

# Regulations of the Appointments Committee



20 June 2023

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## ■ TITLE I. NATURE, OBJECT AND APPROVAL

### Article 1. Nature and Object

1. Pursuant to the Governance and Sustainability System of IBERDROLA, S.A. (the “**Company**”), the Board of Directors establishes the Appointments Committee (the “**Committee**”), a permanent internal informational and consultative body without executive duties, with information, advisory and proposal-making powers within its scope of action and which shall be governed by the provisions set forth in the *By-Laws*, in the *Regulations of the Board of Directors* and in these *Regulations of the Appointments Committee* (the “**Regulations**”).
2. The object of these *Regulations* is to favour the independence of the Committee and to determine the principles of conduct and the rules of internal operation thereof, without prejudice to the powers of the committees or equivalent bodies that may exist at companies, whether or not listed, belonging to the group of companies of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).
3. These *Regulations* have been prepared taking into account the good governance recommendations generally accepted in international markets and form part of the Governance and Sustainability System.

### Article 2. Approval, Amendment and Priority

1. These *Regulations* must be approved by resolution adopted by the Board of Directors on the initiative of the Board, of the chairman thereof, of the chair of the Committee, of one-third of the directors or of the Committee itself.
2. Any amendment hereof must be approved by resolution adopted by the Board of Directors on the initiative of the Board, of the chairman thereof, of the chair of the Committee, of one-third of the directors or of the Committee itself.
3. These *Regulations* further develop and supplement the provisions of the *By-Laws* and of the *Regulations of the Board of Directors* applicable to the Committee. The latter provisions shall prevail in the event of conflict with the former.

## ■ TITLE II. POWERS

### Article 3. Powers regarding the Composition of the Board of Directors and of the Committees thereof and regarding the Process of Designation of Internal Positions of the Board of Directors and Members of Senior Management

In this regard, the Committee shall have the following main functions:

- a. Advise the Board of Directors regarding the most appropriate configuration thereof and of its committees as regards size and equilibrium among the various classes of directors existing at any time. For such purpose, the Committee shall review the structure of the Board of Directors and of its committees on a regular basis, particularly when vacancies occur within such bodies.
- b. Report on and review the criteria that should be followed in composing the Board of Directors and in selecting candidates, and particularly the necessary competence, knowledge and experience, and assess the time and dedication required for the proper performance of their work. In the exercise of this power, the Committee shall take into account, regarding non-executive directors, the relation between the number of proprietary directors and the number of independent directors, such that the composition of the Board of Directors reflects, as far as possible, the ratio of the Company's voting share capital represented by proprietary directors to the rest of the share capital.
- c. Ensure that the persons to be appointed to the office of director by means of any procedure meet the requirements of respectability, capability, expertise, competence, experience, qualifications, training, availability and commitment to their duties and that they are not affected, directly or indirectly, by any of the instances of disqualification from or prohibition against holding office or by having interests in conflict with or contrary to the corporate interest set forth in provisions of a general nature or in the Governance and Sustainability System; in so doing, the Committee shall endeavour to ensure that the selection of candidates provides adequate equilibrium to the Board of Directors as a whole, such that decision-making is enriched and multiple viewpoints are contributed to the discussion of the matters dealt with.
- d. Periodically review, evaluate compliance with and propose amendments to the *Board of Directors Diversity and Member Selection Policy*, as well as verify the inclusion thereof in the annual corporate governance report.
- e. Ensure that when new vacancies are filled or new directors are appointed, the selection procedures are free from any implied bias entailing any kind of discrimination and, in particular, from any bias that may hinder the selection of female directors.
- f. Establish a goal for representation by the less represented gender on the Board of Directors and prepare guidance on how to reach this objective, reporting on all of the foregoing in the annual corporate governance report.
- g. Report on and make proposals regarding the appointment or removal of the members that must make up each of the committees, verifying and confirming compliance with the requirements of expertise, ability and experience in connection with the powers of the committee in question and, in particular, those of the Audit and Risk Supervision Committee.
- h. Report on proposals relating to the appointment or removal of the chairman of the Board of Directors.
- i. Report on proposals made by the chairman of the Board of Directors regarding the appointment or removal of the chief executive officer.

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- j. Examine and organise the succession of the chairman of the Board of Directors and of the chief executive of the Company and, if applicable, make proposals to the Board of Directors for the succession to occur in an orderly and well-planned fashion, in accordance with the succession plan approved by the Board of Directors.
- k. Report on proposals from the chairman of the Board of Directors regarding the appointment or removal of the vice-chairman or vice-chairmen of the Board of Directors.
- l. Submit to the Board of Directors a proposal for the appointment of a lead independent director (*consejero coordinador*) with the powers set forth in the *Regulations of the Board of Directors* in the event that the chairman of the Board of Directors performs executive duties, and report on proposals for removal of such director.
- m. Report on proposals from the chairman of the Board of Directors regarding the appointment or removal of the secretary, and of the deputy secretary or deputy secretaries, if any, of the Board of Directors, the general secretary and the counsel.
- n. Supervise the process of selecting candidates for members of senior management of the Company and report on the proposals of the Company's chief executive regarding the appointment or removal of the members of senior management.
- o. Report on or prepare proposals regarding the appointment or removal of external directors of both unlisted country subholding companies and of other companies in which the Company has a direct or indirect interest and that are not controlled by a country subholding company and acknowledge the appointment or removal of external directors of both head of business companies (not controlled by a listed country subholding company) and of other companies in which unlisted country subholding companies that are not controlled by a head of business company have a direct or indirect interest. These duties shall be exercised within legal limits and within the framework of coordinating the interests of the Company and those of the companies within the Group.
- p. Obtain from the chairman of the Board of Directors and from the chief executive officer the information required for the exercise of its powers regarding the directors at the companies within the Group and at those in which it has an interest, without prejudice to respecting the independence and uniqueness of those that are listed companies upon the terms set forth above.
- q. Issue such other reports and take such other actions as may also fall within its purview pursuant to the Governance and Sustainability System or as may be requested by the Board of Directors or the chairman thereof.

#### Article 4. Powers regarding the Selection of Candidates for Director

In this regard, the Committee shall have the following main functions:

- a. Review the criteria for selecting candidates for director and assist the Board of Directors in defining the profiles to be met by such candidates, taking into account the needs of the Board of Directors and based on the areas of the Board that require reinforcement, and ensuring that the selection procedures are free from any implied bias entailing any kind of discrimination and, in particular, from any bias that may hinder the selection of female directors.
- b. Select possible candidates who might be appointed as directors of the Company and present its proposals or reports, as the case may be, to the Board of Directors through its chairman.  
  
For these purposes, during the selection process, the chair or one of the members of the Committee shall meet with each of the candidates for director before issuing its report or proposal, recording in minutes the result of such and, at a minimum, the assessment deserved by the final candidates or those deemed suitable.
- c. Verify that all candidates for director of the Company meet the general requirements provided by law and the Company's Governance and Sustainability System.
- d. Evaluate the qualities of the various candidates and assign them to one of the categories of directors contemplated in the *By-Laws*.
- e. Inform the candidate for director, prior to proposing or reporting on the appointment thereof to the Board of Directors, regarding what is expected of the candidate in terms of dedication, participation on committees and commitment to the Company.
- f. Bring proposed appointments of independent directors to the Board of Directors for appointment on an interim basis to fill a vacancy (co-option) or for submission to a decision by the shareholders at a General Shareholders' Meeting.
- g. Verify compliance with the specific requirements for independent directors provided by law and the Governance and Sustainability System, and gather adequate information regarding their personal qualities, experience, knowledge and effective availability.
- h. At the request of the chairman of the Board of Directors or any other member of the Board of Directors, report on the proposed appointment of other directors for appointment on an interim basis to fill a vacancy (co-option) or for submission to a decision by the shareholders at a General Shareholders' Meeting.
- i. Report, in the case of proprietary directors, on the situation of the shareholder or shareholders that propose, request or decide upon the appointment of such directors, whatever the method and procedure for appointment, to the extent legally possible.

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- j. Request any information and documentation that it deems necessary or appropriate from the candidates for director, and in the case of proprietary directors, from the shareholders that propose, request or decide upon the appointment thereof, in order to prepare the proposals and reports referred to in the preceding sub-sections.
- k. Verify the information contained in the annual corporate governance report regarding the reasons for which proprietary directors have been appointed at the request of shareholders with a shareholding interest less than the minimum interest legally considered to be significant at any time, or for which there has been a failure to respond to formal requests for a presence on the Board of Directors by shareholders with a shareholding interest equal to or greater than that of others at whose request proprietary directors have been appointed.

#### Article 5. Powers regarding the Re-election of Directors and the Evaluation of the Board of Directors, its Committees and its Members

1. In this regard, the Committee shall have the following main functions:

- a. Establish and supervise an annual programme for continuous evaluation and review of the qualifications and, if applicable, independence of the directors, as well as of ongoing compliance thereby with the requirements of respectability, capability, expertise, competence, availability and commitment to their duties as directors and as members of a given committee, and propose to the Board of Directors such measures as it deems advisable in this regard, with the power to collect any information or documentation that it deems necessary or appropriate for such purposes.
- b. Coordinate the evaluation of the operation of the Board of Directors and of the committees thereof, and submit to the full board the results of said evaluation together with a proposed action plan or with recommendations to correct any potential detected deficiencies or to improve the operation of the Board of Directors or the committees thereof.

In particular, the Committee shall annually coordinate the evaluation of:

- (i) The operation and quality of the work of the Board of Directors and of the committees thereof, including the level of actual utilisation by these bodies of the contributions of their respective members.
- (ii) The size, composition and diversity of the Board of Directors and of the committees thereof.
- (iii) The performance of duties by the chairman of the Board of Directors, under the direction of the lead independent director, and by the CEO of the Company.
- (iv) The performance and contribution of each director, paying special attention to those heading the various committees.
- (v) The frequency and duration of the meetings.
- (vi) The content of the agenda and the sufficiency of the time dedicated to discussing the various issues based on the importance thereof.
- (vii) The quality of the information received.
- (viii) The breadth and openness of the debates, avoiding "groupthink".
- (ix) Whether the decision-making process within the Board of Directors or any of the committees is dominated or strongly influenced by a member or small group of members.

For such purpose, the chair of the Committee shall organise and coordinate with the chairman of the Board of Directors and the chairs of the other committees the participation of their members in the evaluation process.

As part of the evaluation, the Committee shall also monitor the attendance of the directors at meetings.

The chair of the Committee and, if they so deem appropriate, the chairman of the Board of Directors and the lead independent director, shall also report to each director the results of their personal evaluation and any measures to be adopted to improve performance.

- j. Examine, prior to the end of the term for which a director has been appointed, the advisability of the director's re-election, as well as the director's continuance, if applicable, on the committees of the Board of Directors of which such director is a member.
- k. Verify that the director to be re-elected continues to comply with the general requirements applicable to all directors of the Company pursuant to law and the Governance and Sustainability System, as well as evaluate the quality of work and dedication to office of the director in question during the preceding term of office and, specifically, such director's respectability, capability, expertise, competence, experience, qualifications, availability and commitment to the duties entrusted thereto.
- l. Submit to the Board of Directors, once the procedures described in the preceding sub-sections have been completed, its proposal (in the case of independent directors) or report (in the case of the other directors) regarding the re-election of directors.



2. To perform the evaluations, the Committee shall have the internal means it deems appropriate in each case, and the support of independent external consultants at least every three years. Consultants supporting the Committee in the exercise of its powers of evaluation provided for in this article shall be different from any that advise the Company in the process of selecting directors or members of senior management or in relation to the remuneration thereof.

#### Article 6. Powers relating to the Management and Promotion of Talent

In this regard, the Committee shall have the following main functions:

- a. In formulating a proposal or issuing a report within the scope of its powers, give special consideration to the potential impact that the decision submitted to the Board of Directors might have on the Company's talent management and promotion strategy and endeavour to ensure the professional growth of the executive directors and members of senior management.
- b. With the support of the Remuneration Committee, from which it may request a corresponding report, verify that the processes for selecting candidates for executive director and member of senior management favours the recruitment of the best professionals.
- c. Analyse and monitor international best practices regarding the recruitment, retention, management and promotion of talent.
- d. Stay informed of the implementation of measures adopted at the Group level to attract, develop, select, hire, retain, manage and promote talent, and particularly the programmes for training and monitoring members of management established pursuant to the provisions of the *Corporate Governance Policy*.

#### Article 7. Powers regarding the Removal and Cessation of Office of Directors

In this regard, the Committee shall have the following main functions:

- a. Inform the Board of Directors regarding proposed removals due to breach of the duties inherent to the position of director or due to a director becoming affected by supervening circumstances of mandatory resignation or cessation of office.
- b. Receive and analyse the decisions of the Compliance Unit regarding improprieties or acts that are illegal or contrary to law or the Governance and Sustainability System that affect members of the Board of Directors, and propose the admonishment or removal thereof or any other measure deemed appropriate based on the conclusions reached during the investigation, the adoption and content of which shall be reported to the Compliance Unit.
- c. Propose the removal of directors in the event of disqualification, structural conflict of interest or any other reason for resignation or cessation of office, pursuant to law or the Governance and Sustainability System.
- d. For the purposes set forth in the preceding sub-sections, request through the chairman of the Board of Directors the information or documents it deems necessary or appropriate from the directors and, in the case of proprietary directors, from the shareholders that have proposed, requested or decided upon the appointment thereof.
- e. If the cessation of office is due to the resignation of the director, evaluate any information contained in the letter that the outgoing directors has sent to the Board of Directors and ensure that there is appropriate publicity regarding the reasons and circumstances for the cessation in office, including an explanation of the reasons therefor in the annual corporate governance report.

#### Article 8. Other Powers Entrusted to the Committee

The Committee shall also have the following functions:

- a. Report in advance to the Board of Directors regarding the matters within its purview under title IX of the *Regulations of the Board of Directors*.
- b. Report on proposed appointments of members of the Compliance Unit.
- c. Verify that the information published by the Company on its corporate website regarding directors and the members of senior management is sufficient and appropriate and follows applicable good corporate governance recommendations.

### ■ TITLE III. COMPOSITION

#### Article 9. Composition

1. The Committee shall be composed of a minimum of three and a maximum of five directors appointed by the Board of Directors upon a proposal of the Committee, from among the non-executive directors, and the majority thereof must be classified as independent.
2. The Board of Directors shall endeavour to ensure that the members of the Committee have such expertise, qualifications and experience as are required by the duties they are called upon to perform, particularly in the following areas: corporate governance, strategic analysis and evaluation of human resources and capital, selection of directors and management personnel, and performance of senior management duties.
3. Within the aforementioned limits, the Committee may submit to the Board of Directors a proposal for amendment of the number of Committee members when it is deemed that such number will contribute to the more efficient operation of the Committee.

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4. Diversity shall be sought in the composition thereof, particularly as regards, gender, professional experience, competencies, industry knowledge and geographic origin.

#### Article 10. Positions

1. The Board of Directors shall appoint a chair of the Committee from among the independent directors forming part thereof, who must be a director with sufficient capacity and availability to provide greater dedication to the Committee than the rest of the members thereof.
2. The Board of Directors shall also appoint a secretary of the Committee, who need not be a director.

#### Article 11. Term of Office

1. Committee members shall be appointed for a maximum term of four years and may be re-elected on one or more occasions for terms of the same maximum length.
2. Committee members who are re-elected as directors of the Company by resolution of the shareholders at a General Shareholders' Meeting shall continue in their positions on the Committee, without the need for a new election, unless the Board of Directors resolves otherwise.

#### Article 12. Cessation of Office

Committee members shall cease to hold office:

- a. When they cease to be directors of the Company.
- b. When they cease to be non-executive directors, even if they continue as directors of the Company.
- c. Upon expiration of the maximum term for which they were appointed without being re-elected.
- d. By resolution of the Board of Directors.

### ■ TITLE IV. TRAINING

#### Article 13. Orientation Programme

In order for new members of the Committee to be able to actively perform their duties as from their appointment, the *Orientation Programme* provided for in the *Regulations of the Board of Directors* shall be made available to them on the directors' website.

#### Article 14. Training Programme

The Committee shall have a periodic training plan that ensures the refreshment of knowledge relating to the scope of the powers thereof, and particularly regarding the selection of directors and members of senior management, as well as the management and promotion of talent.

### ■ TITLE V. OPERATION

#### Article 15. Annual Work Plan

1. Before the beginning of each financial year, the Committee shall approve an annual work plan that contemplates at least the following aspects:
  - a. The specific goals established for the financial year relating to each of the powers of the Committee, especially those that might be new or relate to significant issues.
  - b. Issues that should be dealt with on a recurring or one-time basis during the financial year.
  - c. The planning of the training deemed appropriate for the proper performance of the duties thereof.
2. This planning shall take into account that the members of the Committee have responsibilities, mainly of supervision and advice, and should not intervene in the performance or management of matters within the authority of the Company's management.

#### Article 16. Schedule and Meetings

1. Once the annual meeting schedule of the Board of Directors has been approved, the chair and the secretary of the Committee shall prepare a proposed annual schedule for the meetings of the Committee during the first month of the financial year, ensuring that the number of meetings is not less than three and does not exceed seven per year and that they are held on days prior to the meetings of the Board of Directors.
2. Preparation of the proposed schedule must consider the time to be devoted to the various duties of the Committee and must take into account the meeting schedule of the Board of Directors and the date for holding the General Shareholders' Meeting, in order to prepare any reports or proposals to be submitted regarding the matters to be dealt with, as well as the report on the activities of the Committee referred to in Article 27 below.
3. The proposed schedule shall include the tentative agendas and any appearances that may be deemed necessary. This proposal shall systematically reflect the tentative agenda for the meetings, planning fixed sections for issues that are dealt with on a recurring basis, and other sections for issues that are only dealt with at particular meetings.

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4. The secretary of the Committee shall send the proposed schedule to the secretary of the Board of Directors for validation and subsequent preparation of the meeting schedule of the corporate decision-making bodies, pursuant to the provisions of Article 29.7 of the *Regulations of the Board of Directors*. Once the proposed schedule is validated by the Office of the Secretary of the Board of Directors, the Committee shall approve the annual meeting schedule.
5. Where appropriate, the meeting schedule shall be supplemented with the scheduling of preparatory work sessions or meetings on specific issues.
6. Without prejudice to the provisions of the preceding sections, the Committee shall meet as many times as the chair thereof deems is necessary to exercise the powers entrusted thereto, as well as when requested by at least two of its members. Prior to sending a call to a meeting not provided for in the meeting schedule of the corporate decision-making bodies, the secretary of the Committee shall send to the secretary of the Board of Directors for validation the date, agenda and any appearances that may be deemed necessary.
7. The chairman of the Board of Directors and the chief executive officer may request informational meetings with the Committee on an exceptional basis.

#### Article 17. Call to Meeting

1. The secretary of the Committee shall, by order of the chair thereof, call the Committee to meeting at least eight days in advance thereof, except in the case of urgent meetings.
2. The call to meeting shall be carried out by any means allowing for receipt thereof and shall include the agenda for the meeting and the documentation expected to be made available to the members of the Committee, which shall first be reviewed by the Office of the Secretary of the Board of Directors to ensure the consistency thereof with the meeting schedule of the corporate decision-making bodies and the Governance and Sustainability System.
3. No prior call to a meeting of the Committee shall be required when all of its members are present and unanimously agree to the holding of the meeting and to the items of the agenda to be dealt with.

#### Article 18. Place of Meetings

1. Meetings of the Committee shall be held in person at the place designated in the call to meeting.
2. If so decided by the chair of the Committee 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 members of the Committee in attendance at any of such interconnected places shall be deemed to have attended the same meeting of the Committee for all purposes.

#### Article 19. Establishment of a Quorum

1. A valid quorum for Committee meetings shall be established with the attendance, in person or by proxy, of a majority of its members.
2. The chair of the Committee shall preside over the meeting. In the event of the vacancy, illness, incapacity or absence of the chair of the Committee, the meeting shall be chaired by the director having the longest length of service on the Committee, and if equal lengths of service, by the oldest.
3. The secretary of the Committee shall act as secretary for the meeting. In the event of vacancy, illness, incapacity or absence of the secretary of the Committee, the person appointed by the Committee for such purpose shall act as secretary.
4. Committee members may give a proxy to another member by notice delivered by any of the means set forth in Article 17 above, addressed to the secretary of the Committee and including the terms on which the proxy is given. However, they may not give a proxy in connection with matters affecting them personally or regarding which they are involved in any conflict of interest situation.
5. On an exceptional basis, based on the circumstances in each case, the chair of the Committee may authorise the attendance at the meeting of one or more members 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. Members connected remotely shall be deemed for all purposes to have attended the meeting of the Committee.

#### Article 20. Resolutions

1. Resolutions of the Committee shall be adopted by an absolute majority of the votes of the members present at the meeting in person or by proxy. In the event of a tie, the chair of the Committee shall have the tie-breaking vote.
2. All resolutions adopted shall be recorded in minutes signed by the chair and the secretary of the Committee or by the persons acting in their stead. They shall be approved at the same meeting or at the meeting held immediately thereafter, shall be made available to all of the directors and shall be entered in a book of minutes of the Committee.
3. The Committee shall consult the chairman of the Board of Directors and the chief executive of the Company prior to adopting resolutions on matters relating to the executive directors.







### Article 21. Conflicts of Interest

When matters to be dealt with at a meeting of the Committee directly affect one of its members or persons related thereto and, in general, when such member is subject to a conflict of interest situation (upon the terms established in the *Regulations of the Board of Directors*), such member must leave the meeting until a decision is made, and such member shall be subtracted from the number of Committee members for purposes of calculating the quorum and majorities with respect to the matter at hand.

### Article 22. Attendance

1. At the request of the chair of the Committee, addressed for such purpose to the chairman of the Board of Directors, any director may be asked to attend the meetings thereof.
2. By means of a reasoned request, the chair of the Committee may also request, through the secretary of the Board of Directors, the attendance of any director, member of senior management or professional of the Group's companies as well as of any member of the management decision-making bodies of the companies in which the Company has an interest whose appointment has been proposed by the Company, provided that there is no legal impediment thereto. The secretary of the Board of Directors shall evaluate the suitability of the appearances requested based on the matters to be discussed, the powers of the Committee, the identity of the person whose attendance is requested and the meeting schedules of the corporate decision-making bodies from time to time in effect.
3. Persons who are not members of the Committee may not attend meetings thereof when the matters dealt with are outside the scope of the powers or duties of such persons.
4. The presence of members of management, professionals or other directors, whether executive or not, at meetings of the Committee shall be on an occasional basis and only when required, after an invitation from the chair of the Committee, shall be strictly limited to those items on the agenda for which they are called, and they shall not attend the decision-making portion of the Committee's meetings. The chair may authorise the remote attendance thereof using the communication systems described in Article 19.5 above, if he so deems appropriate. The secretary shall record the entries and exits of guests at meetings in the minutes.

## ■ TITLE VI. POWERS OF THE COMMITTEE, PARTICIPATION AND RIGHTS TO RECEIVE INFORMATION OF THE MEMBERS THEREOF, DUTIES AND EVALUATION OF THE OPERATION THEREOF

### Article 23. Powers and Advice

1. The Committee may, through the secretary of the Board of Directors, freely access any information or documents available at the Company relating to the matters that are within the Committee's area of authority and that it deems necessary to perform its duties.
2. The Committee may also seek, at the Company's expense, cooperation or advice from outside professionals, who shall address their reports directly to the chair of the Committee. In such case, the Committee shall ensure that potential conflicts of interest do not prejudice the independence of the outside advice received.

### Article 24. Participation and Rights to Receive Information

1. In order to promote a diversity of opinions that enriches the analysis and proposals of the Committee, the chair of the Committee shall ensure that all of the members freely participate in the deliberations, without being affected by internal or third-party pressures, and shall encourage constructive dialogue among them, promoting free expression and a critical attitude.
2. The chair of the Committee shall channel and provide the information and documentation required to the other members of the Committee sufficiently in advance of each meeting so that they can properly analyse it and prepare for the meeting.

### Article 25. Duties of Committee Members

1. Committee members must act with independence of judgement and action with respect to the rest of the organisation and perform their work with the utmost diligence and professional competence. In particular, attendance at meetings of the Committee shall be preceded by the sufficient dedication of its members to analyse and evaluate the information received.
2. In exercising their powers, the members of the Committee shall comply with the provisions of these *Regulations* and applicable law on professional scepticism and critical attitude regarding the conclusions reached by the executive directors and members of senior management of the Company, acknowledging the arguments for and against, and with each of the members, and the Committee as a whole, forming their and its own position.
3. Committee members are subject as such to all of the duties of a director set forth in the *Regulations of the Board of Directors*, to the extent they are applicable to the responsibilities discharged by the Committee.

### Article 26. Information to the Board of Directors

The chair of the Committee shall inform the Board of Directors, at the next meeting thereof following the meetings of the committee, of the matters dealt with and the resolutions adopted during its meetings.



### Article 27. Information to the Shareholders at the General Shareholders' Meeting

1. Pursuant to the provisions of the *Regulations of the Board of Directors*, the *Activities Report of the Board of Directors and of the Committees thereof*, which shall include information regarding the operation and the activities of the Committee during the preceding financial year, shall be made available to the shareholders and the other Stakeholders for purposes of the call to the General Shareholders' Meeting.
2. In particular, the section of the *Activities Report of the Board of Directors and of the Committees thereof* regarding the Committee must allow the shareholders and other interested parties to understand the activities performed by the Committee during the financial year in question, for which reason the publication must contain at least the following aspects:
  - a. Description of the regulation of the Committee.
  - b. Composition of the Committee during the financial year, including the classification and seniority of each of the members thereof, as well as the significant abilities in terms of knowledge and experience contributed by each member.
  - c. The standards used to determine and the rationale explaining the composition of the Committee, particularly in relation to the appointment of members who are not independent directors.
  - d. Duties and work performed during the financial year by the Committee, changes therein during the fiscal year and reference to these *Regulations*.
  - e. Meetings held during the financial year and number of attendees, including whether non-members of the Committee have been invited.
  - f. Significant activities during the period (reporting those that have been performed with the assistance of external experts).
  - g. Evaluation of the operation and performance of the Committee, as well as of the methods used to assess the effectiveness thereof.
  - h. Independence and conflicts of interest of external advisors, experts and consultants.
  - i. Information regarding which domestic or international practical guides on appointment committees are being followed, if any, and to what extent.
  - j. Significant deviations from the procedures adopted or improprieties of which the Board of Directors has been notified in writing in areas within the purview of the Committee.

### Article 28. Evaluation

1. Within the framework of the annual evaluation provided for in the *Regulations of the Board of Directors*, the Committee shall independently evaluate the performance thereof in order to strengthen the operation thereof and improve planning for the next financial year, for which purpose it shall ask the opinion of the other directors.
2. In the interest of greater transparency, the *Activities Report of the Board of Directors and of the Committees thereof* shall state the extent to which the evaluation has caused significant changes in the organisation and procedures of the Committee.

## ■ TITLE VII. COMPLIANCE, DISSEMINATION AND INTERPRETATION

### Article 29. Compliance and Dissemination

1. The members of the Committee, as well as the other members of the Board of Directors to the extent they are affected, have the obligation to know and comply with these *Regulations*, for which purpose the secretary of the Board of Directors shall post them on the directors' website and on the Company's corporate website.
2. In addition, the Committee shall have the obligation to ensure compliance with these *Regulations* and to adopt appropriate measures for the required dissemination thereof among the rest of the organisation.

### Article 30. Interpretation

1. These Regulations shall be interpreted in accordance with law and the Governance and Sustainability System.
2. Any question or dispute regarding the interpretation of these Regulations shall be resolved by the Committee itself, and in the absence of such resolution, by the chair of the Committee, who shall be assisted by such persons, if any, as may be appointed by the Board of Directors for such purpose. The Board of Directors shall be informed of the interpretation and resolution of the questions or disputes that may have arisen.
3. In the absence of a specific rule, the provisions of the *Regulations of the Board of Directors* regarding the operation of the Board and, in particular, those regarding the call to meetings, granting of a proxy to another director, establishment of a quorum, meetings without prior notice, proceedings at meetings and system for adopting resolutions, casting of votes in writing and without a meeting and approval of the minutes of meetings, shall apply to the Committee to the extent that they are not inconsistent with the nature thereof.

