic, social, environmental and corporate governance dimensions, it works to ensure that it is protected and used as a lever contributing to the reputation and success of the businesses of the Group's companies.

The brand also contributes to the two-way interaction of the Company with its shareholders and fosters engagement in corporate life by the shareholders and other Stakeholders, the expectations of whom the Company includes in its strategy and are taken into account in the management of corporate reputation.

- h. Innovation: the Company conceives of innovation as a strategic variable that affects all of its businesses and activities, including its corporate governance practices. This strategic objective permeates the entire organisation and affects all issues of order and operation of the Group's companies and of its corporate decision-making bodies.

■ 4. Commitments in Relations with the Company's Shareholders

The Board of Directors has recognised a strategic goal of paying continuous attention to the transparency of information and of relations with its shareholders and with institutional investors, which are governed by the provisions of law and the Governance and Sustainability System and, specifically, by the principles set out in the *General Sustainable Development Policy*, in the *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors* and in the *Shareholder Engagement Policy*.

For their part, shareholders must exercise their rights vis-à-vis the Company and other shareholders, and must comply their duties, acting with loyalty, in good faith and transparently, within the framework of the corporate interest as the paramount interest ahead of the private interest of each of them and in accordance with law and with the Governance and Sustainability System, to the extent applicable thereto.

The Company desires and aspires for shareholders to act with entire transparency vis-à-vis the Company and the other shareholders, reporting the terms and conditions associated with the acquisition and holding of financial, voting and related rights, without prejudice to their legal duty to disclose significant interests, the identity of the ultimate and actual owner of the Company shares, any other securities entitling the holders to acquire or subscribe for shares or other interests therein, as well as the voting rights that may be exercised by them. It is also expected that they disclose the status or capacity in which they hold such shares, securities, rights or interests.

Specifically, every shareholder and every holder of an interest in shares of the Company or of voting rights therein, even if not a shareholder, must be prepared, as an expression of the holder's commitment to transparency and the corporate interest, to disclose and provide to the Company specific, full and accurate information on the aspects described below:

- a. In the event of the acquisition of voting rights representing a percentage equal to or greater than one per cent of the share capital or total voting rights, whether the holder is also the full owner of the respective shares or has assumed the risk and peril thereof, as well as the type of instrument used for such acquisition.
- b. In the event that any agreement is executed or any kind of financial instrument is acquired that grants the right to acquire or transfer shares, interests in shares or voting rights or to exercise or control the exercise of voting rights of the Company representing a percentage of the share capital or of voting rights equal to or greater than one per cent, whether individually or in the aggregate, the terms and conditions of such agreement or instrument.
- c. In the event that the threshold of ten per cent and successive multiples of five per cent of the share capital or of voting rights is exceeded, whether the holder has a plan to acquire control of the Company or intends to continue to acquire shares, interests in shares or voting rights, and the periods during which the holder intends to do so. The holder must also be willing to provide information regarding the funds allocated to the acquisition of the shares, interests in shares or voting rights, charges and encumbrances created on the foregoing and any additional information that may be relevant to assess the nature of the interest acquired. In addition, the holder must also report any intention of influencing the composition of the Board of Directors of the Company, its strategy or its financial or management policies. Finally, the holder must report any subsequent changes with respect to what was previously reported.
- d. In the event that the formal owner of the shares, of the interests in shares or of the voting rights holds such status in a fiduciary or any other similar capacity, to disclose to the Company the name of the ultimate and actual owners of the shares, interests in shares or voting rights.

■ 5. Commitments regarding Separation of Duties and Checks and Balances

5.1. The Board of Directors

The Board of Directors, the body with the broadest powers to administer the Company, focuses its activity on approving strategic goals at the Group level, on defining its organisational model, and on supervising compliance therewith and further development thereof. In the performance of its duties, it pursues the corporate interest and acts with unity of purpose and independent judgement, affording equal treatment to all shareholders in the same situation.

It is composed of persons with recognised prestige and professional competence, who act with independent judgement in the performance of the duties inherent to their position. The composition thereof seeks a diversity of skill, knowledge, experience, origin, nationality, age and gender, such that decision-making is enriched and multiple viewpoints are contributed to the discussion of matters within its purview.

The stability of the Board of Directors is a primary objective. Therefore, the Company has adopted a number of measures so that each year the shareholders at the General Shareholders' Meeting decide on the appointment or re-election of approximately one-fourth of the directors.

The Company also has a succession plan for non-executive directors, which attempts to ensure that the renewal thereof occurs on a staggered and orderly basis, anticipating expected vacancies (due to reaching the indicative age of seventy years established for these directors as the age after which the Board of Directors will evaluate the continuation thereof or due to exceeding twelve years of continuous time in office, which means that they cannot be classified as independent).



In addition, the Board of Directors has approved succession plans for the executive chairman of the Board of Directors & for the chief executive officer, which shall apply respectively if they give early notice of their desire to resign from their position, or in the event of their cessation in office due to non-occasional and unexpected non-availability.

The text of these succession plans, together with that of other rules of self-organisation of the Board of Directors, is set out in Annex I to this *Policy*.

Finally, both the executive chairman of the Board of Directors and the chief executive officer as well as the members of senior management and the persons holding key positions have a person who can replace them in their duties in the event of a limited absence. Each of the replacements has been chosen based on the personal and professional competence thereof.

5.2. Positions on the Board of Directors

a. Chairman of the Board of Directors

The chairman of the Board of Directors has the status of executive chairman and reports to the Board of Directors.

The chairman exercises the power of representation of the Company in his individual capacity, the senior management thereof, leadership of the Board of Directors (leading its debate and endeavouring to ensure the proper operation of the Board of Directors as well as of the Executive Committee, which he also chairs) and the other powers vested therein by the Board of Directors, the Governance and Sustainability System and the law.

In his capacity as executive chairman, he also assumes all duties not expressly assigned by the Board of Directors to the chief executive officer.

The areas, divisions and positions that do not report to the CEO or other specific bodies report to him.

b. Chief Executive Officer

The chief executive officer holds the powers delegated by the Board of Directors in accordance with law and the Governance and Sustainability System.

The chief executive officer is responsible for the day-to-day management of the businesses of the Group's companies as the person with overall responsibility for all of them, with the highest executive duties in this area. The chief executive officer also reinforces and facilitates the exercise of the powers vested in the chairman of the Board of Directors, to whom the chief executive officer reports. The chief executive officer reports to the executive chairman for this purpose.

The chief executive officer also reports to the Board of Directors and regularly submits the management report thereto, presenting any proposed decisions regarding the matters within their purview.

The directors of the global businesses of the companies of the Group report directly to the chief executive officer, as do, among others, the chief executive officers of the country subholding companies, who report hierarchically to their boards of directors and, in the case of listed country subholding companies, with full respect for the special framework of enhanced autonomy given thereto by the Governance and Sustainability System.

c. Non-executive vice-chairs of the Board of Directors

The duties that the *Regulations of the Board of Directors* attribute to the non-executive vice-chairs include the duty to temporarily replace the chairman of the Board of Directors, with all of the powers and duties thereof, in the event of occasional and unexpected vacancy, absence, illness or incapacity, thus avoiding any possible risk of a temporary power vacuum.

d. Lead Independent Director

A lead independent director (*consejero coordinador*), appointed from among the independent directors, upon a proposal of the Appointments Committee and with the abstention of the executive directors, has the powers vested therein by the *By-Laws* and the *Regulations of the Board of Directors*, which go beyond those required by law.

e. Secretary of the Board of Directors

The secretary of the Board of Directors endeavours to ensure the formal and substantive legality of the actions of the Board of Directors, as well as coordination among the secretaries of the committees of the Board of Directors in all matters relating to the Governance and Sustainability System and to compliance.

5.3. Committees of the Board of Directors

The Board of Directors has an Executive Committee and four consultative committees: the Audit and Risk Supervision Committee, the Appointments Committee, the Remuneration Committee and the Sustainable Development Committee. The composition, powers and operation of these four latter committees are governed by their respective regulations, which are approved by the Board of Directors.

The Executive Committee is a basic corporate governance instrument of the Company, the primary function thereof being to support the Board of Directors in supervising the implementation of the strategy defined thereby, ensuring the continuous implementation thereof throughout the year. Therefore, the Executive Committee meets more frequently than the Board of Directors.

The chair of the Executive Committee informs the Board of Directors of the matters dealt with and the resolutions adopted at the first meeting of the Board held after the meetings of the Executive Committee.

5.4. Meetings of the Board of Directors and its committees

The directors must personally attend the meetings held by the Board of Directors and the committees of which they are members and, if unable to attend in person, they must give a proxy to another director, together with appropriate instructions. Pursuant to the provisions of the *Regulations of the Board of Directors*, non-executive directors may only give a proxy to other non-executive directors.

In preparing proposals and reports regarding the re-election of directors, the Appointments Committee takes into consideration, among other things, the number of meetings of the Board of Directors and of the committees of which the candidate for re-election is a member that were attended by the candidate during his or her previous term of office, in order to assess the dedication thereof to their position. For these purposes, it shall consider the minimum level of attendance at the meetings of these bodies that the main institutional investors and international proxy advisors provide for in their voting policies, which are generally set at 75% of the meetings held during the year.

As regards the means for attending meetings, in its eagerness to remain at the forefront of innovation, the Company promotes the use of new technologies by the Board of Directors and its committees, which constitute a fundamental element for the efficient performance of their duties, and has the tools required to allow for the holding of meetings of its corporate decision-making bodies by remote means of communication.

Annex II to this *Policy* sets out the specific rules that must be met to use remote communication systems to hold meetings of the Board of Directors and of the committees thereof.

5.5. Corporate and Governance Structure and Business Model of the Group

The corporate structure of the Group includes:

- a. the Company, which is configured as a listed holding company, the main function of which is to act as the entity owning the equity stakes in the country subholding companies;
- b. the country subholding companies, which in turn group together the equity stakes in the head of business companies; and
- c. the head of business companies.

This corporate configuration is intended to favour an agile and rapid decision-making process in day-to-day administration and management, which is within the purview of the head of business companies, while at the same time achieving proper coordination of business activities at the Group level, as described below, as a result of the duties of organisation and supervision performed by the country subholding companies and the Company and within their respective purviews.

Based on this corporate organisation, the Group's governance structure is governed by the principles set out below:

- a. vesting the Board of Directors with powers relating to the approval of strategic goals at the Group level, the definition of its organisational model, and the supervision of compliance therewith and further development thereof, fully respecting the special framework of strengthened autonomy of the listed country subholding companies;
- b. assumption by the chairman of the Board of Directors and by the chief executive officer, with the technical support of the Operating Committee, and by the management team, of the duty of strategic supervision, organisation and coordination at the Group level;
- c. the function of strategic supervision, organisation and coordination is strengthened through the country subholding companies, which perform it in relation to the territories, countries or businesses decided by the Company's Board of Directors;
- d. the head of business companies assume decentralised executive responsibilities, enjoy the independence necessary to carry out the day-to-day administration and effective management of the businesses, and are responsible for the day-to-day control thereof.

The provisions of the preceding paragraphs shall be without prejudice to respect for the corporate autonomy of the subsidiaries of the head of business companies domiciled in countries or territories other than that of the parent company. These subsidiaries may be vested with the effective management of their business activities within their country or territory.

Within the Group's corporate and governance structure, the Operating Committee is an internal committee of the Company, the essential function of which is to provide technical support to the chairman of the Board of Directors and to the chief executive officer, in order to facilitate the development of the Group's Business Model. The composition and duties thereof are described in the *Internal Rules on Composition and Duties of the Operating Committee*.

5.6. Checks and Balances System

The structure of the Board of Directors, with a broad majority of independent directors, the configuration of its positions, the existence of consultative committees, the corporate and governance structure and the Business Model described above articulate a system of checks and balances ensuring that none of the chairman of the Board of Directors, the chief executive officer or the Executive Committee have a decision-making power that is not subject to appropriate controls and balances, ensuring that they are under the effective supervision of the Board of Directors.

In particular, the roles of the non-executive vice-chairs and of the lead independent director serve as a counterbalance to that of the chairman when the chairman is an executive director, ensuring that the activities thereof are subject to proper controls.



Along the same lines, the corporate and governance structure of the Group itself is designed such that management power is not centralised within a single governance body or a single person, but rather is decentralised among the boards of directors of the head of business companies, the Company's main function being supervision, organisation and strategic coordination at the Group level.

This *Policy* was initially approved by the Board of Directors on 18 December 2007 and was last amended on 19 December 2023.

■ ANNEX I

■ Self-organisation Rules of the Board of Directors

■ 1. Succession Planning

1.1. Succession Plan for Non-Executive Directors

Each of the non-executive directors undertakes to tender their resignation to the Board of Directors at the first meeting it holds after they reach seventy years of age or twelve years as a director of the Company.

Cessation in office of a director as provided in the preceding paragraph shall not give rise to the right to receive any severance payment for this reason.

On periodic basis, and at least once per year, the Appointments Committee shall review whether it can be expected that any of the non-executive directors will cease to perform their duties during the financial year due to issues of age or time in office or for any other reason.

In such case the Appointments Committee shall drive the selection process established in the *Board of Directors Diversity and Member Selection Policy* to identify a candidate in replacement thereof with sufficient time to ensure an orderly succession.

1.2. Succession Plan for the Executive Chairman of the Board of Directors

A) Advance notice

If the executive chairman of the board of directors gives early notice of his desire to resign from the position, the succession thereof shall be planned and coordinated by a specific committee, which shall be convened and chaired by the lead independent director and shall be made up of the lead independent director, the chairs of the consultative committees of the Board of Directors and the executive chairman.

The committee shall have the support of the Appointments Committee and may contract for the advice of an independent expert to be paid for by the Company.

Within a period of not more than thirty days from the date that the executive chairman gives early notice of his desire to resign from the position, the committee shall provide to the Board of Directors a specific proposal regarding the replacement thereof, which must take into consideration the special personal and professional skills of the candidate.

In addition, if the committee proposes that the chairman of the Board of Directors continue to have the status of executive chairman, the committee must consider the candidate's ability to lead the development and implementation of the current strategic plan in regards to the duties it proposes be carried out.

The committee shall favourably value those candidates that are directors or members of the management team of the Company or of other companies of the Group and that have been linked thereto as directors or professionals for at least five years.

Unless otherwise stated by the chairman of the Board of Directors, the chairman shall continue to perform all of the duties thereof until the Board of Directors appoints a new chairman.

B) Non-occasional and unexpected non-availability

In the event of non-occasional or unexpected unavailability of the chairman of the Board of Directors, the non-executive vice-chair, or if one has not been appointed the lead independent director, or in the absence thereof, the director having the longest length of service, and if equal lengths of service, the oldest, shall temporarily assume the chairmanship of the Board of Directors, which must be convened to meet within a period of not more than forty-eight hours from the time that such unavailability becomes known. The agenda of said meeting shall include the identification of the person who must temporarily assume the duties of chairman of the Board of Directors, and the planning of the definitive succession shall be entrusted to a specific committee upon the terms described in section 1.2.A) above.

If there is more than one vice-chair, the executive chairman shall be replaced by the one that is expressly appointed by the Board of Directors for such purpose, or in the absence thereof the vice-chair having the longest length of service in office, and in case of equal lengths, the oldest.

1.3. Succession Plan for the Chief Executive Officer

A) Advance notice

If the chief executive officer gives early notice of the chief executive officer's desire to resign from the position, the succession thereof shall be planned and coordinated by the Appointments Committee, which may contract for the advice of an independent expert to be paid for by the Company.

Within a period of not more than thirty days from the date that the chief executive officer gives early notice of his or her desire to resign from the position, the Appointments Committee shall provide to the Board of Directors a proposal regarding the replacement thereof. To this end, it must take into particular account the candidate(s) presented by the chairman of the Board of Directors. In making its proposal, the Appointments Committee must also weigh the particular personal and professional skills of the candidate.

The Appointments Committee shall favourably value those candidates that are directors or members of the management team of the Company or of other companies of the Group and that have been linked thereto as directors or professionals for at least five years.





Unless otherwise stated by the chief executive officer, the chief executive officer shall continue to perform all of the duties thereof until the Board of Directors appoints a new chief executive officer.

B) Non-occasional and unexpected non-availability

In the event of non-occasional or unexpected unavailability of the chief executive officer, the duties thereof shall be temporarily assumed by the chairman of the Board of Directors (or if the chairman is unable to do so for any reason, they shall be assumed by the person appointed in accordance with section 1.2.B above), who must call to meeting (or request the call to meeting) of the Board of Directors to meet within a period of not more than forty-eight hours from the time that such unavailability becomes known. The agenda of said meeting shall include the identification of the person who must temporarily assume the duties of chief executive officer, and the planning of the definitive succession shall be entrusted to the Appointments Committee upon the terms described in section 1.3.A) above.

1.4. Succession Plan for the Executive Chairman of the Board of Directors and of the Chief Executive Officer (simultaneous cessation of office)

In the event that the executive chairman and the chief executive officer cease to hold their respective offices simultaneously, the duties of the chairman of the Board of Directors shall be assumed by the person appointed as indicated in section 1.2.B) above and those of the chief executive officer by the same person, and the process provided in section 1.2.A) for the appointment of the chairman of the Board of Directors shall commence and, upon the conclusion thereof, the process provided in section 1.3.A) for the appointment of the chief executive officer shall commence. In this case, the appointments of the executive chairman and the chief executive officer must be approved within a period of no more than ten days from the date on which they definitively cease to hold their respective offices.

■ 2. Limits on Travel by the Members of the Board of Directors Using the Same Means of Transport

The following may not travel together on the same means of transport:

- a. One-half or more of the members of the Board of Directors.
- b. One-half or more of the members of the Executive Committee.
- c. The chairman and all of the vice-chairs of the Board of Directors.
- d. The chair of the Board of Directors and the chief executive officer.
- e. The secretary and the deputy secretary of the Board of Directors.

“Means of transport” shall mean any vehicle used for the transport of persons by land, sea or air, including automobiles, buses, trains, ships and aeroplanes (whether commercial or private).

■ 3. IT Security and Privacy Rules

The following mandatory rules and limitations are established on the use by the directors of the software and on-line systems, applications and elements relating to the performance of their duties, and particularly on accessing the directors’ website and information regarding the Group, as well as on participating in meetings of the Board of Directors or of the committees thereof:

- a. Directors must follow the instructions established and communicated to them by the Company concerning access, security, operation and use of the hardware and software, including computer programs, access to websites, applications and mobile communication devices.
- b. Before using private data transmission devices to access the Company’s systems and applications, they must inform the Office of the Secretary of the Board of Directors and comply with the security and privacy protocols established by the Company.
- c. At the meetings of the Board of Directors and of the committees thereof, as well as at any other meeting in which the directors of the Company participate in their capacity as directors, they must observe the security and privacy protocols established by the Company, which may contemplate that mobile telephones and data transmission devices in general are to be switched off during the entire duration of such meetings, as well as restrictions on receiving or making calls or connections during the meetings.

The Company shall respect and protect the privacy of directors’ communications and data in the use of the software and on-line systems, applications and elements it makes available to them.

■ ANNEX II

■ Specific Rules regarding the Use of Remote Communication Systems to Hold Meetings of the Board of Directors and of the Committees thereof

Rule One. Forms of Holding Meetings

1. Meetings of the Board of Directors and of the committees thereof shall be held in person at the place indicated in the call to meeting.
2. If so decided by the chair of the decision-making body in question on an exceptional basis, a meeting may be called to be held at several connected places or on-line by using remote communication systems that permit the recognition and identification of the attendees, permanent communication among them and participation in discussion and the casting of votes, all in real time, which meeting shall be deemed to be held at the registered office. The directors in attendance at any of such interconnected places shall be deemed for all purposes to have attended the same meeting.
3. The call to meetings to be held at several places connected among themselves shall prioritise the use of rooms available at facilities of the Group's companies and the use of systems in the following order of priority: telepresence, video-conference and conference calls.

Rule Two. Attendance at Meetings by Remote Communication Systems

1. On an exceptional basis, based on the circumstances in each case, the chair of the decision-making body in question may authorise the attendance at the meeting of one or more directors by using remote connection systems that permit the recognition and identification thereof, permanent communication with the place where the meeting is held, and their participation therein and the casting of votes, all in real time.
2. For this purpose, efforts shall be made for the director who must attend a meeting using remote communication systems to connect from a room available at the facilities of the Group's companies.
3. If this is not possible or appropriate, the chair of the decision-making body in question may authorise the connection from other locations using devices provided by the Company (computer, tablet or mobile phone), giving priority to the use of video-conference systems, and allowing telephonic means (without image) on an exceptional basis.
4. The chair of the decision-making body in question may approve the use of other access systems on justified grounds, provided that this does not endanger the confidentiality of the meeting.
5. These instructions must be observed for the attendance of guests at meetings of the Board of Directors and of the committees thereof.

Rule Three. Confidentiality

1. If the attendance of directors or guests at any meeting of the Board of Directors or of the committees thereof does not take place at the facilities of the Group's companies, the attendees shall be responsible for taking the measures necessary to ensure the confidentiality of the meeting.
2. For this purpose, they must connect from a private, closed and silent room that ensures the confidentiality of the deliberations, resolutions and materials used at the meeting and without the presence of third parties.

Rule Four. Identification of Attendees

1. The secretary for the meeting shall be responsible for identifying the remote attendees at the beginning of the meeting and, in the case of guests, when they connect. If the secretary connects remotely, the chair of the meeting shall be responsible for the identification thereof.
2. If there are reasonable concerns regarding the identity of an attendee at the meeting, the chair may decide that they must leave the meeting.

Rule Five. Conduct of the Meeting

1. In the interests of good order and conduct of the meetings held using remote communications systems, the attendees (whether directors or guests) must observe the measures indicated by the chair of the decision-making body, including, by way of example and not limitation, the disconnection of calls placed on hold or muting the microphones of the devices from which they are connecting.
2. Meetings at which remote communications systems are used may not be subject to any type of recording, storage, broadcast or dissemination.





3. If a director attending remotely must leave the meeting during deliberations or voting on a matter pursuant to the provisions of the *Regulations of the Board of Directors*, the director must disconnect from the meeting. The secretary for the meeting must verify the disconnection and record it in the minutes.
4. The secretary for the meeting shall be responsible for verifying that guests attending meetings remotely do so at the portion of the meeting decided by the chair.
5. The chair of the meeting may suspend or end the meeting at any time due to technical incidents that prevent the proper conduct thereof or endanger the confidentiality of the deliberations, the resolutions or the materials used.
6. If a technical incident definitively prevents the connection of the chair of the meeting with the other attendees, the meeting shall automatically be deemed to have ended. The secretary shall record this in the minutes, and no additional resolution or action shall be required. In other instances, the chair of the meeting shall be responsible for deciding whether to continue with or to suspend the meeting.

Rule Six. Compliance with Rules

Prior to connecting to any of the meetings of the Board of Directors or of the committees thereof (or immediately after connecting, if not possible beforehand), the attendees (whether directors or guests) must confirm that they are aware of and undertake to comply with the rules described above.

Rule Seven. Interpretation

The chairman of the Board of Directors shall be responsible for the final interpretation of these rules. Without prejudice to the foregoing, if any issues arise regarding the interpretation hereof which must be resolved during the meeting and the chairman of the Board of Directors is not in attendance because it is a meeting of another decision-making body, they shall be resolved by the person chairing the meeting, and in the absence thereof, by the secretary of the decision-making body in question.