



ANNUAL  
CORPORATE  
GOVERNANCE  
REPORT  
2022

# ANNUAL CORPORATE GOVERNANCE REPORT 2022

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## ELECNOR, S.A. ANNUAL CORPORATE GOVERNANCE REPORT FOR THE 2022 FINANCIAL YEAR

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In compliance with the legal obligations and based on the standard form circulated by the CNMV (Spain's National Securities Market Commission), the Board of Directors of ELECNOR, S.A. (hereinafter "Elecnor" or "the Company") has prepared this Annual Corporate Governance Report (hereinafter "the REPORT") for the financial year ended 31 December 2022.

The REPORT was approved by the Company's Board of Directors at its meeting held on 22 February 2023 and shall immediately be notified and sent to the CNMV by electronic means for its dissemination.

The REPORT shall also be made available to the shareholders upon publication of the announcement of the call to meet at the Annual General Shareholders' Meeting to decide on the approval of the Annual Financial Statements for the financial year ended 31 December 2022.

## A) OWNERSHIP STRUCTURE

### A.1 Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Indicate whether company's articles of association contain the provision of double loyalty voting:

Yes  No

Date of approval at the general meeting dd/mm/yyyy

Minimum period of uninterrupted ownership required under the articles of association

Indicate whether the company has awarded votes for loyalty:

Yes  No

Date of last change of share capital	Share capital (€)	Number of shares	Number of voting rights (not including additional loyalty-attributed votes)	Number of additional attributed voting rights corresponding to shares with a loyalty vote	Total number of voting rights, including additional loyalty-attributed votes
20/05/2009	8,700,000	87,000,000	87,000,000		

Number of shares entered on the special register pending completion of the loyalty

Not applicable.

Indicate whether there are different classes of shares with different associated rights:

Yes  No

Class	Number of shares	Par value	Number of voting rights	Rights and obligations conferred

### A.2 List the company's significant direct and indirect shareholders at year end, including directors with a significant shareholding:

Name or company name of shareholder	% of voting rights attributed to the shares (including votes for loyalty)		% of voting rights through financial instruments		% of total voting rights de voto	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
CANTILES XXI, S.L.	52,759%				52,759%		
FRANCISCO GARCÍA PARAMÉS		3,013%			3,013%		

Breakdown of the indirect holding:

Name or company name of the indirect owner	Name or company name of the direct owner	% of voting rights attached to shares (including votes for loyalty)	% of voting rights through financial instruments	% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote
FRANCISCO GARCÍA PARAMÉS	COBAS SELECCIÓN, F.I.; COBAS IBERIA, F.I.; COBAS RENTA, F.I.; COBAS SELECCIÓN, F.I.; Cobas Lux SICAV: Cobas Selection Fund; Cobas Lux SICAV: Cobas Large Cap Fund; Cobas Mixto Global, F.P.; Cobas Global, F.P.; AZ Multi Asset. Subfund: AZ Multi Asset - Bestvalue; COBAS CONCENTRADOS, F.I.L.; ALTERNATIVE FUND SICAV-SIF-COBAS CONCENTRATED VALUE FUND; COBAS VALUE, SICAV, S.A.	3,013%		3,013%	

Indicate the most significant changes in the shareholder structure during the year:

On 3 June 2022, SANTANDER ASSET MANAGEMENT, S.A., SGIC reported the loss of its status as a significant shareholder in Elecnor, S.A. to the CNMV as a result of having transferred a portion of its voting rights in the company, leaving it with an indirect holding of 2.790% in its share capital.

On the other hand, on 7 June 2022, Francisco García Paramés informed the CNMV that he had become a significant shareholder in Elecnor, S.A. after indirectly reaching over 3% of the voting rights attributed to the shares, the details of which are given in the tables above.

### A.3 Give details of the participation at the close of the fiscal year of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in section A.2 above:

Name or company name of director	% of voting rights attributed to the shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR JAIME REAL DE ASÚA ARTECHE	0.036%				0.036%		
MR IGNACIO PRADO REY-BALTAR	0.464%				0.464%		
MR MIGUEL CERVERA EARLE	0.164%	0.004%			0.169%		
MS ISABEL DUTILH CARVAJAL	0.010%				0.010%		
MR JOAQUÍN GÓMEZ DE OLEA MENDARO	0.001%	0.115%			0.116%		
MR CRISTÓBAL GONZÁLEZ DE AGUILAR ALONSO-URQUIJO	0.135%				0.135%		
MS IRENE HERNÁNDEZ ÁLVAREZ	0.007%				0.007%		
MR JUAN LANDECHO SARABIA	0.003%	0.082%			0.085%		
MR SANTIAGO LEÓN DOMEQ	0.414%				0.414%		
MR RAFAEL MARTÍN DE BUSTAMANTE VEGA	0.025%				0.025%		
MR MIGUEL MORENÉS GILES		1.011%			1.011%		
MR RAFAEL PRADO ARANGUREN	0.148%				0.148%		
MR EMILIO YBARRA AZNAR	0.011%				0.011%		

Total percentage of voting rights held by the Board of Directors 2.631%

Breakdown of the indirect holding:

Name or company name of director	Name or company name of the direct owner	% of voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the % of additional votes attributed corresponding to the shares with a loyalty vote
MR MIGUEL CERVERA EARLE	MARIA DEL MAR MANCA DIAZ	0.004%		0.004%	
MR JOAQUÍN GÓMEZ DE OLEA MENDARO	BARANGO, S.L.	0.115%		0.115%	
MR JUAN LANDECHO SARABIA	SOFIA CANOSA CASTILLO	0.082%		0.082%	
MR MIGUEL MORENÉS GILES	KEROW INVERSIONES, S.L.	1.011%		1.011%	

List the total percentage of voting rights represented on the board:

Total percentage of voting rights held by the Board of Directors	55.379%
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Observations

Cantiles XXI, S.L. holds 52.759% of Elecnor, S.A. directly and nine proprietary directors represent it on the board, even though it does not have director status directly

**A.4** If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:

Not applicable.

**A.5** If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Not applicable.

**A.6** Unless insignificant for both parties, describe the relationships that exist between significant shareholders or shareholders represented on the Board and directors or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
MR JAIME REAL DE ASÚA ARTECHE	CANTILES XXI, S.L.		DEPUTY CHAIRMAN
MR IGNACIO PRADO REY BALTAR	CANTILES XXI, S.L.		
MR JOAQUÍN GÓMEZ DE OLEA Y MENDARO	CANTILES XXI, S.L.		CHAIRMAN
MR MIGUEL CERVERA EARLE	CANTILES XXI, S.L.		
MR CRISTÓBAL GONZÁLEZ DE AGUILAR ALONSO-URQUIJO	CANTILES XXI, S.L.		ALTERNATE DIRECTOR
MR JUAN LANDECHO SARABIA	CANTILES XXI, S.L.		BOARD MEMBER
MR SANTIAGO LEÓN DOMEQ	CANTILES XXI, S.L.		
MR MIGUEL MORENÉS GILES	CANTILES XXI, S.L.		BOARD MEMBER
MR RAFAEL PRADO ARANGUREN	CANTILES XXI, S.L.		

**A.7** Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Companies Act. If so, describe them briefly and list the shareholders bound by the agreement:

Yes  No

Indicate whether the company is aware of any concerted actions among its shareholders. If so, please provide a brief description:

Yes  No

Parties to the concerted action	% of share capital concerned	Brief description of the concerted action	Expiry date of the concerted action, if any

If any of the aforementioned agreements or the concerted actions have been amended or terminated during the year, indicate this expressly:

Not applicable.

**A.8** Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

Yes  No

Name or company name
CANTILES XXI, S.L.

Observations

In accordance with the provisions of Article 42 of the Commercial Code

### A.9 Complete the following tables with details of the company's treasury shares.

#### At the close of the year

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
2,322,384	-----	2.67%

(\*) Through:

Name or company name of direct shareholder	Number of direct shares
Total:	

Explain any significant changes during the year:

There have been no significant changes. The only transactions involving the company's treasury shares were those conducted under the Liquidity Contract which the company entered into with Renta 4 Banco S.A., the quarterly details of which are duly reported to the CNMV pursuant to the provisions of Section 2b) of the Fourth rule in Circular 1/2017.

### A.10 Provide a detailed description of the conditions and terms of the effective authority given to the board of directors at the general meeting to issue, repurchase, or dispose of treasury shares.

On 18 May 2022, at Elecnor's AGM a majority of holders present or represented and accounting for 96.83% of the company's share capital passed Resolution Eleven on the agenda, the literal transcription of which is as follows:

"It is hereby agreed by a majority to authorise the Board of Directors to acquire the Company's own shares on the part of the Company, or of the Controlled Companies, through purchase or any other transaction "inter vivos" for valuable consideration, in accordance with the provisions of Articles 146.1a and 509 of the Spanish Companies Act. It is authorised to acquire the number of shares at most which the Law and/or the mandatory legal provisions provide for at all times and which, at present, in addition to those already owned by the Company, directly or indirectly, constitute no more than 10% of its share capital. The acquisition price is to be at least the par value of the shares and no more than 30% above their traded value on the stock market, authorisation being for a period of five years.

This mandate could be used wholly or in part for the acquisition of own shares to pass or transfer to Executive Directors, or members of the Management team of either the Company or its group companies, or as a result of the exercise of option rights which they hold, which can be included within share buy-back programmes. Shares acquired by dint of this authorisation may be utilised, either wholly or in part, both for their disposal or redemption, or to implement potential corporate or business transactions, as well as for any other end permissible in law."

On the other hand, there is no current mandate from the General Shareholders' Meeting for Elecnor's Board of Directors to issue company shares.

### A.11 Estimated float:

	%
Estimated float	38.93%

### A.12 Indicate whether there are any restrictions (articles of incorporation, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover of the company through acquisition of its shares on the market, as well as such regimes for prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes  No

### A.13 Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

Yes  No

### A.14 Indicate whether the company has issued shares that are not traded on a regulated EU market.

Yes  No

## B) GENERAL SHAREHOLDERS' MEETING

**B.1** Indicate whether there are any differences between the minimum quorum regime established by the Spanish Companies Act for General Shareholders' Meetings and the quorum set by the company, and if so, give details.

Yes  No

**B.2** Indicate whether there are any differences between the company's manner of passing corporate resolutions and the regime provided in the Spanish Companies Act and, if so, give details.

Yes  No

**B.3** Indicate the rules for amending the company's articles of incorporation. In particular, indicate the majorities required for amendment of the articles of incorporation and any provisions in place to protect shareholders' rights in the event of amendments to the articles of incorporation.

These rules are contained in Article 11 of the company's articles of association and in Article 13 of the Regulations of the General Shareholders' Meeting, which we reproduce below:

It falls to the General Shareholders' Meeting to pass resolutions to amend the articles of association pursuant to Article 2 bis.d of the Regulations of the General Shareholders' Meeting, while the rules that apply to amendment of the company's articles of association are those which the Spanish Companies Act lays down.

In regard to the majorities required to amend them, it shall be necessary for there to be shareholders present or represented by proxy at first call who account for at least 50% of the subscribed capital bearing voting rights, in which case an absolute majority shall suffice for the resolution to be passed. At the second call, it will be enough for those accounting for 25% of such capital to attend, in which case voting in favour by two-thirds of those present or represented at the Meeting shall be required if the subscribed capital with voting rights that is spoken for does not reach the 50% mark (Articles 11 of the company's articles of association and 13 of the Regulations of the General Shareholders' Meeting).

Shareholders' rights at General Meetings are as the Spanish Companies Act stipulates and these are reflected in Articles 4, 5, 11 and 13.b of the Regulations of the General Shareholders' Meeting.

In particular, the Board must draft the full text of the amendment to the articles of association which it proposes, as well as a report which justifies it.

The announcement of the call to the General Meeting must also clearly articulate the points to be amended and state the right of all shareholders to examine both the proposed amendment and the report on it at the corporate registered office, as well as to ask for these documents to be delivered or sent free of charge or to consult them on the company website, where they shall be continuously available from publication of the announcement of the call to meet up to the staging of the General Meeting.

Shareholders shall also have those rights to be informed which they are granted for any General Meeting, namely (i) the right to information before it is held (from publication of the call to meet and up to the fifth day before it is held any shareholder can write requesting information or clarifications from the directors or ask any questions on the matters in the agenda which they consider

relevant, while they can also request explanations on the information available to the public which the company has provided for the CNMV since the previous General Meeting was held), which the directors must furnish in writing up until the day when the Meeting is held except in certain circumstances, as well as (ii) the right to information in the course of the actual Meeting.

Without detriment to this, the board has competence to change the corporate address within Spanish territory pursuant to Articles 285.2 of the Spanish Companies Act and 3 of the company's articles of association. This resolution is to be passed by an absolute majority of the board members in attendance or represented at the meeting (Article 16 of the Board Regulations).

**B.4** Give details of attendance at General Shareholders' Meetings held during the reporting year and the two previous years.

Date of general meeting	Attendance data				Total
	% physical presence	% present by proxy	Electronic voting	Other	
20/05/2020	5.04%	75.14%	1.42%	2.04%	83.64%
<b>Of which float</b>	1.27%	19.26%	1.17%	2.04%	23.75%
23/06/2021	4.68%	74.14%	0.06%	1.43%	80.31%
<b>Of which float</b>	1.06%	17.53%	0.06%	1.43%	20.08%
18/05/2022	6.62%	77.48%	0.04%	0.26%	84.40%
<b>Of which float</b>	1.45%	21.55%	0.04%	0.26%	23.30%

### Observations

Following two years of General Meetings held exclusively remotely, i.e., without the physical presence of shareholders and their proxy representatives, as a result of the Covid-19 pandemic, the second session of the 2022 AGM was for the first time held in "hybrid" form, meaning that this involved both physical and remote attendance by shareholders and their proxy representatives.

The voting by shareholders present and attending via remote means has therefore been included in the "electronic voting" column and that by those being represented by proxy attending remotely in the "% present by proxy" column.

**B.5** Indicate whether any point on the agenda of the general shareholders' meetings during the year was not approved by the shareholders for any reason.

Yes  No

Items on the agenda not approved	% vote against
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**B.6** Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

Yes  No

Number of shares required to attend General Meetings	10
Number of shares required for voting remotely	10



**B.7** Indicate whether it has been established that certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders' Meeting:

Yes  No

Explain the decisions that must be submitted to the General Shareholders' Meeting, other than those established by law

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**B.8** Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

All information concerning both the Corporate Governance of the company and General Shareholders' Meetings is available through the "Corporate Governance" section of the "Shareholders and Investors" section of its website at [www.grupoelecnor.com](http://www.grupoelecnor.com) and can be downloaded and printed in full.

## C) STRUCTURE OF THE COMPANY'S ADMINISTRATION

### C.1 BOARD OF DIRECTORS.

**C.1.1** Maximum and minimum number of directors established in the articles of incorporation and the number set by the general meeting.

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the general meeting	14

**C.1.2** Complete the following table on Board members.

Name or company name of director	Repr.	Category of director	Position on the board	Date first appointed	Date of last appointment	Election procedure	Date of birth
MR JAIME REAL DE ASÚA ARTECHE		Propietary	Chairman	19/12/2001	18/05/2022	Resolution of Shareholders at General Meeting	09/09/1954
MR IGNACIO PRADO REY-BALTAR		Propietary	Deputy Chairman	01/06/2018	18/05/2022	Resolution of Shareholders at General Meeting	21/08/1952
MR RAFAEL MARTÍN DE BUSTAMANTE VEGA		Executive	Board Member and CEO	18/05/2011	23/06/2021	Resolution of Shareholders at General Meeting	27/01/1958
MR CRISTÓBAL GONZÁLEZ DE AGUILAR ALONSO-URQUIJO		Propietary	Deputy Secretary	18/03/2015	22/05/2019	Resolution of Shareholders at General Meeting	23/11/1954
MR MIGUEL CERVERA EARLE		Propietary	Board Member	25/10/2017	18/05/2022	Resolution of Shareholders at General Meeting	29/09/1963
MS ISABEL DUTILH CARVAJAL		Independent	Board Member	20/05/2015	22/05/2019	Resolution of Shareholders at General Meeting	13/09/1963
MR JOAQUÍN GÓMEZ DE OLEA MENDARO		Propietary	Board Member	15/10/2009	20/05/2020	Resolution of Shareholders at General Meeting	02/05/1964
MS IRENE HERNÁNDEZ ÁLVAREZ		Independent	Board Member	01/06/2018	18/05/2022	Resolution of Shareholders at General Meeting	03/01/1965
MR JUAN LANDECHO SARABIA		Propietary	Board Member	05/10/2005	18/05/2022	Resolution of Shareholders at General Meeting	04/08/1956
MR SANTIAGO LEÓN DOMECCQ		Propietary	Board Member	28/10/2020	23/06/2021	Resolution of Shareholders at General Meeting	27/01/1958
MR MIGUEL MORENÉS GILES		Propietary	Board Member	23/07/1987	18/05/2022	Resolution of Shareholders at General Meeting	03/03/1948
MS FRANCISCA ORTEGA HERNÁNDEZ-AGERO		Independent	Board Member	18/05/2022	18/05/2022	Resolution of Shareholders at General Meeting	26/12/1962
MR RAFAEL PRADO ARANGUREN		Propietary	Board Member	18/11/1993	18/05/2022	Resolution of Shareholders at General Meeting	27/06/1965
MR EMILIO YBARRA AZNAR		Independent	Board Member	20/05/2015	22/05/2019	Resolution of Shareholders at General Meeting	12/07/1964

TOTAL NUMBER OF DIRECTORS 14



Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or company name of director	Category of director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office
MR FERNANDO AZAOLA ARTECHE	Other External	01/06/2018	18/05/2022	Executive Committee	Yes
MR GABRIEL DE ORAA Y MOYUA	Propietary	01/06/2018	18/05/2022	Not applicable	Yes

Reason for the cessation when this occurs before the end of the term of office and other remarks; information on whether the director has sent a letter to the remaining board members and, in the case of cessation of non-executive directors, explanation or opinion of the director dismissed by the general meeting

Fernando Azaola Arteché and Gabriel Oraa Moyúa sent the Board separate letters of voluntary relinquishment of their posts as directors on 29 March 2022 and 18 February 2022 respectively, in which they stated that their subsequent resignations would become effective upon conclusion of the Board meeting of 18 May 2022 prior to the General Shareholders' Meeting that same day. The reason for both resignations was to smooth the reshaping of the company's Board in keeping with the recommendations on sound corporate governance. The Board unanimously decided to accept the resignations of Fernando Azaola Arteché and Gabriel Oraa Moyúa following its aforementioned meeting ahead of the General Meeting.

### C.1.3 Complete the following tables on the members of the board and their categories.

#### EXECUTIVE DIRECTORS

Name or company name of the director	Post in organisation chart of the company	Profile
Mr Rafael Martín de Bustamante Vega	CEO	<p><b>PROFESSIONAL AND BIOGRAPHICAL PROFILE</b></p> <p><b>Position:</b> CEO  <b>Category:</b> Executive  <b>Committees:</b>                      - Member of the Executive Committee (18/03/2015).  <b>Dates of appointment and re-election as a director of Elecnor, S.A.:</b>                      - First appointment: 18/05/2011                      - 1st re-election: 16/05/2017                      - 2nd re-election: 23/06/2021  <b>Holding in the share capital of Elecnor, S.A.:</b>                      - Direct: 0.025%                      - Indirect: 0.000%</p> <p><b>OTHER CURRENT PROFESSIONAL POSITIONS HELD AND ACTIVITIES</b></p> <p><b>Elecnor Group:</b>                      - Joint Director of ELECENOR SERVICIOS Y PROYECTOS, S.A.U. authorised to represent it alone.                      - Director of ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.                      - Director of CELEO CONCESIONES E INVERSIONES, S.L.                      - Member of the advisory board of the ELECENOR FOUNDATION.</p> <p><b>PROFESSIONAL CAREER</b></p> <p><b>Elecnor Group:</b>                      - General Manager                      - General Manager of Networks and Installations                      - General Management Director                      - International Sales Management                      - National Sales Management.</p> <p><b>Outside the Elecnor Group:</b>                      - President of ADEMI (Association of Industrial Assembly Companies)</p> <p><b>ACADEMIC EDUCATION</b>                      - Degree in Physics from the UNED                      - Diploma in the PADE Programme from the IESE Business School of the University of Navarra (Spain):                      - Languages: English and French.</p>

Total number of executive directors	1
Percentage of Board	7.14%

**EXTERNAL PROPRIETARY DIRECTORS**

Name or company name of the director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
Mr Jaime Real de Asúa Arteche	CANTILES XXI, S.L.	<p><b>PROFESSIONAL AND BIOGRAPHICAL PROFILE</b>  <b>Position:</b> Chairman (01/01/2017)  <b>Category:</b> Proprietary  <b>Committees:</b>                      - Chairman of the Executive Committee (18/01/2017).                      - Secretary of the Appointments, Remunerations and Sustainability Committee (07/04/2015).  <b>Dates of appointment and re-election as a director of Elecnor, S.A.:</b>                      - First appointment: 19/12/2001                      - 1st re-election: 20/06/2003                      - 2nd re-election: 23/06/2006                      - 3rd re-election: 23/05/2012                      - 4th re-election: 01/06/2018                      - 5th re-election: 18/05/2022  <b>Holding in the share capital of Elecnor, S.A.:</b>                      - Direct: 0.036%                      - Indirect: 0.000%</p> <p><b>OTHER CURRENT PROFESSIONAL POSITIONS HELD AND ACTIVITIES</b>  <b>Elecnor Group:</b>                      - Chairman of the Committee of ELECENOR SERVICIOS Y PROYECTOS, S.A.U.                      - Director of ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.  <b>Outside the Elecnor Group:</b>                      - VISCOFAN, S.A.: Director, Deputy Chairman of the Board, and Chairman of the Appointments, Remunerations and Sustainability Committee                      - Director and Deputy Chairman of the Board of Directors of CANTILES XXI, S.L.                      - TASDEY, S.A.: Director                      - BBVA: Member of the Advisory Board of Zona Norte                      - CIRCULO DE EMPRESARIOS: Member                      - ADEY FOUNDATION: Trustee                      - Joint and Several Administrator of RACAZ SEIS, S.L.</p> <p><b>PROFESSIONAL CAREER</b>  <b>Elecnor Group:</b>                      - Deputy Chairman of the Board of Directors                      - Director of CELEO CONCESIONES E INVERSIONES, S.L.  <b>Outside the Elecnor Group:</b>                      - CEMENTOS PORTLAND VALDERRIVAS: various management positions and member of the Board of Directors of several of its companies.</p> <p><b>ACADEMIC EDUCATION</b>                      - Degree in Industrial Engineering, specialising in Industrial Organisation, from the ETSII in Bilbao.                      - Languages: English.</p>

**EXTERNAL PROPRIETARY DIRECTORS**

Name or company name of the director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
Mr Ignacio Prado Rey-Baltar	CANTILES XXI, S.L.	<p><b>PROFESSIONAL AND BIOGRAPHICAL PROFILE</b>  <b>Position:</b> Deputy Chairman (01/06/2018)  <b>Category:</b> Proprietary  <b>Committees:</b>                      - Member of the Audit Committee (01/06/2018)                      - Member of the Executive Committee (23/09/2020)  <b>Dates of appointment and re-election as a director of Elecnor, S.A.:</b>                      - First appointed: 01/06/2018                      - 1st re-election: 18/05/2022  <b>Holding in the share capital of Elecnor, S.A.:</b>                      - Direct: 0.464%                      - Indirect: 0.000%</p> <p><b>OTHER CURRENT PROFESSIONAL POSITIONS HELD AND ACTIVITIES</b>  <b>Elecnor Group:</b>                      - Director of ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.  <b>Outside the Elecnor Group:</b>                      - Director of GRUPO CELULOSAS MOLDEADAS, S.L.</p> <p><b>PROFESSIONAL CAREER</b>  <b>Elecnor Group:</b>                      - Deputy General Manager of Assets of ELECENOR, S.A. subsidiaries                      - Director of Interior subsidiaries                      - Director of Human Resources                      - Technology and New Products. Gas and Water.                      - Gas Delegation.                      - Member and Secretary of the Board of Trustees of the ELECENOR FOUNDATION.  <b>Outside the Elecnor Group:</b>                      - Prado Hnos., S.A.: Administrative Financial Director                      - Assistant to the Administrative Financial Director                      - Member of the Board of Directors of CEMOPOL - CELULOSAS MOLDEADAS PORTUGUESAS, S.A.</p> <p><b>ACADEMIC EDUCATION</b>                      - Degree in Economics and Business Administration from the Universidad Comercial de Deusto                      - Senior Management Programme (PADE) at the IESE Business School of the University of Navarra.                      - Languages: English.</p>

**EXTERNAL PROPRIETARY DIRECTORS**

Name or company name of the director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
Mr Joaquín Gómez de Olea Mendaro	CANTILES XXI, S.L.	<p><b>PROFESSIONAL AND BIOGRAPHICAL PROFILE</b></p> <p><b>Position:</b> Board Member  <b>Category:</b> Proprietary  <b>Committees:</b></p> <ul style="list-style-type: none"> <li>- Member of the Executive Committee (18/05/2022)</li> </ul> <p><b>Dates of appointment and re-election as a director of Elecnor, S.A.:</b></p> <ul style="list-style-type: none"> <li>- First appointed: 15/10/2009</li> <li>- 1st re-election: 18/05/2016</li> <li>- 2nd re-election: 20/05/2020</li> </ul> <p><b>Holding in the share capital of Elecnor, S.A.:</b></p> <ul style="list-style-type: none"> <li>- Direct: 0.001%</li> <li>- Indirect: 0.115%</li> </ul> <p><b>OTHER CURRENT PROFESSIONAL POSITIONS HELD AND ACTIVITIES</b></p> <p><b>Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Board Member of CELEO CONCESIONES E INVERSIONES, S.L.</li> <li>- Secretary-Director of ENERFIN SOCIEDAD DE ENERGIA, S.L.U.</li> </ul> <p><b>Outside the Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Director and Chairman of CANTILES XXI, S.L.</li> </ul> <p><b>PROFESSIONAL CAREER</b></p> <p><b>Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Secretary to the Board of Directors of ELECNOR, S.A.</li> </ul> <p><b>Outside the Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Director of TUBOS REUNIDOS.</li> <li>- Member of the Appointments and Remuneration Committee of TUBOS REUNIDOS.</li> <li>- Chairman of the Audit Committee of TUBOS REUNIDOS.</li> <li>- Member of the Audit Committee of TUBOS REUNIDOS.</li> <li>- Non-executive Chairman of CELEO REDES, S.L.U.</li> </ul> <p><b>ACADEMIC EDUCATION</b></p> <ul style="list-style-type: none"> <li>- Higher Industrial Engineer qualifying at the School of Industrial Engineers, Madrid (U.P.M.)</li> <li>- Languages: English.</li> </ul>

**EXTERNAL PROPRIETARY DIRECTORS**

Name or company name of the director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
Mr Cristóbal González de Aguilar Alonso-Urquijo	CANTILES XXI, S.L.	<p><b>PROFESSIONAL AND BIOGRAPHICAL PROFILE</b></p> <p><b>Position:</b> Board Member  <b>Category:</b> Proprietary  <b>Committees:</b></p> <ul style="list-style-type: none"> <li>- Member of the Executive Committee (01/06/2018)</li> </ul> <p><b>Dates of appointment and re-election as a director of Elecnor, S.A.:</b></p> <ul style="list-style-type: none"> <li>- First appointment: 18/03/2015</li> <li>- 1st re-election: 22/05/2019</li> <li>- Appointed as Deputy Secretary: 20/01/2016</li> </ul> <p><b>Holding in the share capital of Elecnor, S.A.:</b></p> <ul style="list-style-type: none"> <li>- Direct: 0.135%</li> <li>- Indirect: 0.000%</li> </ul> <p><b>OTHER CURRENT PROFESSIONAL POSITIONS HELD AND ACTIVITIES</b></p> <p><b>Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Director of ENERFIN SOCIEDAD DE ENERGIA, S.L.U.</li> </ul> <p><b>Outside the Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Alternate Director of CANTILES XXI, S.L.</li> </ul> <p><b>PROFESSIONAL CAREER</b></p> <p><b>Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Director of CELEO CONCESIONES E INVERSIONES, S.L.</li> </ul> <p><b>Outside the Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Director of ELECDEY, S.L.</li> <li>- Director of TASDEY, S.A.</li> <li>- CEO of Ingeniería, Estudios y Proyectos NIP, S.A.</li> <li>- Management of the Commercial Department at Ingeniería, Estudios y Proyectos NIP, S.A.</li> <li>- Operations department (Seville Airport), AENA</li> </ul> <p><b>ACADEMIC EDUCATION</b></p> <ul style="list-style-type: none"> <li>- Higher Aeronautical Engineer from the School of Aeronautical Engineering of the Polytechnic University of Madrid.</li> <li>- Upper-Level Diploma from The British Institute in Madrid</li> <li>- Diploma in Business Administration, Corporate Finance and Stock Market Analysis from CEPADE of the Polytechnic University of Madrid.</li> <li>- Management Development Programme (PDD) from the IESE Business School of the University of Navarra.</li> <li>- Languages: English and French.</li> </ul>

**EXTERNAL PROPRIETARY DIRECTORS**

Name or company name of the director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
Mr Miguel Cervera Earle	CANTILES XXI, S.L.	<p><b>PROFESSIONAL AND BIOGRAPHICAL PROFILE</b></p> <p><b>Position:</b> Board Member  <b>Category:</b> Proprietary  <b>Committees:</b></p> <ul style="list-style-type: none"> <li>- Member of the Appointments, Remunerations and Sustainability Committee (24/03/2021)</li> </ul> <p><b>Dates of appointment and re-election as a director of Elecnor, S.A.:</b></p> <ul style="list-style-type: none"> <li>- First appointed: 25/10/2017</li> <li>- 1st re-election: 18/05/2022</li> </ul> <p><b>Holding in the share capital of Elecnor, S.A.:</b></p> <ul style="list-style-type: none"> <li>- Direct: 0.164%</li> <li>- Indirect: 0.004%</li> </ul> <p><b>OTHER CURRENT PROFESSIONAL POSITIONS HELD AND ACTIVITIES</b></p> <p><b>Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Deputy Secretary of ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.</li> </ul> <p><b>Outside the Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Director of Maria del Mar Manca S.L.</li> <li>- Director of Clonsila Inversiones S. L.</li> <li>- Director of Inversiones Berretin, S.L.</li> <li>- Director of Tasdey, S.A.</li> </ul> <p><b>PROFESSIONAL CAREER</b></p> <p><b>Outside the Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Founder and Managing Director of Solución Dental, S.L.</li> <li>- Founder and Managing Director of Solución Salud, S.L.</li> <li>- Director of Ingeniería, Estudios y Proyectos NIP, S.A.</li> <li>- Founder and Partner of SMI España Infoclinic.</li> <li>- Founder and Partner of Mirco Ltd.</li> <li>- Director of Echepolita S.L.</li> </ul> <p><b>ACADEMIC EDUCATION</b></p> <ul style="list-style-type: none"> <li>- Graduate of the Centro de Estudios Informáticos (Madrid).</li> <li>- Master's degree in business programming from SPHINX, Ltd. (London).</li> <li>- MP - Programme for Directors. Keys to successfully tackle the new challenges facing Boards of Directors. ESADE BUSINESS SCHOOL MADRID.</li> <li>- Languages: English.</li> </ul>

**EXTERNAL PROPRIETARY DIRECTORS**

Name or company name of the director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
Mr Juan Landecho Sarabia	CANTILES XXI, S.L.	<p><b>PROFESSIONAL AND BIOGRAPHICAL PROFILE</b></p> <p><b>Position:</b> Board Member  <b>Category:</b> Proprietary  <b>Committees:</b> N/A  <b>Dates of appointment and re-election as a director of Elecnor, S.A.:</b></p> <ul style="list-style-type: none"> <li>- First appointed: 05/10/2005</li> <li>- 1st re-election: 23/05/2012</li> <li>- 2nd re-election: 01/06/2018</li> <li>- 3rd re-election: 18/05/2022</li> </ul> <p><b>Holding in the share capital of Elecnor, S.A.:</b></p> <ul style="list-style-type: none"> <li>- Direct: 0.003%</li> <li>- Indirect: 0.082%</li> </ul> <p><b>OTHER CURRENT PROFESSIONAL POSITIONS HELD AND ACTIVITIES</b></p> <p><b>Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Director of ENERFIN SOCIEDAD DE ENERGIA, S.L.U.</li> </ul> <p><b>Outside the Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Director of CANTILES XXI, S.L.</li> </ul> <p><b>PROFESSIONAL CAREER</b></p> <p><b>Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Manager in several departments of Elecnor, S.A.</li> <li>- Belonged to INTERNACIONAL DE DESARROLLO ENERGETICO, S.A.</li> </ul> <p><b>Outside the Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Director of Ingeniería, Estudios y Proyectos NIP, S.A.</li> <li>- Director and Vice President of the Club de Exportadores e Inversores.</li> <li>- Director of CELEO CONCESIONES E INVERSIONES, S.L.</li> <li>- Director and member of the Board Committee of the Association of Manufacturers of Capital Goods SERCOBE.</li> <li>- Credit Suisse.</li> <li>- Electrowatt Ingeniería.</li> </ul> <p><b>ACADEMIC EDUCATION</b></p> <ul style="list-style-type: none"> <li>- Degree in Economics and Business Administration from the Universidad Pontificia de Comillas, ICADE 2.</li> <li>- Languages: English.</li> </ul>

**EXTERNAL PROPRIETARY DIRECTORS**

Name or company name of the director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
Mr Santiago León Domecq	CANTILES XXI, S.L.	<p><b>PROFESSIONAL AND BIOGRAPHICAL PROFILE</b></p> <p><b>Position:</b> Board Member  <b>Category:</b> Proprietary  <b>Committees:</b> N/A  <b>Dates of appointment and re-election as a director of Elecnor, S.A.:</b>                      - First appointment: 28/10/2020  <b>Holding in the share capital of Elecnor, S.A.:</b>                      - Direct: 0.414%                      - Indirect: 0.000%</p> <p><b>OTHER CURRENT PROFESSIONAL POSITIONS HELD AND ACTIVITIES</b></p> <p><b>Elecnor Group:</b>                      - Director of ENERFIN SOCIEDAD DE ENERGIA, S.L.U.</p> <p><b>Outside the Elecnor Group:</b>                      - Director of TASDEY, S.A.                      - Director of PROBIGRAF, S.L.</p> <p><b>PROFESSIONAL CAREER</b></p> <p><b>Elecnor Group:</b>                      - Director of DEIMOS SPACE, S.L.U.</p> <p><b>Outside the Elecnor Group:</b>                      - Director of Ingeniería, Estudios y Proyectos NIP, S.A.                      - Director of ELECDEY, S.L.                      - Director of ELECDEY CARCELERN, S.L.                      - Director of ELECDEY ASCOY, S.A.                      - High Net Worth Agent at BANKINTER                      - Chairman of VOLVO TURISMOS LA RAZA                      - Territorial Director of Private Banking at BANESTO                      - Director of CONTIFORM, S.A.                      - Deputy Chairman of CHASE MANHATTAN BANK                      - Director of JEREZ INDUSTRIAL, S.A.                      - Director of GRAFICARTÓN, S.A.                      - Director of EUROPAPEL, S.A.                      - Manager of MANUFACTURERS HANOVER TRUST CO.</p> <p><b>ACADEMIC EDUCATION</b></p> - Law degree, University of Cadiz - MBA, University of Cadiz - Languages: English.

**EXTERNAL PROPRIETARY DIRECTORS**

Name or company name of the director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
Mr Miguel Morenés Giles	CANTILES XXI, S.L.	<p><b>PROFESSIONAL AND BIOGRAPHICAL PROFILE</b></p> <p><b>Position:</b> Board Member  <b>Category:</b> Proprietary  <b>Committees:</b>                      - Member of the Executive Committee (18/03/2015)                      - Secretary of the Audit Committee (01/06/2018)  <b>Dates of appointment and re-election as a director of Elecnor, S.A.:</b>                      - First appointed 23/07/1987                      - 1st re-election: 21/06/1991                      - 2nd re-election: 27/06/1996                      - 3rd re-election: 18/06/1998                      - 4th re-election: 20/06/2003                      - 5th re-election: 23/06/2006                      - 6th re-election: 23/05/2012                      - 7th re-election: 01/06/2018                      - 8th re-election: 18/05/2022  <b>Holding in the share capital of Elecnor, S.A.:</b>                      - Direct: 0.000%                      - Indirect: 1.011%</p> <p><b>OTHER CURRENT PROFESSIONAL POSITIONS HELD AND ACTIVITIES</b></p> <p><b>Elecnor Group:</b>                      - Director of ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.                      - Non-executive Chairman of CELEO CONCESIONES E INVERSIONES, S.L.</p> <p><b>Outside the Elecnor Group:</b>                      - Padre Damián Foundation: Founder and Trustee                      - Director of CANTILES XXI, S.L.                      - Chairman of the Board of Directors of Fincas Cultivadas S.L.                      - Agrícola Capdepon S.L. Individual representing the Administrator of Fincas Cultivadas.                      - Director of Acerca Partners S.L.                      - Director of Kerow Inversiones S.L.                      - Director of Inversiones Transitorias con Inmuebles S.L.                      - Director of Eguiluz Equipamientos S.L.                      - Director of Edificios Eguiluz S.L.</p> <p><b>PROFESSIONAL CAREER</b></p> <p><b>Outside the Elecnor Group:</b>                      - Confide Residencial, S.L.: Director                      - Strategic Adviser for several companies.                      - Freigel Foodsolutions, S.A.: Chairman and CEO                      - Grupo Agrovic Alimentación: Director and CEO                      - Tinamenor, S.A.: Chairman and CEO                      - Constructora Internacional, S.A.: Deputy Managing Director                      - Williams &amp; Humbert, S.A.: Director of the International Division.                      - Garvey, S.A.: Deputy General Manager and Assistant to the Managing Director.</p> <p><b>ACADEMIC EDUCATION</b></p> - Graduate in Political, Economic and Business Sciences, specialising in Business, from the Complutense University of Madrid. - Masters in Economics and Business Management (MED) at the Instituto de Estudios Superiores de la Empresa (IESE) of the University of Navarra in Barcelona. - Senior Business Management Programme (PADE) at the Instituto de Estudios Superiores de la Empresa (IESE) of the University of Navarra in Barcelona. - Languages: English and French.

**EXTERNAL PROPRIETARY DIRECTORS**

Name or company name of the director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
Mr Rafael Prado Aranguren	CANTILES XXI, S.L.	<p><b>PROFESSIONAL AND BIOGRAPHICAL PROFILE</b></p> <p><b>Position:</b> Board Member  <b>Category:</b> Proprietary  <b>Committees:</b> N/A  <b>Dates of appointment and re-election as a director of Elecnor, S.A.:</b></p> <ul style="list-style-type: none"> <li>- First appointed: 18/11/1993</li> <li>- 1st re-election: 27/06/1996</li> <li>- 2nd re-election: 18/06/1998</li> <li>- 3rd re-election: 20/06/2003</li> <li>- 4th re-election: 23/06/2006</li> <li>- 5th re-election: 23/05/2012</li> <li>- 6th re-election: 01/06/2018</li> <li>- 7th re-election: 18/05/2022</li> </ul> <p><b>Holding in the share capital of Elecnor, S.A.:</b></p> <ul style="list-style-type: none"> <li>- Direct: 0.158%</li> <li>- Indirect: 0.000%</li> </ul> <p><b>OTHER CURRENT PROFESSIONAL POSITIONS HELD AND ACTIVITIES</b></p> <p><b>Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Director of ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.</li> </ul> <p><b>Outside the Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Joint Director and Founding Partner of Servicio y Asesoramiento de Riesgos Empresariales, S.L. (SARE, S.L. Insurance Brokerage)</li> <li>- Joint Director and Founding Partner at Sarelan Consultores, S.L.L.</li> <li>- Member of the Board of Directors and Secretary of Team Ingeniería y Consultoría, S.L.</li> </ul> <p><b>PROFESSIONAL CAREER</b></p> <p><b>Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Secretary of the Board of Directors</li> <li>- Member of the Audit Committee</li> <li>- Chairman of the Equity Committee of Subsidiaries</li> <li>- Board Member of CELEO CONCESIONES E INVERSIONES, S.L.</li> </ul> <p><b>Outside the Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Held various positions of responsibility in the firms Alexander &amp; Alexander and AON Gil &amp; Carvajal</li> </ul> <p><b>ACADEMIC EDUCATION</b></p> <ul style="list-style-type: none"> <li>- Graduate in Economics and Business Studies from the Complutense University of Madrid, specialising in Auditing within Business Studies.</li> <li>- Studies completed entirely at CUNEF.</li> <li>- Diploma as a Qualified Insurance Broker.</li> <li>- Languages: English.</li> </ul>

Total number of proprietary directors	9
Percentage of Board	64.29%

**EXTERNAL INDEPENDENT DIRECTORS**

Name or company name of the director	Profile
Ms Isabel Dutilh Carvajal	<p><b>PROFESSIONAL AND BIOGRAPHICAL PROFILE</b></p> <p><b>Position:</b> Board Member  <b>Category:</b> Independent  <b>Committees:</b></p> <ul style="list-style-type: none"> <li>- Member of the Audit Committee (17/06/2015).</li> <li>- Member of the Appointments, Remunerations and Sustainability Committee (17/06/2015).</li> </ul> <p><b>Dates of appointment and re-election as a director of Elecnor, S.A.:</b></p> <ul style="list-style-type: none"> <li>- First appointed: 20/05/2015</li> <li>- 1st re-election: 22/05/2019</li> </ul> <p><b>Holding in the share capital of Elecnor, S.A.:</b></p> <ul style="list-style-type: none"> <li>- Direct: 0.010%</li> <li>- Indirect: 0.000%</li> </ul> <p><b>OTHER CURRENT PROFESSIONAL POSITIONS HELD AND ACTIVITIES</b></p> <p><b>Outside the Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Founding partner of Argali Abogados, S.L., a firm specialising in M&amp;A.</li> <li>- Independent Board Member of Millennium Hospitality Real Estate SOCIMI, member of the Appointments and Remuneration Committee and of the Audit Committee.</li> <li>- Independent Board Member of Banco de Alcalá, S.A., Chairwoman of the Appointments and Remuneration Committee, and member of the Audit and Supervisory Committee.</li> <li>- Chairwoman of the Legal Security working group of the Círculo de Empresarios.</li> <li>- Arbitrator.</li> </ul> <p><b>PROFESSIONAL CAREER</b></p> <p><b>Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Chairwoman of the Audit Committee.</li> </ul> <p><b>Outside the Elecnor Group:</b></p> <ul style="list-style-type: none"> <li>- Founding partner and Board Member of the multidisciplinary business law firm DUTILH ABOGADOS.</li> <li>- Secretary of the Board of Directors and of the Executive Committee of Prosegur.</li> <li>- Secretary of the Board of Directors and of the Audit Committee of Bodaclck.</li> <li>- Secretary of the Board of Directors of several unlisted companies.</li> </ul> <p><b>ACADEMIC EDUCATION</b></p> <ul style="list-style-type: none"> <li>- Degree in Law, CEU, Complutense University.</li> <li>- Masters in Maritime Business, ICADE. Spanish Maritime Institute.</li> <li>- Masters in Maritime Law (LLM), University of Cardiff, Wales.</li> <li>- Leadership in law firms, Harvard.</li> <li>- Languages: English and French.</li> </ul>

## EXTERNAL INDEPENDENT DIRECTORS

Name or company name of the director	Profile
Ms Irene Hernández Álvarez	<p><b>PROFESSIONAL AND BIOGRAPHICAL PROFILE</b></p> <p><b>Position:</b> Board Member  <b>Category:</b> Independent  <b>Committees:</b>                      - Chairwoman of the Audit Committee (22/05/2019)  <b>Dates of appointment and re-election as a director of Elecnor, S.A.:</b>                      - First appointed: 01/06/2018                      - 1st re-election: 18/05/2022  <b>Holding in the share capital of Elecnor, S.A.:</b>                      - Direct: 0.007%                      - Indirect: 0.000%</p> <p><b>OTHER CURRENT PROFESSIONAL POSITIONS HELD AND ACTIVITIES</b></p> <p><b>Outside the Elecnor Group:</b>                      - Founding Partner of Impulsa Capital, S.L.                      - Coordinating Director, Chairwoman of the Appointments and Remuneration Committee, and both Member and Secretary of the Audit Committee of Saint Croix Holding Immobilier SOCIMI, S.A.                      - Coordinating Director, member of the Executive Committee, Chairwoman of the Audit Committee and member of the Appointments and Remuneration Committee of ENCE ENERGÍA Y CELULOSA, S.A.</p> <p><b>PROFESSIONAL CAREER</b></p> <p><b>Elecnor Group:</b>                      - Member of the Audit Committee.</p> <p><b>Outside the Elecnor Group:</b>                      - J.P. Morgan.</p> <p><b>ACADEMIC EDUCATION</b></p> <p>- ICADE, Madrid.                      - Extraordinary End of Degree Award E-2 in Economics and Business Studies.                      - Second National Economics Prize.                      - Carlos Cubillo Valverde Award (6th edition), sponsored by Price Waterhouse.                      - Languages: English.</p>

## EXTERNAL INDEPENDENT DIRECTORS

Name or company name of the director	Profile
Mr Emilio Ybarra Aznar	<p><b>PROFESSIONAL AND BIOGRAPHICAL PROFILE</b></p> <p><b>Position:</b> Board Member  <b>Category:</b> Independent  <b>Committees:</b>                      - Chairman of the Appointments, Remunerations and Sustainability Committee (22/05/2019)  <b>Dates of appointment and re-election as a Board Member of Elecnor, S.A.:</b>                      - First appointed: 20/05/2015                      - 1st re-election: 22/05/2019  <b>Holding in the share capital of Elecnor, S.A.:</b>                      - Direct: 0.011%                      - Indirect: 0.000%</p> <p><b>OTHER CURRENT PROFESSIONAL POSITIONS HELD AND ACTIVITIES</b></p> <p><b>Outside the Elecnor Group:</b>                      - Deputy Chairman of the Board of Board Members and Member of the Executive Committee of TUBOS REUNIDOS.                      - Founding partner and Sole Administrator of Kemet Corner, S.L.                      - Board Member and Chairman of MEZOUNA S.L.</p> <p><b>PROFESSIONAL CAREER</b></p> <p><b>Elecnor Group:</b>                      - Coordinating Board Member for the Chairman.                      - Member of the Audit Committee.</p> <p><b>Outside the Elecnor Group:</b>                      - GRUPO VOCENTO:                      · General Manager of Communications and Institutional Relations at Vocento.                      · Chairman of Commercial Multimedia Vocento.                      · Deputy Chief Executive Officer and General Manager of Development at Diario ABC.                      · General Manager of Diario El Correo, Bilbao.                      · General Manager at Diario La Rioja.                      · Marketing Board Member at CM XXI.                      · Deputy Sales Representative at Grupo Correo.                      - GRUPO PRISA: area of international expansion.                      - JP MORGAN: Analyst in Corporate Finance (Madrid, New York and London).</p> <p><b>ACADEMIC EDUCATION</b></p> <p>- Degree in Law, Complutense University of Madrid                      - Certificate in Business Administration and Management. Harvard University, Boston                      - Senior Management Programme (PADE), IESE Madrid                      - Languages: English.</p>



**EXTERNAL INDEPENDENT DIRECTORS**

Name or company name of the director	Profile
Ms Francisca Ortega Hernández-Agero	<p><b>PROFESSIONAL AND BIOGRAPHICAL PROFILE</b></p> <p><b>Position:</b> Board Member  <b>Category:</b> Independent  <b>Committees:</b>                      - Member of the Audit Committee (18/05/2022).  <b>Dates of appointment and re-election as a Board Member of Elecnor, S.A.:</b>                      - First appointed: 18/05/2022  <b>Holding in the share capital of Elecnor, S.A.:</b>                      - Direct: 0.000%                      - Indirect: 0.000%</p> <p><b>OTHER CURRENT PROFESSIONAL POSITIONS HELD AND ACTIVITIES</b></p> <p><b>Outside the Elecnor Group:</b>                      - MERLIN PROPERTIES SOCIMI S.A.:                      · Board Member                      · Member of the Audit Committee.                      · Member of the Sustainability and Innovation Committee.                      - Board Member at PBI GESTION Agencia de Valores S.A.                      - Joint director at Retumba, S.L. with powers to represent it alone.</p> <p><b>PROFESSIONAL CAREER</b></p> <p><b>Outside the Elecnor Group:</b>                      - BANCO SANTANDER                      · Head of Global Credit Watch.                      · Head of Acquisition Finance, and Head of the Structured Finance Management and Control division.                      · Corporate &amp; Investment Banking Risk Manager at BANCO CENTRAL HISPANO                      - SAREB ("Sociedad de Gestión de Activos procedentes de la Reestructuración Bancaria", the "bad bank" for the Spanish government):                      · Board Member                      · Member of the Audit Committee.                      · Member of Support Committees                      - METROVACESA S.A.:                      · Board Member                      · Member of the Audit Committee.                      - DEVA CAPITAL ADVISORY: Joint and Several Administrator                      - PBI GESTION Agencia de Valores S.A.: CFO and Fund Manager                      - CAJA NAVAL DE CRÉDITO: Head of the Risk and Investment Department.</p> <p><b>ACADEMIC EDUCATION</b></p> - Degree in Economics and Business Administration from CUNEF. - MBA, IESE. - Languages: English.
<b>Total number of independent directors</b>	4
<b>Percentage of Board</b>	28.57%

Indicate whether any director classified as independent receives from the company, or any company in its group, any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company, or any company in its group, during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name or company name of director	Description of the relationship	Reasoned statement

**OTHER EXTERNAL DIRECTORS**

Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders.

Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
<b>Total number of other external directors</b>	0		
<b>Percentage of Board</b>	0%		

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category

**C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each.**

	Number of female directors				% of total directors for each category			
	Year 2022	Year 2021	Year 2020	Year 2019	Year 2022	Year 2021	Year 2020	Year 2019
Executive	0	0	0	0	0%	0%	0%	0%
Proprietary	0	0	0	0	0%	0%	0%	0%
Independent	3	2	2	2	75%	66.66%	66.66%	66.66%
Other External	0	0	0	0	0%	0%	0%	0%
<b>Total:</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>21.43%</b>	<b>13.33%</b>	<b>13.33%</b>	<b>13.33%</b>

**C.1.5** Indicate whether the company has diversity policies in relation to its board of directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish auditing act, will have to report at least the policy that they have implemented in relation to gender diversity.

Yes  No  Partial policies

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the nomination and remuneration committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and results achieved

On 22 November 2017, the Board of Directors approved the "Policy for Selection of Directors and Diversity of the Board of Directors", which contains all the measures taken in relation to the selection of directors, policies on gender diversity, age, experience, etc.

Within the framework of this policy, in 2018, a second Independent Director, Irene Hernández Álvarez, was appointed as Chairwoman of the Audit Committee on 22 May 2019, being re-elected as a Board Member on 18 May 2022 by attendees at the General Shareholders' Meeting. Likewise, Isabel Dutilh was re-elected as an Independent Director by those at the General Shareholders' Meeting held on 22 May 2019.

On 16 December 2020, the Board of Directors approved the amendment of the aforementioned policy (now known as the "Policy for Diversity of the Board of Directors and Selection of Directors") for the purpose of adapting it to the Recommendations of the Code of Good Governance of Listed Companies by Spain's National Securities Market Commission (CNMV) as amended in June 2020 and to Technical Guide 1/2019 on Appointments and Remuneration Committees. Among the essential principles of the Policy are the search for an appropriate composition of the Board of Directors for the best exercise of its functions, for which purposes the processes for the selection of directors should be based on a prior analysis of the skills required by the Board of Directors and the promotion of diversity in how it is structured. This Policy is published on the Company's corporate website.

The bodies responsible for ensuring the diversity of the Board of Directors (namely both the Board of Directors and the Appointments, Remunerations and Sustainability Committee) shall ensure that in the processes for the selection of candidates for Director there is promotion of the diversity of experience, training, professional experience, age, gender, disability and the other diversity criteria set forth in this Policy.

Likewise, the Elecnor Board of Directors and the Appointments, Remunerations and Sustainability Committee have a policy regarding renewals on the Board of Directors based on balancing the principles of representativeness with those of diversity and independence, taking into account the recommendations on Good Governance. In this regard, particularly in ratifications and re-elections, they will ensure the proper stability in the composition of the Board of Directors and its Committees to maintain the necessary suitability of the Board of Directors as a whole, while retaining the experience and knowledge of those who have been exercising the position of Director.

Lastly, on 18 May 2022 and at the Board's proposal, those at the Shareholders' General Meeting approved the appointment of Francisca Ortega Hernández-Agero as a new director at the company with independent status, thereby making progress towards the goal of achieving diversity on the Board. The appointment marks an 8.1% increase in the percentage of female directors with respect to the previous year.

**C.1.6** Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives.

Explanation of measures

The "Policy for the Diversity of the Board of Directors and the Selection of Directors" approved in December 2020 and already mentioned in the previous point establishes that the Board of Directors and the Appointments, Remunerations and Sustainability Committee are the bodies responsible for ensuring the diversity of the Board of Directors and its Committees. They must ensure that in the selection processes for the candidates for Director they promote a diversity of experience, training, professional experience, age, gender, disability and the other diversity criteria set out in the Policy, and that these processes do not involve any implicit biases that may imply any discrimination and, in particular, that they promote the selection of a number of female Directors that will enable a balanced presence of women and men to be achieved.

In particular, when the Appointments, Remunerations and Sustainability Committee or the Board of Directors itself, as the case may be, seek a professional profile, they shall take into account the corporate interests by trying to ensure not only the individual suitability of the members of the Board but also the suitability of the Board of Directors and its Committees as a whole, in accordance with the legal requirements and good governance recommendations in this matter, without prejudice to the fact that, if there are two similar professional profiles, the one who is a member of the least represented gender on the Board shall be chosen.

In this respect, over 2022 the Appointments, Remunerations and Sustainability Committee examined several profiles as part of the procedure for selecting Board Members in line with the specifications in the company's "Policy for the Diversity of the Board of Directors and Selection of Directors" and ultimately proposed the appointment of Francisca Ortega Hernández-Agero as a director with independent status at the General Shareholders' Meeting held on 18 May 2022.

In addition, the Elecnor Code of Ethics states that, both in its selection processes and in the development of the professional careers of its employees, Elecnor should apply the principles of non-discrimination and equal opportunities as well as leave aside factors such as race, colour, nationality, social background, age, sex, marital status, sexual orientation, ideology, religion, or kinship when performing professional evaluations. Only merit, effort, performance results, training, experience and future potential will be considered as elements for differentiating between people professionally.

Furthermore, as regards the measures agreed by the Appointments, Remuneration and Stability Committee to encourage the Company to have a significant number of senior female executives, since February 2018 the Company has had an Equality Plan, which was updated in January 2022 and applies not only to the management team but also to all the Group's personnel. This has been posted on the website of the company to inform its shareholders, investors and other stakeholders in the exercise of the principle of transparency.

The Equality Plan identifies the following work areas where the Company must pay special attention to focussing its efforts:

- **Training:** the Company understands that developing professionals is a key factor for the organisation's success. To this end, the following commitments are laid down:

- The Company will promote training actions that facilitate the development of skills and competencies in equal measure, regardless of gender.
- Both men and women will be ensured equal access to in-house training to drive professional development and adaptability to job requirements.
- The participation in appropriate courses for professional retraining will be facilitated for people returning to work after extended leaves of absence for family reasons.

- **Promotion advancement:** A job assessment system has been developed at Elecnor to evaluate jobs according to the functions and responsibilities they implicitly entail, regardless of the person who is in the job. In this way objectivity and non-discrimination in promotion

at work can be ensured. The company also heads off the creation of barriers to promotion for women and ensures equal treatment, assessment and opportunities in selection processes and/or promotion for anybody exercising any right in regard to striking a work/life balance or who finds they have to take leave of absence for family reasons.

- **Working conditions:** Elecnor will take the following measures to include the gender aspect in its occupational health policy and risk prevention tools, and tailor them to the physical, biological and social needs of its employees:
  - Review and disseminate the action protocol for risks to pregnancy and breastfeeding.
  - Consider the gender-related variables in data collection and processing systems and in study and research into risk prevention to detect and avoid possible, gender-linked harmful job situations.
  - Draft a report on accidents at work by gender and job category.
  
- Furthermore, Elecnor is committed to detecting, analysing and assessing the gender wage gap. To this end the company will make a study of both employee remuneration by gender as well as professional category and types of contract (temporary or fixed) while seeing whether office hours allow for flexibility or working in shifts.
  
- **Remuneration:** Elecnor has been implementing a remuneration system that guarantees neutrality at all times with no conditioning factors whatsoever on the basis of gender. When it comes to conducting studies on remuneration, Elecnor uses blind data in which the job is taken into account, and not the person. To this end a remuneration system will be kept in place that observes objectivity, fairness and gender non-discrimination criteria; Elecnor shall make sure that the remuneration system aims to reward achievement without discriminating on grounds of gender; and equality of treatment and assessment in applying the remuneration system will be guaranteed for anybody who is exercising an entitlement to a work-life balance.
  
- **Communications:** Owing to the fact that equality commences right from the Company's communications with its major stakeholders (employees, shareholders and customers), Elecnor reflects its commitment to Equality and Non-discrimination in its specific principles of action for Corporate Social Responsibility and Corporate Compliance. To this end it undertakes the following commitments: the gender perspective will be incorporated into both in-house and external communications, for which purposes a Communications Policy will be drawn up; in all the Company's communications and information, as well as in its public dissemination, publicity and recruitment actions, special care will be taken to use neutral, non-sexist language; and this process will bear in mind that communications embrace language, images and content.
  
- **Selection:** Elecnor has a public, written, internal selection and mobility policy for such processes, which lays down the guidelines and steps to be followed, and is completely discrimination-free. Thus, selection and recruitment processes will ensure that objective procedures and policies are adhered to which are based on the principles of merit, ability and people who are a good fit for the job. Candidates will be assessed by virtue of their suitability, making sure at all times that the jobs with different areas of responsibility are held by the best-matched people against a background of equality of treatment and the complete absence of gender-based discrimination.
  
- **Professional classification:** Elecnor has established a set of measures to ensure that there is no direct or indirect discrimination between men and women, in particular: (i) defining professional groupings adapted to systems based on analysis of correlations between, gender bias, jobs, inclusion criteria and remuneration; (ii) using neutral terminology in professional nomenclature and classification without applying male or female referencing, and (iii) examining the factors which justify differences among professional groupings, categories or jobs. To this end there is regular assessment of professional inclusion which enables rectification of situations that may be triggered by undervaluing the work of women. Lastly, a report will be drafted to analyse the explanations given for any differences detected.
  
- **Work-life balance:** The company acknowledges entitlement to a work-life balance. Accordingly, attempts will be made to foster greater co-responsibility between men and women when it comes to assuming family obligations. Actions implemented to address this encompass flexible time-tabling, a compressed summertime working-day, study assistance, leave of absence/shorter daily office hours to look after children, discount arrangements with insurers, a policy of not scheduling meetings right at the end of the day's work, etc. Elecnor moreover guarantees that if its employees exercise any of the work-life balance entitlements in question, this will not impact negatively on their possibilities of promotion, their retribution levels or on their access to certain company benefits and incentives.

- **Under-representation of women:** The company has two specific goals in this area: (i) to protect equal treatment and opportunities for men and women in regard to promotion and advancement based on objective, quantifiable, public and transparent criteria, and (ii) to facilitate professional promotion at the company to achieve a balance between men and women in management and coordination posts.

For these purposes certain measures have been implemented, such as performing annual follow-up of promotions split out by gender and showing the professional grouping and functional position of origin and destination, type of contract, form of working day and category of promotion; regularly keeping track of the proportion of women holding senior management positions as well as executive and middle management levels; or analysing personnel policies and in-house promotion practices in place at the company to boost the presence of women in promotion processes for positions where women are under-represented.

- **Occupational health:** The Company will base its choice of furniture, tools and other material normally used by the staff on different ergonomic principles, depending on whether the user is a man or woman. Elecnor will avoid exposing pregnant women to any situation that could potentially represent a danger to them or their unborn child.

- **Preventing sexual and gender-based harassment:** Elecnor firmly rejects and has a policy of zero tolerance towards behaviour or action that constitutes any form of sexual, moral or gender-based harassment and undertakes to actively, effectively and resolutely collaborate in preventing, detecting, correcting and sanctioning any conduct constituting harassment, which shall be treated as transgressions in the workplace and prompt the company to take appropriate disciplinary action according to the severity of the case. The company will prevent and head off harassment by means of a whistleblowing channel within Corporate Compliance and a Protocol to Prevent Situations of Workplace and Sexual Harassment, compliance with which is overseen by the Crime Prevention and Response Committee.

In addition to all this, the Equality Plan lays down specific action to be taken by those people in positions of responsibility in each of the work areas referenced.

In line with the commitments which it has undertaken, at Elecnor 62.23% of women employees are in middle management or higher positions.

The Equality Plan is one of the major tools which the Appointments, Remunerations and Sustainability Committee uses to foster inclusion and diversity among the Group's employees, executive personnel included. In January 2022 the Committee accordingly approved the updating of the Equality Plan to bring it into line with the prevailing regulatory framework and both proposed its amendment and reported favourably on it to the board, which endorsed the new Plan on 26 January 2022.

If in spite of any measures adopted there are few or no female directors or senior managers, explain the reasons for this:

#### Explanation of reasons

As noted above, without prejudice to the company's commitment to promoting gender diversity, the Appointments, Remunerations and Sustainability Committee must also ensure other diversity criteria such as professional experience and training, which are very important given Elecnor's business sector, and it must be ensured that, not only gender diversity criteria, but also the essential criteria of merit and capacity that must govern all selection processes are met. In this regard, the company will seek to increase the number of female Directors and executives gradually (as has indeed happened over the year) in the context of the overall requirements for the suitability and diversity of Board members, in spite of the fact that, as was stated above, the level of turnover among Board members and the management team is very low.

### C.1.7 Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

Elecnor is strongly committed to best corporate governance practices and, in particular, to promoting diversity on issues such as age, gender, training and professional experience. In this regard, with the support of the Appointments, Remunerations and Sustainability Committee, the Board of Directors of the Company continues to work on and promote the necessary actions to encourage a diverse composition of the Board.

In particular, at the 2022 Annual General Shareholders' Meeting a large number of Board Members were re-elected (among them the female independent director Irene Hernández Álvarez) and a new female independent director was appointed (Francisca Ortega Hernández-Agero). All of this was strictly in keeping with the "Policy for the Diversity of the Board of Directors and Selection of Directors", which was explicitly made clear in the reports of both the Board of Directors and the Appointments, Remunerations and Sustainability Committee on the appointment and re-election of directors which were made available to shareholders from publication of the call to meet at the AGM pursuant to the recommendations in CNMV Technical Guide 1/2019 on Appointments and Remuneration Committees of 20 February.

In particular, besides the general requirements applicable to all directors, the nominations or reports by the Appointments, Remunerations and Sustainability Committee on re-electing directors took account of an assessment of the quality of the work and dedication to their position of the directors during their previous mandate, as well as their honourability, competence, availability and commitment to that role, while also evaluating the director's performance in office and fulfilment of the duties imposed by Law, the Company's Articles of Association and the company's other corporate governance rules to the extent that this was conducted with the diligence of a professional business person and a faithful representative.

With respect to the appointment of the new female independent director and in the context of the company's commitment to promoting gender diversity, the Committee bore in mind the principle of facilitating the selection of female directors with the aim of managing to achieve a balance between men and women going forward. At the same time, it did so without detriment to its obligation to coordinate this with the core principles of ability and merit which should govern all of the company's selection processes as well as to ensure diversity on Elecnor's Board and committees.

As a result of these re-elections and the appointment of a new female director the Board currently comprises 14 members, of whom 64.29% are proprietary directors, 28.57% are independent directors, 7.14% are executive directors and 21.43% are female directors, marking a percentage increase relative to the previous year for both independent directors and women on the Board consistent with best practices of good governance and in line with the company's commitment assumed of stepping up the proportion of female directors over time.

The Committee consequently considers that the current composition of the Board of Directors is appropriate for the best exercise of its functions and reflects a suitable balance of requirements for the members of the Board in terms of suitability and diversity, particularly with respect to training, professional experience, skills, experience in the sector and knowledge of the company and its Group, as well as personal and professional backgrounds, among other aspects. All of this is mirrored in the Board's competency matrix.

**C.1.8** If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name or company name of shareholder	Reason
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Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is greater than or equal to that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted: If so, explain why the requests were not granted:

Yes  No

No formal request of this kind has been made.

**C.1.9** Indicate the powers, if any, delegated by the Board of Directors, including those relating to the option of issuing or re-purchasing shares, to directors or board committees:

Name or company name of director or committee	Brief description
MR RAFAEL MARTÍN DE BUSTAMANTE VEGA	All powers except as pertain to the Company's borrowings and those non-delegable by Law or Articles of Association
EXECUTIVE COMMITTEE	All powers of the Board of Directors, except those which are non-delegable legally or under the articles of association, nor the following either:  (i) The capacity to approve investments or transactions of all kinds which lead to indebtedness for the Company.  (ii) Authorisation to approve investments or transactions of all kinds with a value of over 6,000,000 euros each.  Nor are powers delegated to approve investments or transactions of any kind for a value of less than 6,000,000 euros each where such authorisation cannot be delegated by the Board of Directors and/or falls within the remit of the General Meeting.  (iii) Authorisation to approve the incorporation, merger, demerger, blanket assignment of assets and liabilities, dissolution and/or liquidation of all kinds of entities that have their own legal personality, or to approve transactions that produce similar effects to those of the transactions cited upon such entities.  Powers to approve the above transactions is delegated to entities that do not have their own legal personality, such as, for illustrative purposes though not confined to, Joint Ventures or joint ownership arrangements.

**C.1.10** Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group.

Name or company name of director	Company name of the group entity	Position	Does the director have executive powers?
Mr Jaime Real de Asúa Arteche	ENERFIN SOCIEDAD DE ENERGIA, S.L.U.	Board Member	No
Mr Ignacio Prado Rey-Baltar	ENERFIN SOCIEDAD DE ENERGIA, S.L.U.	Board Member	No
Mr Rafael Martín de Bustamante Vega	ELECNOR SERVICIOS Y PROYECTOS, S.A.	Joint and Several Administrator	Yes
	ENERFIN SOCIEDAD DE ENERGIA, S.L.U.	Board Member	No
Mr Joaquín Gómez de Olea Mendaro	ENERFIN SOCIEDAD DE ENERGIA, S.L.U.	Secretary and Secretary of the Board	No
Mr Cristóbal González de Aguilar Alonso-Urquijo	ENERFIN SOCIEDAD DE ENERGIA, S.L.U.	Board Member	No
Mr Miguel Cervera Earle	ENERFIN SOCIEDAD DE ENERGIA, S.L.U.	Board Member and Deputy Secretary of the Board	No
Mr Juan Landecho Sarabia	ENERFIN SOCIEDAD DE ENERGIA, S.L.U.	Board Member	No
Mr Santiago León Domecq	ENERFIN SOCIEDAD DE ENERGIA, S.L.U.	Board Member	No
Mr Miguel Morenés Giles	ENERFIN SOCIEDAD DE ENERGIA, S.L.U.	Board Member	No
Mr Rafael Prado Aranguren	ENERFIN SOCIEDAD DE ENERGIA, S.L.U.	Board Member	No



**C.1.11** List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of the listed or non-listed entity	Position
Mr Jaime Real de Asúa Arteche	VISCOFAN, S.A.	Member of the Board of Directors, Deputy Chairman of the Board and Chairman of the Appointments, Remunerations and Sustainability Committee
	CANTILES XXI, S.L	Board Member and Deputy Chairman of the Board
	TASDEY, S.A.	Board Member
	RACAZ SEIS, S.L.	Joint and Several Administrator
Mr Ignacio Prado Rey-Baltar	GRUPO CELULOSAS MOLDEADAS, S.L.	Board Member
Mr Rafael Martín de Bustamante Vega	CELEO CONCESIONES E INVERSIONES, S.L.	Board Member
Mr Cristóbal González de Aguilar Alonso-Urquijo	CANTILES XXI, S.L	Alternate Director
Mr Miguel Cervera Earle	TASDEY, S.A.	Board Member
	INVERSIONES BERRETIN, S.L.	Board Member
	CLONSILA INVERSIONES, S.L.	Board Member
	MARIA DEL MAR MANCA, S.L.	Joint and Several Administrator
Ms Isabel Dutilh Carvajal	MILLENIUM HOSPITALITY REAL ESTATE SOCIMI, S.A.	Independent Director, Member of the Audit Committee, and Member of the Appointments and Remuneration Committee
	BANCO DE ALCALÁ, S.A.	Independent Director, Chairwoman of the Appointments and Remuneration Committee. Member of the Audit and Supervisory Committee
	ARGALI ABOGADOS, S.L.	Sole Administrator
Mr Joaquín Gómez de Olea Mendaro	CELEO CONCESIONES E INVERSIONES, S.L.	Board Member
	CANTILES XXI, S.L	Board Member and Chairman of the Board
Ms Irene Hernández Álvarez	SAINT CROIX HOLDING IMMOBILIER SOCIMI, S.A.	Coordinating Director, Chairwoman of the Appointments and Remuneration Committee, and Member and Secretary of the Audit Committee
	ENCE ENERGIA Y CELULOSA, S.A.	Coordinating Director, member of the Executive Committee, Chairwoman of the Audit Committee and member of the Appointments and Remuneration Committee
	IMPULSA CAPITAL, S.L.	Joint and Several Administrator
Mr Juan Landecho Sarabia	CANTILES XXI, S.L.	Board Member
Mr Santiago León Domecq	TASDEY, S.A.	Board Member
	PROBIGRAF, S.L.	Board Member
Mr Miguel Morenés Giles	CANTILES XXI, S.L	Board Member
	CELEO CONCESIONES E INVERSIONES, S.L.	Board Member and Non-executive Chairman of the Board
	FINCAS CULTIVADAS, S.L.	Board Member and Chairman of the Board
	AGRÍCOLA CAPDEPON, S.L.	Individual representing the Administrator of Fincas Cultivadas, S.L.
	ACERCA PARTNERS, S.L.	Board Member
	KEROW INVERSIONES, S.L.	Joint and Several Administrator
	INVERSIONES TRANSITORIAS CON INMUEBLES, S.L.	Joint and Several Administrator
	EGUILUZ EQUIPAMIENTOS, S.L.	Joint and Several Administrator
	EDIFICIOS EGUILUZ, S.L.	Joint and Several Administrator
Ms Francisca Ortega Hernández-Agero	RETUMBA, S.L.	Joint and Several Administrator
	MERLIN PROPERTIES SOCIMI, S.A.	Proprietary Director, Member of the Audit Committee, and Member of the Sustainability and Innovation Committee
	PBI GESTION Agencia de Valores, S.A.	Board Member

Identity of the director or representative	Company name of the listed or non-listed entity	Position
Mr Rafael Prado Aranguren	SARE S.L. CORREDURÍA DE SEGUROS	Joint Director
	SARELAN CONSULTORES, S.L.L.	Joint Director
	TEAM INGENIERÍA Y CONSULTORÍA S.L.	Board Member and Secretary of the Board
Mr Emilio Ybarra Aznar	TUBOS REUNIDOS, S.A.	Deputy Chairman of the Board and Member of the Executive Committee
	THE KEMET CORNER, S.L.	Sole Administrator
	MEZOUNA S.L.	Board Member and Chairman

**Observations**

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
Mr Jaime Real de Asúa Arteche	N/A
Mr Ignacio Prado Rey-Baltar	N/A
Mr Rafael Martín de Bustamante Vega	N/A
Mr Cristóbal González de Aguilar Alonso-Urquijo	N/A
Mr Miguel Cervera Earle	N/A
Ms Isabel Dutilh Carvajal	Arbitrator
Mr Joaquín Gómez de Olea Mendaro	N/A
Ms Irene Hernández Álvarez	N/A
Mr Juan Landecho Sarabia	N/A
Mr Santiago León Domecq	N/A
Mr Miguel Morenés Giles	N/A
Ms Francisca Ortega Hernández-Agero	N/A
Mr Rafael Prado Aranguren	N/A
Mr Emilio Ybarra Aznar	N/A

**C.1.12** Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

Yes  No

**Explanation of the rules**

Article 18 of the Regulations of the Board of Directors establishes that: "The Directors of the Company may not sit on the Board of Directors of more than three listed companies, in addition to that of Elecnor, S.A."

**C.1.13** Indicate the remuneration received by the board of directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	4,809.8
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	0
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	0
Pension rights accumulated by former directors (thousands of euros)	0

**C.1.14** Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year.

Name or company name	Position(s)
Mr Francisco Javier Cruces López	General Manager of Infrastructure
Mr Argimiro Ramón Rodríguez	Deputy General Manager of Facilities and Networks
Mr Eduard Pinyol Escardo	Deputy General Manager of International Development
Mr José Martí Soler	Deputy General Manager of Engineering
Mr Pablo Díaz Miguel Sánchez	Deputy General Manager of Energy
Mr Armando Pérez Medina	Deputy General Manager of Major Networks
Mr José Castellanos Ybarra	Deputy General Manager of Enerfín Sociedad de Energía
Mr Luis Alcibar Villa	Deputy General Manager of Internal Audit and Finance
Ms Úrsula Albizuri Delclaux	Corporate Development Manager
Mr Pedro Enrile Mora-Figueroa	General and Board Secretary

Number of women in senior management	1
Percentage of total senior management	10%

Total remuneration of senior management (thousands of euros)	4.609
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**Observations**

The total remuneration indicated includes fixed remuneration and annual variable remuneration

**C.1.15** Indicate whether the board regulations were amended during the year.

Yes  No

**Description of amendment(s)**

At the Board meeting of 21 December 2022 Article 24 ("Director Remunerations") was amended to coordinate it with the remuneration scheme provided for in Article 12 of the Company's Articles of Association, which was amended at the General Shareholders' Meeting of 18 May 2022 to bring it into line with the reform of the Spanish Companies Act introduced by Law 5/2021.

**C.1.16** Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

The procedures for the selection, appointment, re-election and removal of directors are set out in the Company's Articles of Association, Articles 13 (requirements for membership of the Board, duration of the role and re-election) and 15 (appointment, removal and

appointment by co-option), as well as Articles 18, 19 and 21 of the Regulations of the Board, the content of which is reproduced below:

**COMPANY'S ARTICLES OF ASSOCIATION**

*"Article 13.- Appointment*

*The number of Directors on the Board of Directors will not be less than five or be greater than fifteen.*

*Being a Director requires owning at least 5% of the shares of the Company with voting rights, at least five years in advance of the time of appointment. Said advance time of five years of owning shares and the requirement to own at least 5% of the capital of the Company will not be required when the appointment, re-election or ratification of a Director takes place through the General Shareholders' Meeting with a quorum of attendance of 25% of the subscribed capital in the first meeting call or without a minimum quorum in the second meeting call, and it is approved, in both cases, by a simple majority of the capital that is present or represented. The appointment, re-election or ratification of Independent Directors is an exception to the aforementioned, which in any event must comply with the provisions set forth in applicable regulations, in these articles of association and in the Regulations of the Board of Directors.*

*The Directors will exercise the duties of their position for the period of four years, and they may be re-elected, one or several times, for periods of equal duration.*

*The appointment of directors will expire when, with the term having expired, the next General Shareholders' Meeting has been held or the legal period for holding the General Shareholders' Meeting that has to decide on approval of the accounts of the preceding financial year has elapsed.*

*Being a member of the Board of Directors requires not being subject to any of the circumstances implying prohibition or incompatibility that are established in legal provisions."*

*"Article 15.- Functioning*

*[...]*

*The Directors are freely designated and dismissed by the General Shareholders' Meeting.*

*If vacancies occur during the term for which the Directors are appointed, the Board may appoint the persons to occupy those vacancies until the first General Shareholders' Meeting is held.*

*[...]"*

**REGULATIONS OF THE BOARD OF DIRECTORS**

*"Article 18. Appointment of Directors*

*Directors will be appointed by the General Meeting or by the Board of Directors by virtue of the powers of co-option it is accorded by law in the manner stipulated in the Spanish Companies Act and the Articles of Association.*

*[...]*

*Members of the Board of Directors may not be in breach of any of the grounds for disqualification or ineligibility stipulated by law. Appointment or re-election of members of the Board of Directors will be proposed by the Appointments, Remunerations and Sustainability Committee in the case of Independent Directors and by the Board itself in all other cases after hearing the opinion of the Appointments, Remunerations and Sustainability Committee.*

*Nominations for appointment will in all cases be accompanied by a report by the Board evaluating the candidate's expertise, experience, and merits, to be attached to the minutes of the General Meeting or that of the Board of Directors.*

*Where the Board of Directors disregards the recommendation of the Appointments, Remunerations and Sustainability Committee, its reasons must be stated in the minutes.*

*Company Directors may not belong to more than three Boards of Directors of publicly traded Companies in addition to Elecnor's Board."*

*"Article 19 Re-appointment of Directors*

*Directors will be re-appointed on the terms provided by law and in the Articles of Association. Proposals or reports by the Appointments, Remunerations and Sustainability Committee will include an assessment of the quality of the work and job dedication of the candidate Directors during their previous terms and of their integrity, competence, availability, and engagement in their work."*

*"Article 21 Resignation and Removal of Directors*

*Appointments of Directors will end when the terms to which they have been appointed have expired or when removed by the General Meeting in the exercise of the authority conferred on the General Meeting by law or under the Articles of Association.*

*Without prejudice to the preceding paragraph, Proprietary Directors will resign when the shareholder they represent has sold its entire shareholding.*

*Directors will offer to resign, and if the Board of Directors considers it appropriate will resign, when they are affected by circumstances that may be detrimental to the good name and reputation of the Company or may adversely affect the work of the Company or the Board of Directors, whether or not those circumstances are related to their activities in the Company. In particular, this obligation will apply when they have been named as being under investigation in any criminal matter, in which case they will report on the course of the proceedings. This obligation will also apply when, because of supervening circumstances, they become disqualified or ineligible by law.*

*On being informed of any of the situations referred to in the preceding paragraph, or on learning of them by other means, the Board of Directors will examine the matter without delay, and after hearing the report of the Appointments, Remunerations and Sustainability Committee and reviewing the circumstances will decide what measures should be taken. Without prejudice to the information the Company should release, if appropriate, when the corresponding measures are taken, this is to be reported on in full in the Annual Corporate Governance Report, unless there are special circumstances that make it advisable to do otherwise, which should be recorded in the minutes.*

*The Board of Directors may only submit a proposal to the General Meeting to remove an Independent Director before the end of the term stipulated in the Articles of Association at the proposal of the Appointments, Remunerations and Sustainability Committee where the Board of Directors finds there is due cause.*

*When the Board of Directors adopts repeated or material decisions about which a Director has expressed serious reservations, the Director will draw the relevant conclusions, and, if he or she elects to resign, will set out the reasons in the letter referred to in the following paragraph. This obligation also applies to the Secretary of the Board of Directors, even if not a director.*

*Directors who leave office before the end of their term, by resignation or by decision of the General Meeting, will send a letter to all the members of the Board of Directors explaining the reasons for their resignation or, in the case of non-executive Directors, their opinion on the General Meeting's grounds for removal. A full report on this will be made in the Annual Corporate Governance Report. Insofar as it is relevant to investors, the Company will announce the resignation or removal as soon as possible and will include a sufficient exposition of the reasons or circumstances submitted by the Director."*

On the other hand, in December 2020 Elecnor's Board approved the company's "Policy for the Diversity of the Board of Directors and Selection of Directors," the aim of which is to ensure that proposals for the appointment or re-election of directors is based on a prior analysis of the skill-set which the Board requires and which tends to diversity of its composition in regard to expertise, experience, age and gender among other facets. It also sets out the requirements for selection of board members.

Finally, on 15 December 2021 the Board of Directors of Elecnor approved the "Corporate Governance Policy" document, which includes establishing the principles and guidelines on corporate governance that have to regulate the organisation and functioning of the Company's governing bodies, all in harmony with the applicable rules and best practices for corporate governance. The policy features a specific section on the right balance of composition and diversity for the Board.

**C.1.17 Explain to what extent the annual evaluation of the board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:**

Description of amendment(s)

The annual evaluation of 2021 which the Board of Directors carried out during the 2022 financial year led to the drafting of a proposed Action Plan for the year over 2022 with the following as key aspects:

- (i) setting up a system to enable rationalisation of the management of time-frames and frequency for the points on the agenda
- (ii) clearly picking out the points that are merely informative from among those that require approval
- (iii) holding an extraordinary board meeting attended by management to examine and discuss various different alternative strategies
- (iv) assessing how suitable the executive committee's structural mix is
- (v) continuous improvement in making available the information to be discussed at meetings of the Board and its Committees.

*Describe the evaluation process and the areas evaluated by the board of directors with or without the help of an external advisor, regarding the functioning and composition of the Board of Directors and its committees and any other area or aspect that has been evaluated.*

Through several questionnaires which all of its members must complete, the Company's Board of Directors annually evaluates its activity and that of all its Committees, as well as the activity and actions carried out by the Chair, the Secretary and the Chief Executive Officer, detecting the strengths and points to improve and applying appropriate corrective measures. The results of these evaluations are appraised by the Board and by the Committees (each attending to their own results) and, in addition, the Appointments, Remunerations and Sustainability Committee reviews the results of the evaluation of the Board, the Chair, the CEO and the Secretary.

The questionnaires mentioned include the evaluation of areas such as the preparation, dynamics and culture of meetings, follow-up of the topics covered (among these, strategic matters, ESG, etc.), composition of the Board and its Committees, training of its members, communication between governing bodies, performance of the functions of the Chair, Secretary and Chief Executive Officer, etc.

In accordance with recommendation 36 of the Code of Good Governance, it may be noted that for the evaluation of the 2021 financial year which was conducted in 2022 the external consultancy Russell Reynolds was again been hired to revise and update the evaluation system, while they also interviewed each of the members of the Board of Directors within the context of the evaluation process. Revised versions of these forms were used for the 2022 evaluation.

**C.1.18 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.**

Except for that mentioned in section C.1.17 above, there are no business relationships between the external consultancy Russell Reynolds and any company within the Elecnor Group.



**C.1.19** Indicate the cases in which directors are obliged to resign.

Article 21 of the Regulations of the Board of Directors stipulates the following in this respect:

*"Appointments of Directors will end when the terms to which they have been appointed have expired or when removed by the General Meeting in the exercise of the authority conferred on the General Meeting by law or under the Articles of Association.*

*Without prejudice to the preceding paragraph, Proprietary Directors will resign when the shareholder they represent has sold its entire shareholding.*

*Directors will offer to resign, and if the Board of Directors considers it appropriate will resign, when they are affected by circumstances that may be detrimental to the good name and reputation of the Company or may adversely affect the work of the Company or the Board of Directors, whether or not those circumstances are related to their activities in the Company. In particular, this obligation will apply when they have been named as being under investigation in any criminal matter, in which case they will report on the course of the proceedings. This obligation will also apply when, because of supervening circumstances, they become disqualified or ineligible by law.*

*On being informed of any of the situations referred to in the preceding paragraph, or on learning of them by other means, the Board of Directors will examine the matter without delay, and after hearing the report of the Appointments, Remunerations and Sustainability Committee and reviewing the circumstances will decide what measures should be taken. Without prejudice to the information the Company should release, if appropriate, when the corresponding measures are taken, this is to be reported on in full in the Annual Corporate Governance Report, unless there are special circumstances that make it advisable to do otherwise, which should be recorded in the minutes.*

*The Board of Directors may only submit a proposal to the General Meeting to remove an Independent Director before the end of the term stipulated in the Articles of Association at the proposal of the Appointments, Remunerations and Sustainability Committee where the Board of Directors finds there is due cause.*

*When the Board of Directors adopts repeated or material decisions about which a Director has expressed serious reservations, the Director will draw the relevant conclusions, and, if he or she elects to resign, will set out the reasons in the letter referred to in the following paragraph. This obligation also applies to the Secretary of the Board of Directors, even if not a director.*

*Directors who leave office before the end of their term, by resignation or by decision of the General Meeting, will send a letter to all the members of the Board of Directors explaining the reasons for their resignation or, in the case of non-executive Directors, their opinion on the General Meeting's grounds for removal. A full report on this will be made in the Annual Corporate Governance Report. Insofar as it is relevant to investors, the Company will announce the resignation or removal as soon as possible and will include a sufficient exposition of the reasons or circumstances submitted by the Director."*

Without prejudice to the above, Article 20 of the Board Regulations establishes that *"Independent Directors may not serve in that capacity for a continuous period longer than 12 years."*

**C.1.20** Are qualified majorities other than those prescribed by law required for any type of decision?

Yes  No

**C.1.21** Explain whether there are any specific requirements, other than those relating to directors, for being appointed as Chairman of the Board of Directors.

Yes  No

**C.1.22** Indicate whether the Articles of Incorporation or Board Regulations establish any limit as to the age of Directors:

Yes  No

**C.1.23** Indicate whether the Articles of Incorporation or Board Regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

Yes  No

Additional requirements and/or maximum number of years of in office

**C.1.24** Indicate whether the Articles of Incorporation or Board Regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

Within the Company's Board of Directors, there are formal processes for delegating the vote in the event that any of the Directors cannot personally attend the meetings. In this regard, Article 16 of the Regulations of the Board of Directors establishes the following:

*"Article 16.-*

*[...]*

*It is the Directors' duty to attend sessions of the Board of Directors personally; Director absences should be limited to cases that are unavoidable. Nevertheless, when in exceptional cases a Director is unable to attend, they may appoint any other Director to act as their proxy, appointments to be made in writing for each session. Each appointee holds full authority to act for their principals in all matters, and a single Director may hold multiple proxies. Proxy appointments should contain the corresponding instructions, and the Chair of the Board is to be notified by means that allow confirmation of receipt of the notice. Non-executive Directors may only appoint another non-executive Director as their proxy. ..."*

The Board of Directors has no specific limitation on the categories of Director to whom it is possible to delegate the vote other than those provided for in law.

**C.1.25** Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	12
Number of board meetings held without the chairman's presence	0

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor proxy representation of any executive director:

Number of meetings	--
--------------------	----

Indicate the number of meetings held by each Board committee during the year.

Number of meetings held by the Executive Committee	22
Number of meetings held by the Audit Committee	11
Number of meetings held by the Appointments, Remunerations and Sustainability Committee	8

**C.1.26** Indicate the number of meetings held by the Board of Directors during the year with member attendance data.

Number of meetings at which at least 80% of the directors were present in person	12
Attendance in person as a % of total votes during the year	100%
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	12
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	100%

**C.1.27** Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance.

Yes  No

**C.1.28** Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

Through its Audit Committee and the General Internal Audit and Finance Sub-Division, the Company has the necessary mechanisms in place so that the annual financial statements presented at the General Shareholders' Meeting are prepared in accordance with the accounting standards, thereby avoiding any reservations or unfavourable opinions concerning them.

Article 5 of the Regulations of the Audit Committee establishes the following among its duties:

"[...]

(i) In respect of supervising financial and non-financial information:

[...]

b) To oversee and assess the process of drawing up and submitting the requisite financial and non-financial information on the Company and on its Group, as the case may be; to monitor compliance with legal and regulatory requirements; to ensure that the scope of consolidation has been suitably defined and accounting principles are properly followed; and especially to determine, consider, and supervise the effectiveness of the internal control over financial reporting (ICFR) system and make suggestions or recommendations for safeguarding financial integrity to the Board of Directors.

c) To report in advance to the Board of Directors concerning the financial information, management report and, where appropriate, any requisite non-financial information that the Company is to make public periodically.

d) To ensure that the annual financial statements the Board of Directors submits to the General Meeting has been drawn up in accordance with accounting standards. Where the external auditor has included an observation in its audit report, the Audit Committee Chair will clearly explain the Committee's views on its significance and scope to the General Meeting and will make a summarised version of its views available to the shareholders when the notice of meeting is issued, together with the rest of the proposals and reports of the Board.

(ii) In respect of supervising internal control of financial reporting:

a) To supervise the effectiveness of the internal controls of the Company and its internal audit function in charge of ensuring proper operation of the internal control and reporting system and to discuss with the external auditors any material weaknesses found during the audit and draw conclusions as to the degree of reliability and confidence of the system, all without surrendering its independence. To these ends it may make any appropriate suggestions or recommendations to the Board of Directors and perform the relevant follow-up.

[...]

(iv) In respect of the external auditor:

[...]

b) To obtain from the external auditor, on a regular basis, information on the audit plan, on performance of that plan, and on any other questions connected with the auditing process, especially discrepancies that may arise between the external auditor and Company management.

**C.1.29** Is the secretary of the Board also a director?

Yes  No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
Pedro Enrile Mora-Figueroa	
	Observations
Pedro Enrile Mora-Figueroa, was appointed Non-Director Secretary of the Board of Directors under a resolution of 24 June 2020. He was also appointed as Secretary of the Executive Committee at its meeting of 11 May 2022.	

**C.1.30** Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

Article 15 bis of the Company's Articles of Association and Article 13 of the Regulations of the Board of Directors, as well as Article 5 of the Regulations of the Audit Committee, establish the powers of the Audit Committee in relation to these mechanisms.

In regard to the external auditor, the Audit Committee has the following duties:

a) To send to the Board of Directors for submission to the General Shareholders' Meeting the proposals for the selection, appointment, re-election and replacement of the external auditor, taking responsibility for the selection process in accordance with the provisions of the applicable regulations as well as the terms of engagement, and for this purpose, they must:

1. specify the procedure for selecting the external auditor
2. issue a reasoned proposal.

b) To obtain from the external auditor, on a regular basis, information on the audit plan, on performance of that plan, and on any other questions connected with the auditing process, especially discrepancies that may arise between the external auditor and Company management.

c) To establish appropriate relations with the external auditor with a view to receiving information on any issues that may pose a threat to its independence for consideration by the Committee, as well as any other information relating to the process of auditing the accounts, and, where appropriate, to authorise services other than those prohibited under the terms of the applicable rules for the independence regime, as well as any other communications provided for in auditing legislation and standards.

In any event, the external auditors must provide them with an annual declaration of their independence with regard to the Company or entities directly or indirectly linked to it, as well as detailed and individualised information regarding additional services of any kind provided and the corresponding fees received from these entities by the external auditor or by persons or entities linked to it, in accordance with the provisions of the regulations governing auditing activity.

d) Prior to issuance of the actual audit report on the accounts, to issue an annual report expressing an opinion on whether the external auditor's independence has been compromised. This report will necessarily include a reasoned assessment of each of the services additional to statutory auditing that are referred to in the preceding item, both individually and in aggregate, from the perspective of independence and the regulatory framework governing auditing practice.

e) To defend the external auditor's independence in the performance of its duties, in particular:

- (i) should the external auditor resign, to look into the circumstances that may have led to this
- (ii) To supervise disclosure by the Company of any change of auditor through the CNMV (the Spanish National Securities Market Commission), while accompanying a statement regarding the existence of any disagreements with the outgoing auditor and, if applicable, the subject matter thereof
- (iii) To ensure that the remuneration that the external auditor receives for its work does not compromise the quality of the work or the auditor's independence
- (iv) To lay down guidelines for a cap on annual fees to be paid to the auditor for non-audit services
- (v) To ensure that the Company and the external auditor comply with existing rules on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other applicable rules on the independence of auditors.

f) To ensure that the external auditor meets yearly with the full Board of Directors to report on the work done and the status of the Company's accounting situation and risks.

g) To make a final assessment of the auditor's performance and how it has contributed to the quality of the audit and the integrity of financial information.

The Group has an internal procedure which regulates the approval process for non-audit services to be provided by the external auditor from the standpoint of independence. Under the procedure the Audit Committee delegates appropriate approval of all such services to the Group's Chief Audit Executive as long as they are not prohibited under existing law or do not compromise the independence of the auditor, except in those cases where the level of fees proposed for providing the services that are submitted for approval represent a certain percentage of the fees for auditing services provided by the main auditor in the immediately preceding financial year, in which case the Audit Committee decides directly on approval. The Chief Audit Executive regularly reports to the Audit Committee on the services approved under this procedure and in all circumstances before the external auditor presents its annual statement confirming its independence, in which it provides a breakdown of fees charged to both the company and its related companies over the financial year in question (itemised into captions for auditing services and for non-audit services) by both the auditor itself and other firms belonging to the same organisational framework.

In regard to approval for non-audit services, the Audit Committee or the Chief Audit Executive, as appropriate, base themselves on specific documentation, which must include at least a draft of the relevant services proposal and the documentation supporting the independence assessment that the external auditor has made, as well as their conclusions on the matter. Sometimes, depending on the nature of the proposal and the fees suggested, the Audit Committee asks for suitable explanations from both the internal audit department and other managers in the Group. In all cases, in addition to deciding whether the proposed service is one that is prohibited or not, the evaluation process involves consideration of threats to independence (self-interestedness, self-reviewing, advocacy, familiarity or closeness, and intimidation) and, where appropriate, the safeguards to deploy in this respect.

The Audit Committee reports to the Board of Directors annually on its conclusions about the independence of the external auditor, and always before the framing of the annual financial statements.

The Audit Committee also has powers to oversee application of general policy on reporting information and contact and involvement with shareholders, institutional investors, asset managers, financial intermediaries, proxy advisers and other stakeholders. It will additionally supervise the Company's relations and communications with small and medium-sized shareholders.

**C.1.31** Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

Yes  No

Outgoing auditor	Incoming auditor

If there were any disagreements with the outgoing auditor, explain their content

Yes  No

**C.1.32** Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

Yes  No

	Company	Group Companies	Total
Amount invoiced for non-audit services (thousands of euros)	220	49	269
Amount invoiced for non-audit work/amount for audit work (in %)	81.5%	9.9%	35.2%

**C.1.33** Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

Yes  No

**C.1.34** Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited.

	Individual	Consolidated
Number of consecutive years	10	10
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	28.57%	28.57%

**C.1.35** Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

Yes  No

Details of the procedure

Article 9 of the Regulations of the Board of Directors determines that one of the functions of the Chair is:

*"Ensuring that Directors receive, in advance of Board meetings, the information they need to be able to deal with the items on the agenda and perform their duties with due care."*

Thus, the Directors have a digital platform on which the relevant information on the items contained in the Agenda of each meeting of the Board and its Committees is made available.

Likewise, in accordance with Article 22 of the Board Regulations, in the performance of their tasks, the Directors have the duty to demand, and the right to receive from the Company, the information that is necessary and suitable to enable them to fulfil their obligations. Directors accordingly are vested with the broadest possible authority to gather information on any topic concerning the Company or its subsidiary companies, both national and foreign, and to examine their books, records, documents, reports, or facilities. Exercising this right to information is to be routed through the Chair with the assistance of the Secretary. The Chair will handle the Director's requests and furnish the information to them directly. It will provide the Director with access to appropriate contacts within the organisation or will take measures to enable the Director to carry out the relevant inspections and examinations in situ.

The Company is committed to, and working on, ensuring continuous improvement in making available the information to be discussed at meetings of the Board and its Committees. This is one of the key points of the Action Plans that are implemented every year as a result of the evaluation by the Board of Directors.

**C.1.36** Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

Yes  No

Explain the rules

Article 21 of the Regulations of the Board of Directors establishes that:

*"[...]*

*Directors will offer to resign, and if the Board of Directors considers it appropriate will resign, when they are affected by circumstances that may be detrimental to the good name and reputation of the Company or may adversely affect the work of the Company or the Board of Directors, whether or not those circumstances are related to their activities in the Company. In particular, this obligation will apply when they have been named as being under investigation in any criminal matter, in which case they will report on the course of the proceedings. This obligation will also apply when, because of supervening circumstances, they become disqualified or ineligible by law.*

*On being informed of any of the situations referred to in the preceding paragraph, or on learning of them by other means, the Board of Directors will examine the matter without delay, and after hearing the report of the Appointments, Remunerations and Sustainability Committee and reviewing the circumstances will decide what measures should be taken. Without prejudice to the information the Company should release, if appropriate, when the corresponding measures are taken, this is to be reported on in full in the Annual Corporate Governance Report, unless there are special circumstances that make it advisable to do otherwise, which should be recorded in the minutes.*

*[...]*

*Directors who leave office before the end of their term, by resignation or by decision of the General Meeting, will send a letter to all the members of the Board of Directors explaining the reasons for their resignation or, in the case of non-executive Directors, their opinion on the General Meeting's grounds for removal. A full account of this will be given in the Annual Corporate Governance Report. Insofar as it is relevant to investors, the Company will announce the resignation or removal as soon as possible and will include a sufficient exposition of the reasons or circumstances submitted by the Director."*

**C.1.37** Indicate whether, apart from such special circumstances as may have arisen and been duly minuted, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:

Yes  No

In the above case, indicate whether the board of directors has examined the case. If so, explain with reasons whether, given the specific circumstances, it has adopted any measure, such as opening an internal enquiry, requesting the director's resignation or proposing his or her dismissal.

Indicate also whether the Board decision was backed up by a report from the nomination committee.

Sí  No

**C.1.38** Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

None exist.

**C.1.39** Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

There are no indemnities agreed upon between the Company and its Non-executive Directors, nor managers or employees.

The only indemnity agreed upon is provided for in favour of the Executive Director (the CEO) in the contract which they enter into with the Company, which will become legally operative whenever termination is neither as a result of any non-compliance attributable to them nor on account of their sole volition (with the exception of cases of death or disability of the CEO).

The CEO's compensation amounts to the equivalent of two (2) years of total remuneration, from which long term variable remuneration is excluded. Even so, exceptionally, if cessation and termination of the contract with the CEO is due to a change of control of the Company in the sense which Article 42 of the Commercial Code provides for, or the assignment or transfer of all or part of its activities or its assets or liabilities to a third party or merger into another business group, as well as a change of the current shareholders who own over 50% of the share capital or the Company's key shareholder, the CEO would be entitled to receive an additional sum equal to one (1) year of their total remuneration. Total remuneration shall in any event be calculated as the average of that received in the past three (3) years.



Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of directors	General shareholders' meeting
Body authorising the clauses	X	
	Yes	NO
Are these clauses notified to the General Shareholders' Meeting?	X	

#### Observations

The clauses for the CEO are approved by the Board of Directors on the proposal of the Appointments, Remunerations and Sustainability Committee. In addition, they are reported to the General Meeting through the Annual Report on Director Remuneration. and they are included in summarised form in the document on Remuneration Policy for directors which was submitted to the General Meeting for approval on 18 May 2022.

## C.2 COMMITTEES OF THE BOARD OF DIRECTORS

### C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them

#### EXECUTIVE COMMITTEE

Name	Position	Category
Mr Jaime Real de Asúa Arteché	Chairman	Proprietary
Mr Joaquín Gómez de Olea Mendaro	Board Member	Proprietary
Mr Cristóbal González de Aguilar Alonso-Urquijo	Board Member	Proprietary
Mr Rafael Martín de Bustamante Vega	Board Member	Executive
Mr Miguel Morenés Giles	Board Member	Proprietary
Mr Ignacio Prado Rey-Baltar	Board Member	Proprietary
Mr Pedro Enrile Mora-Figueroa	Non-Director Secretary	--

  

% of executive directors	16.67%
% of proprietary directors	83.33%
% of independent directors	0%
% of other external directors	0%

Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the Articles of Incorporation or in other corporate resolutions.

The Executive Committee has no function allocated or delegated to it that is additional to what is set out in section C.1.9.

The essential duties of the Executive Committee are (i) to prepare information on the matters to be discussed by the Board of Directors and to draft motions for resolutions; (ii) to follow up on implementation of Elecnor Group policies, and (iii) to monitor the business of the Company and the Group, which represents confidential information due to its sensitivity in terms of the competition and must be treated with the strictest

confidentiality safeguards. This is all pursuant to the **Rules of Procedure** for the Committee as described in its actual constitutional charter and which are detailed below:

- The members of the Executive Committee shall step down from their role when they do so as Director or when agreed upon by the Board of Directors.
- In the absence of the Chair of the Executive Committee, or this position being vacant, their functions shall be exercised by the member who is elected for that purpose by a majority of the attendees at the meeting.
- The Executive Committee shall be convened by its Chair, at their own initiative, or at the request of two of its members, by letter, telegram, e-mail or fax, addressed to each of its members at least 48 hours before the date of the meeting, but may, however, be convened for reasons of urgency, in which case the agenda shall be limited to the points which were the grounds for the meeting.
- The Executive Committee shall be quorate when at least a majority of its members are present or represented.
- Through its Chair, the Executive Committee shall inform the Board of Directors of the matters which the Committee discusses and the resolutions it passes.

Over the year in 2022, the Executive Committee changed to its present composition. At its meeting held following the Shareholders' General Meeting on 18 May 2022, the company's Board of Directors resolved: (i) to re-elect Jaime Real de Asúa, Miguel Morenés Giles and Ignacio Prado Rey-Baltar as members of the Executive Committee for a four-year term and (ii) to appoint Joaquín Gómez de Olea Mendaro as a committee member for the same term as that for which he was appointed a director of the company at the Shareholders' General Meeting on 20 May 2020, specifically up until 20 May 2024.

Likewise following the Shareholders' General Meeting as well as the Board meeting on the same day, at its meeting of 18 May 2022 the Executive Committee resolved to re-elect Jaime Real de Asúa Arteché as Chairman of the committee.

On the other hand, as a result of Fernando Azaola Arteché voluntarily stepping down from his position as Secretary to the Committee, on 11 May 2022 the Executive Committee resolved to appoint Non-Director Secretary to the Board, Pedro Enrile Mora-Figueroa, as Non-Director Secretary to the Executive Committee, in line with recommendation 37 of the Code of Good Governance.

The Executive Committee met twenty-two (22) times over 2022, all of its meetings being attended by the full complement of its members, with the sole exception of that of 9 March 2022, when Fernando Azaola Arteché (who was still Secretary to the Committee at the time) was unable to attend on justified grounds.

Among others, the following key issues were discussed at the meetings:

- The 2022 income statement and both quarterly and six-monthly results.
- The search process for the possible incorporation of a stakeholding partner in subsidiary Enerfín Sociedad de Energía, S.L.U.
- Key investment and divestment transactions by the Elecnor Group.
- The progress of lead business subsidiaries from the Elecnor Group, namely Elecnor Servicios y Proyectos, S.A.U. and Enerfín Sociedad de Energía, S.L.U., as well as the investee company Celeo Concesiones e Inversiones, S.L., including their priority affairs and monitoring of their goals.
- Actions regarding sustainability and climate change.
- 2023-2025 Strategy Plan.
- Examination of Elecnor Group corporate financing and borrowing.
- Monitoring of the multi-currency commercial paper programme on MARF (Alternative Fixed-Income Market) of up to 400 million euros
- Proposed dividend pay-outs.
- Evaluation of the Committee itself.
- Trends in the company's market price and shareholder activity.

All members of the Board of Directors receive copies of the minutes of the meetings of the Executive Committee, in accordance with Recommendation 38 of the Code of Good Governance.

## AUDIT COMMITTEE

Name	Position	Category
Ms Irene Hernández Álvarez	Chair	Independent
Mr Miguel Morenés Giles	Secretary	Proprietary
Ms Isabel Dutilh Carvajal	Board Member	Independent
Mr Ignacio Prado Rey-Baltar	Board Member	Proprietary
Ms Francisca Ortega Hernández-Agero	Board Member	Independent
% of executive directors	0%	
% of proprietary directors	40%	
% of independent directors	60%	
% of other external directors	0%	

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the Articles of Incorporation or in other corporate resolutions.

The functions, procedures and rules of organisation and operation of the Audit Committee are set out and developed in (i) Article 15 bis of the Company's Articles of Association, (ii) Article 13 of the Regulations of the Board and the (iii) Regulations of the Audit Committee themselves. All of these are available on the Company's corporate website.

The Audit Committee must designate a Chair from among the Independent Directors for a maximum of four years, for which they may be re-elected for the same term once a period of one year has elapsed from the date on which their role expires or the date their removal has been agreed upon, without detriment to their continuation or re-election as a Committee member.

The Audit Committee will also appoint a Secretary, who may be the Secretary of the Board of Directors, on condition that he or she is not an Executive Director.

The Audit Committee will be quorate when a majority of its members are present or represented at the meeting. Resolutions will be adopted by an absolute majority of the members present or represented there.

The Audit Committee must meet at least four times per year and, in addition, as often as required in the interests of the Company, at the request of any of its members.

The meetings of the Committee will be called by its Secretary on the instructions of the Chair, and the call to meet shall always include the agenda of the meeting and be accompanied by the necessary information, without prejudice to the fact that in certain circumstances it may be justified that all or part of the information is provided at the meeting itself.

Attendance at meetings of the Committee should be preceded by sufficient dedication by its members to analysing and evaluating the information received, with constructive dialogue among its members and the freedom to offer opinions being encouraged.

The Committee may request the presence of any person not forming part of it and whom it deems appropriate for the best exercise of its functions. The person shall attend at the invitation of the Chair of the Committee but only to deal with those specific items on the agenda for which they are called. The minutes of Committee meetings shall record the arrivals and departures of the various invitees and, save in specific cases for which adequate justification must appear in the minutes themselves, invitees may not be present during the Committee's deliberation and voting phases.

The Audit Committee may have access to any information or documentation available to the Company concerning matters within its competence and may, at the expense of the Company, request the collaboration or advice of external professionals when it considers this necessary or advisable for the best exercise of its functions, for which purposes it is to have appropriate resources on hand.

The Audit Committee shall establish an effective and regular channel of communication with its usual contacts, which task shall normally fall to the Chair of the Committee, who shall also act as spokesperson for the Committee at the meetings of the Board of Directors and, where appropriate, at the Company's General Shareholders' Meeting.

Article 15 bis of the Articles of Association essentially covers the minimum duties assigned to the Audit Committee under the Spanish Companies Act. These are expanded upon in Article 13 of the Regulations of the Board of Directors, and this is in turn developed by Article 5 of the Regulations of the Audit Committee, which provides a detailed description of the duties which the Board of Directors allocates to the Committee and is now transcribed below:

### "Article 5. Duties of the Audit Committee

1. Notwithstanding any other tasks that may be assigned to it by the Board of Directors, the Audit Committee will have the following duties:

(i) In respect of supervising financial and non-financial information:

- a) In the person of its Chair, to inform the General Shareholders Meeting regarding any matters falling within its purview raised by shareholders. More particularly, to report on audit results and explain the role the Committee has played during the auditing process and how audits have helped enhance the integrity of financial information.
- b) To oversee and assess the process of drawing up and submitting the requisite financial and non-financial information on the Company and on its Group, as the case may be; to monitor compliance with legal and regulatory requirements; to ensure that the scope of consolidation has been suitably defined and accounting principles are properly followed; and especially to determine, consider, and supervise the effectiveness of the internal control of the financial reporting (ICFR) system and make suggestions or recommendations for safeguarding financial integrity to the Board of Directors.
- c) To report in advance to the Board of Directors concerning the financial information, management report, and, where appropriate, any requisite non-financial information that the Company is to make public periodically.
- d) To ensure that the annual financial statements the Board of Directors submits to the General Meeting have been drawn up in accordance with accounting standards. Where the external auditor has included an observation in its audit report, the Audit Committee Chair will clearly explain the Committee's views on its significance and scope to the General Meeting and will make a summarised version of its views available to the shareholders when the notice of meeting is issued, together with the rest of the proposals and reports of the Board.

(ii) In respect of supervising internal control of financial reporting:

- a) To supervise the effectiveness of the internal controls of the Company and its internal audit function in charge of ensuring proper operation of the internal control and reporting system, and to discuss with the external auditors any material weaknesses found during the audit and draw conclusions as to the degree of reliability and confidence of the system, all without surrendering its independence. To these ends it may make any appropriate suggestions or recommendations to the Board of Directors and perform the relevant follow-up.
- b) To supervise the internal audit unit overseeing proper functioning of the internal control and reporting systems, functionally subsidiary to the Committee Chair, in particular: (i) to assure the independence of the unit that performs the internal audit function; (ii) to propose the selection, appointment, and removal of the Chief Audit Executive; (iii) to propose the unit's budget; (iv) to approve the annual work plan and guidelines and ensure that the unit's activities focus mainly on relevant risks, including reputational risks; (v) to receive regular reports on the unit's activities; and (vi) to ensure that the members of the management team heed the conclusions and recommendations of its reports.

The Chief Audit Executive will report directly to the Audit Committee on performance of the unit's annual work plan, on any incidents and constraints that arise in the course of its work, and on the results and follow-up of its recommendations; the CAE will submit a report on the unit's activities at the end of each year.

c) To set up and supervise a mechanism for employees and others who are connected with the Company, e.g., Directors, shareholders, vendors, contractors, or subcontractors, to report any potentially significant financial, accounting, or any other sort of irregularities affecting the Company which they may observe in the Company or its Group. The mechanism should ensure confidentiality, or at least make provision for anonymous reporting, while at the same time respecting the rights of the reporting and the reported persons. It should also provide for periodic reporting on operation of the mechanism and means for suggesting possible ways to improve the mechanism and reduce the risk of future irregularities.

d) More generally, to ensure that existing internal control policies and systems are effectively implemented in practice.

(iii) In respect of supervising risk management and control:

a) To supervise and assess the effectiveness of management and control systems for both financial and non-financial risks affecting the Company and the Group (including operational, technical, legal, social, environmental, political, and reputational or corruption-related risks) and to reassess at least yearly the list of the main risks and propose any changes to the Board.

b) To supervise the risk management and control unit.

(iv) In respect of the external auditor:

a) To submit proposals for selecting, appointing, re-electing, and replacing the external auditor to the Board of Directors for referral to the General Shareholders Meeting and to take charge of the selection process in conformity with the applicable laws and regulations and of the conditions of engagement, and for that purpose it must:

1. specify the procedure for selecting the external auditor and
2. issue a reasoned proposal.

b) To obtain from the external auditor, on a regular basis, information on the audit plan, on performance of that plan, and on any other questions connected with the auditing process, especially discrepancies that may arise between the external auditor and Company management

c) To establish suitable relations with the external auditor regarding submission of information on questions that could jeopardise its independence for review by the Committee together with any other questions relating to the auditing process and any other communications prescribed by the auditing legislation and other auditing regulations and standards and, when appropriate, to authorise services not prohibited by the applicable laws and regulations concerning independence.

To obtain a yearly declaration from the external auditor stating its independence from the Company and from the entities directly or indirectly related to it along with itemised, detailed information on additional services of any kind that it may provide and the corresponding fees paid by those entities to the external auditor or to persons or entities related to it, in accordance with the statutory framework regulating auditing practice.

d) To issue an annual report in advance of the external auditor's report setting out its opinion as to whether the auditor's independence has been compromised. This report will necessarily include a reasoned assessment of each of the additional services apart from auditing referred to in the preceding item, both individually and in aggregate, from the perspective of independence and the statutory framework regulating auditing practice.

e) To defend the external auditor's independence in the performance of its duties, in particular:

(i) should the auditor resign, to examine the circumstances surrounding and the reasons for resignation

(ii) to supervise announcement by the Company of a change in auditor through the Spanish National Securities Market Commission (CNMV) and to submit a statement regarding the existence of any disagreements with the outgoing auditor and what they might be

(iii) to ensure that the external auditor's remuneration for its work does not compromise the quality of the work or the auditor's independence

(iv) to set guidelines capping the fees the auditor may be paid each year for services other than auditing and

(v) to ensure that the Company and the external auditor obey the law in force concerning the provision of non-auditing services and limits on economic dependence by auditors and all other laws and regulations connected with auditor independence generally.

f) To ensure that the external auditor meets yearly with the full Board of Directors to report on the work done and developments concerning the Company's accounting and risk situation.

g) To draw up a final assessment of the auditor's performance and its contribution to audit quality and financial information integrity.

(v) In respect of supervising compliance with the Company's corporate governance rules and internal codes of conduct:

a) To supervise compliance with the Company's corporate governance rules and policies and internal codes of conduct and ensure that corporate culture is aligned with the Company's purpose and values.

b) To supervise implementation of the general corporate, non-financial, financial, and economic communications policy and communications with shareholders and investors, proxy advisers, and other stakeholders. Additionally, to monitor the Company's relations and communications with small and medium-sized shareholders.

(vi) Other duties

a) To report on Related-Party Transactions that need approval by the General Meeting or Board of Directors and oversee the Company's internal procedure for transactions for which the Board of Directors has delegated approval pursuant to the applicable rules.

In drawing up its report the Committee must examine whether the transaction is fair and reasonable from the perspective of the Company and shareholders that do not belong to the related party, as the case may be, and set out the basis for its opinion and the methods that have been used. Members of the Audit Committee concerned in the Related Party Transaction may not take part in drawing up the report.

b) To report in advance to the Board of Directors on all matters prescribed by law, the Company's Articles of Association, or the Regulations of the Board of Directors, and specifically:

(i) the creation or purchase of shares in special purpose vehicles or entities based in countries or territories classified as tax havens and

(ii) the financial terms and accounting implications and where appropriate the proposed exchange ratio of transactions that entail corporate and structural modifications planned by the Company.

2. Each year the Audit Committee will draw up a report on its work and performance during the year as a basis for review by the Board of Directors. The report will contain information on, for instance, the make-up of the Committee, the number of meetings held during the year, significant activities carried out during the year stating work performed in association with outside experts, and the main incidents that took place. The report will be placed at the disposal of the shareholders on the Company's website sufficiently in advance of the Annual General Meeting.

3. When performing its duties, the Audit Committee will bear in mind the good governance recommendations and standards issued by the National Securities Market Commission and other competent authorities, though these may be adapted to the specific circumstances of the Company and its Group.



4. Each year the Audit Committee will formulate an action plan setting out the main activities to be carried out by the Committee in the performance of its duties.

The Audit Committee changed its composition in 2022. On the occasion of their re-election as Company directors under a resolution passed at the Shareholders' General Meeting of 18 May 2022, Irene Hernández Álvarez, Miguel Morenés Gilés and Ignacio Prado Rey-Baltar were re-elected as Audit Committee members as a result of a resolution passed by the Board that same day. The first two of these also retain their respective positions of Chair and Secretary of the Committee.

Likewise, under a resolution of the Board at its meeting on 18 May 2022, Francisca Ortega Hernández-Agero was appointed as a member of the Audit Committee following her appointment as a director at the General Shareholders' Meeting that same day. At this same Board meeting, the voluntary resignation was accepted of Emilio Ybarra Aznar from his position as a member of the Audit Committee. The Committee and the Board thanked him for all his service while also fully endorsing his management to date without any reservations whatsoever.

The Committee met eleven (11) times over 2022 with a full attendance rate. Furthermore, when considered appropriate, the Committee requested that other persons from within the company or its Group or professionals from outside it should be present at meetings, depending on the matters up for discussion. In all cases this was following prior invitation from the Chair of the Committee to discuss the points on the agenda for which they had been called to participate and concerned:

- Members of the General Internal Audit and Finance Sub-Division (10 meetings).
- The Chief Audit Executive (10 meetings).
- The Group's Chief Compliance Officer (5 meetings).
- The General Secretary (4 meetings).
- The Head of IT and Technology (which comes under the Corporate Development Department) (1 meeting).
- The External Communications and Corporate Image Manager (3 meetings).
- External auditors (KPMG) (3 meetings).

Likewise, when thought appropriate, other external advisers or providers took part regarding certain particularly complex matters specific to the Audit Committee. The arrivals and departures of the various invitees were recorded in the Committee meeting minutes in all cases.

In 2022 the Audit Committee exercised each of the functions assigned to it under Article 5 of its internal regulations in the form of the following activities:

### 1. Review of the regular financial and non-financial information disclosed to the markets and of the objectives and forecasts at year-end

The Committee monitors the process of preparation and integrity of the financial and non-financial information of the Company and the consolidated group, reporting favourably to the Board for its subsequent submission to the authorities and the market, as well as to submit the annual financial statements and the non-financial information statement to the shareholders for approval at the General Meeting.

Prior to its submission to the Board of Directors, the Committee reviews the financial information (and, in the case of annual information, the non-financial information) produced on a quarterly (March and September), six-monthly (June, subject to limited review by the Group's auditor) and yearly (December, subject to review by the Group's auditor) basis, which must be sent to the CNMV and disclosed to the markets (key financials, performance versus the previous period, performance of the main businesses and geographical areas, etc.). The annual non-financial information report is also subject to independent verification by KPMG

The General Internal Audit and Finance Sub-Division provided the Audit Committee with the appropriate explanations regarding the accounts during the year. The accounting treatment for extraordinary transactions and the tax treatment of those significant were analysed, these being checked against the interpretations of the Group's auditors and/or advisers.

Throughout the year, reassessments of year-end objectives and forecasts are presented and any deviations from the objectives explained.

### 2. Monitoring of the main risks with a potential impact on the income statement and other significant issues affecting the annual financial statements, the Risk Management System and Internal Audit activity.

The Committee performed ongoing monitoring of key risks with a potential impact on the income statement, which are structured by general sub-divisions and business areas and quantified in terms of Group exposure, as well as monitoring of contingent trade receivables and receivables from public entities. The suitability of recognising a provision for these risks is considered on a case-by-case basis once they are reported.

The Audit Committee also monitored the most significant judgements and estimates with an impact on the financial information, especially those relating to impairment tests for goodwill, intangible and tangible assets and deferred tax assets, as well as the recognition, control and measurement of derivative financial instruments.

In relation to tax, the Audit Committee monitored the main risks of this nature and effective implementation of the Corporate Tax Policy. It also reviewed the tax treatment of transactions with particular significance. Specifically in February of the year, the Committee reviewed the amendments brought in with respect to Group transfer pricing policy, giving them its approval, which was conveyed to the Board.

There were no related-party transactions that had to be reviewed by the Committee in 2022. Even so, in the course of 2022 the Committee evaluated the Related-Party Transaction Protocol which the Board approved at its meeting of 15 December 2021 on the basis of the report which was issued by the task force set up to comply with the provisions of the protocol. It concurred with its conclusions and determined that the task force had performed its duties satisfactorily in 2022 while the stipulations in the protocol had also been complied with.

The Audit Committee also continuously monitored the main risks to which the Group is exposed (governance, strategic and environmental, operational, information and compliance) by overseeing the corporate Risk Management System and Risk Map, in particular, the risks identified, assessment of their potential impact, probability of occurrence and the action plans established to improve management of them. In the year the Committee conducted particularly close monitoring of risks relating to project management (the bid, contract negotiation and agreement, and execution phases), of risk management in the areas of tax, occupational safety (notably in subcontracting), information systems (continuity and security) and compliance, and of risks associated with sustainability and climate change.

In 2022 the Committee kept a particularly close watch on risks and impacts facing the Group that derive from the Ukraine war, high energy prices and soaring inflation.

The Audit Committee performs suitable oversight of the Internal Audit function and approves its annual work plan, following up both this and its activities in monitoring and reviewing the main risks affecting the organisation, its processes and controls. The Audit Committee also received Internal Audit's activity report from the unit and reviewed and approved it.

### 3. Relations with the Group's external auditors, supervision of their independence and approval of fees.

The Audit Committee met with the Group's external auditors three times in 2022, on each occasion without other members of the Company or its Group being in attendance.

The main issues discussed with the external auditors were:

- Planning and strategy for the annual audit of both the individual Company and consolidated Group accounts (materiality, scope, main audit risks identified, schedule, etc.).
- The results of the yearly audit of the individual and consolidated annual financial statements and of the limited review of the Group's condensed six-monthly financial statements.
- Any internal control weaknesses identified and suggested improvement where appropriate.
- Written statement and confirmation by the external auditors of their independence and detailed information on any non-audit services.

The Audit Committee made the annual assessment of the external auditor's performance and contribution to audit quality and the integrity of financial information.

With respect to supervising the independence of the external auditor, in accordance with the internal procedure which regulates the process for approving non-audit services which the external auditor is to provide, the Audit Committee delegates approval for these to the Group Chief Audit Executive, provided that they are not prohibited under legislation in force or do not compromise the auditor's independence. This is with the exception of those cases where the amount of the fees proposed exceeds a certain percentage of the fees for audit services which the main auditor provided in the immediately preceding financial year, in which case the Audit Committee carries out approval directly.

The Chief Audit Executive has regularly reported to the Audit Committee on the services approved under this procedure and always prior to the external auditor submitting its annual statement confirming its independence, in which it provides details of the fees invoiced to the Company and those related to it (broken down into separate items for both audit and non-audit services) throughout the financial year, by the auditor itself as well as the firms in its organisational network.

In regard to approval for non-audit services, the Audit Committee or the Chief Audit Executive, as appropriate, base themselves on a minimum of documentation, consisting of a draft of the services proposal and the items supporting the independence assessment that the external auditor has made, as well as their conclusions. Sometimes, depending on the nature and amount of the fees, the Audit Committee asks for further explanations from both the internal audit department and other managers of the Group. In all cases, in addition to deciding whether the proposed service is one that is prohibited or not, the evaluation process involves analysis of threats to independence (self-interestedness, self-reviewing, advocacy, familiarity or closeness, and intimidation) and, where appropriate, the safeguards to put in place.

The Committee has concluded that the Company's auditor has performed its audit work independently, which it has reported to the Board of Directors, with the legally mandatory report being issued on 23 February 2022 pursuant to Article 529 quaterdecies.4.f of the Spanish Companies Act and likewise provided in the Company's corporate texts. This was made available to shareholders via the corporate website as from the call to meet at the AGM.

At the request of the Audit Committee, in February the external auditor met held a meeting with the full Board of Directors to report to it on the work carried out and developments in the Company's accounting and risks situation.

The Audit Committee studied KPMG's proposed fees for auditing the 2022 individual and consolidated annual financial statements and decided to refer them to the Board of Directors for approval.

Finally, at the AGM held on 18 May 2022 the appointment was approved of PwC as new Group auditor for the financial years from 2023 to 2025 based on the motion advanced by the Board and which the Audit Committee had previously referred to the latter at its meeting in December 2021. The change of auditor was prompted by the legal obligation to replace the Group's current auditor (KPMG) from the 2023 financial year. The Audit Committee thanks KPMG for its work and professionalism over all the years in which it performed its task as the Group's chief auditor.

#### 4. Monitoring of the compliance system and activity of the Compliance Committee

In line with the Group's overall commitment, this is one of the activities where it makes a particularly concerted effort. Five of the meetings in 2022 were attended by the Group's Chief Compliance Officer, who reported on the Compliance Committee's activity and on the initiatives, actions and/or incidents arising in the field of Compliance, seeking the Committee's approval and authorisation when necessary.

The tasks carried out by the Audit Committee in this area in 2022 were:

- Review and approval of the 2021 Annual Compliance Report
- Monitoring of the main compliance risks to which the Group is exposed.
- Approval and follow-up of compliance targets for 2022.

- Approval and follow-up of the 2022 Compliance Training Plan.
- Monitoring of the processes of adapting the Group's Compliance System to the special circumstances and requirements of the different countries in which it operates (organisations and subsidiaries).
- Follow-up of complaints and/or concerns submitted through the Ethics Channel, analysis of findings and decision on action to be taken.

In addition, the Committee monitored various judicial and administrative proceedings with a potential impact on legal persons belonging to the Elecnor Group.

#### 5. Monitoring of the Group's Digital Transformation Project and Information Systems Security management.

The Group's chief IT and technology officer, along with the managers from the General Internal Audit and Finance Sub-Division, reported to the Committee on the degree of progress of the important digitisation and process re-engineering project under way since 2016. The project aims to achieve operational excellence, understood as the capacity of the organisation, processes and systems to contribute to efficiency, information control, quality of service and regulatory compliance.

The Audit Committee was also informed about key progress and projects in information systems security, with headway notable in the area of cybersecurity, both nationally and internationally

On the other hand, the Audit Committee monitored the outcome of the project led by the consolidation area to implement software to support the whole of the Group's financial reporting and consolidation process. The project was successfully completed within the deadlines set. The financial reporting consolidation procedures for the year have already been supported by this new application.

Lastly, the committee also followed up the project to implement software to smooth reporting procedure and prepare non-financial information. The project was carried out in 2022 and culminated successfully late in the year.

#### 6. Reporting to the General Shareholders' Meeting.

In her capacity as Chair of the Audit Committee, Irene Hernández Álvarez reported on the Committee's activities over 2021 and to date at the General Shareholders' Meeting held on 18 May 2022.

#### 7. Oversight of compliance with the Company's Corporate Governance rules and in-house codes of conduct, and the assessment of the Committee

In the area of Corporate Governance, the Audit Committee performed appropriate supervision of compliance with the Company's rules on Corporate Governance and its in-house codes of conduct. On the basis of the information received via the General Secretary and other members of Group management, on 20 December 2022 the Committee issued a report on the functions of overseeing compliance and implementing the Company's corporate policies and internal codes of conduct which it has been assigned with under Articles 13 of the Regulations of the Board of Directors and 5 of the internal code of the Committee itself. The report examined compliance with, on the one hand, corporate policies (on corporate governance, regulatory compliance itself and sustainability), where in some cases this was on the basis of the report by the Appointments, Remunerations and Sustainability Committee on the findings of its assessment and review of certain policies that fall within the scope of competition, and on the other hand, the company's internal codes of conduct. The conclusion was reached that (i) over 2022 there was compliance with the principles, good practices and obligations set out in the aforementioned policies and codes, while no deviation came to light in the review process and (ii) the corporate culture underlying the rules alluded to and which is imparted to everybody that is part of the Company and its Group is in line with its aims and values.

The Committee also gave consideration to the points arising from assessment of it by the Board of Directors, which was acting in partnership with a specialist external firm. This process ended on a very positive note, with the takeaway being that the Committee operates with very high standards and great professionalism.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.

Names of directors with experience

Irene Hernández Álvarez

Miguel Morenés Giles

Isabel Dutilh Carvajal

Ignacio Prado Rey-Baltar

Francisca Ortega Hernández-Agero

Date of appointment of the chairperson

22/05/2019

**APPOINTMENTS, REMUNERATIONS AND SUSTAINABILITY COMMITTEE**

Name	Position	Category
Mr Emilio Ybarra Aznar	Chair	Independent
Mr Jaime Real de Asúa Arteche	Secretary	Proprietary
Ms Isabel Dutilh Carvajal	Board Member	Independent
Mr Miguel Cervera Earle	Board Member	Proprietary

% of executive directors 0%

% of proprietary directors 50%

% of independent directors 50%

% of other external directors 0%

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

The functions, procedures and rules of organisation and operation of the Appointments, Remunerations and Sustainability Committee are set out and developed in (i) Article 15 ter of the Company's Articles of Association, (ii) Article 14 of the Regulations of the Board and (iii) in the very Regulations of the Appointments, Remunerations and Sustainability Committee, all of which are available on the Company's corporate website.

The Appointments, Remunerations and Sustainability Committee shall appoint the Chair thereof from among the Independent Directors. The Secretary of the Board of Directors may be appointed as the Secretary of the Appointments, Remunerations and Sustainability Committee, provided they are not an Executive Director.

The Appointments, Remunerations and Sustainability Committee must necessarily meet at least three times per year. It will be quorate when a majority of its members are present or represented at the meeting. Resolutions will be adopted by an absolute majority of the members present or represented there.

The meetings of the Committee will be called by its Secretary on the instructions of the Chair, and the call to meet shall always include the agenda of the meeting and be accompanied by the necessary information, without prejudice to the fact that in certain circumstances it may be justified that all or part of the information is provided at the meeting itself.

Attendance at meetings of the Appointments, Remunerations and Sustainability Committee must be preceded by sufficient dedication by its members to analysing and evaluating the information received, with constructive dialogue among its members and the freedom to offer opinions being encouraged.

The Committee may request the presence of any person not forming part of it and whom it deems appropriate for the best exercise of its functions. The person shall attend at the invitation of the Chair of the Committee but only to deal with those specific items on the agenda for which they are called. The minutes of Committee meetings shall record the arrivals and departures of the various invitees and, save in specific cases for which adequate justification must appear in the minutes themselves, invitees may not be present during the Committee's deliberation and voting phases.

The Appointments, Remunerations and Sustainability Committee may have access to any information or documentation available to the Company concerning matters within its competence and may, at the expense of the Company, request the collaboration or advice of external professionals when it considers this necessary or advisable for the best exercise of its functions while being especially mindful of any conflicts of interest that might affect external advisers, for which purposes it is to have appropriate resources on hand.

The Committee must establish an effective and regular channel of communication with its usual contacts, which task shall normally fall to the Chair of the Committee, who shall also act as spokesperson for the Committee at the meetings of the Board of Directors and, where appropriate, at the Company's General Shareholders' Meeting.

The Appointments, Remunerations and Sustainability Committee shall consult with the Chair of the Board of Directors and the CEO of the Company, especially in matters relating to the appointment of the Executive Directors, and the remuneration of members of the management team and the Executive Directors. Any Director may request that the Committee take into consideration potential candidates to fill vacancies for Directors, if they are found to be suitable.

Article 15 ter of the Articles of Association essentially covers the minimum duties assigned to the Appointments, Remunerations and Sustainability Committee under the Spanish Companies Act. These are expanded upon in Article 14 of the Regulations of the Board of Directors, and this is in turn developed by Article 5 of the Regulations of the Appointments, Remunerations and Sustainability Committee, which provides a detailed description of the duties which the Board of Directors allocates to the Committee and is now transcribed below:

*"Article 5. Functions of the Appointments, Remunerations and Sustainability Committee*

*1. Without prejudice to other functions that may be assigned to it by the Board of Directors, the Appointments, Remunerations and Sustainability Committee shall, in any case, exercise the following functions:*

*(i) Regarding the composition of the Board:*

*a) Evaluating the required skills, knowledge and experience for the Board of Directors. For this purpose, it shall define the necessary functions and aptitudes for the candidates to fill each vacancy and shall evaluate the time and dedication required so they may effectively perform their functions, ensuring that the Non-Executive Directors have sufficient time available to correctly carry out their functions.*

*To this end, the Committee shall periodically prepare and update a matrix with the competencies needed by the Board, which defines the skills and knowledge of the candidates to become Directors, especially those of the executive and independent candidates.*

*b) Establishing a target representation number for the less represented gender on the Board of Directors and drawing up guidelines for achieving that target, proposing the diversity policy for Directors to the Board of Directors.*

*c) Proposing Board diversity and Director selection policy to the Board of Directors and reviewing fulfilment yearly.*

*d) Verifying the category of the Directors on an annual basis.*

*(ii) Regarding the selection of Directors and members of the management team:*

*a) Submitting to the Board of Directors proposals for the appointment of Independent Directors for appointment by co-optation or for submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-appointment or removal of said Directors by the General Shareholders' Meeting.*

b) Reporting the appointment proposals of the remaining Directors for their designation by co-optation or for submission to the decision of the General Shareholders' Meeting, as well as proposals for their re-appointment or removal by the General Shareholders' Meeting.

c) Reporting proposals for the appointment and removal of members of the management team.

(iii) Regarding the roles of the Board:

a) Announcing the appointment of the Chair and Deputy Chairs of the Board.

b) Announcing the appointment and removal of the Secretary and Deputy Secretary of the Board.

c) Proposing, where appropriate, the appointment of the Coordinating Director.

d) Examining and organising the succession of the Chair of the Board of Directors and the CEO of the Company and, where appropriate, making proposals to the Board of Directors so that such succession takes place in an orderly and planned manner, and preparing a succession plan for that purpose.

(iv) Regarding the remuneration of Directors and members of the management team:

a) Proposing the remuneration policy for the Directors and the members of the management team to the Board of Directors, confirming their observance.

*The Director remuneration policy will set at least the maximum amount of annual remuneration payable to the Directors in aggregate for the performance of their non-executive duties and the criteria for its distribution having regard to the duties and responsibilities attributed to each Director. In addition, the remuneration policy will set at least the amount of the annual fixed remuneration payable to the Directors for the performance of their executive duties as well as other provisions set out in the Law.*

b) Proposing to the Board of Directors the individual remuneration and the other contractual terms of the Executive Directors, as well as proposing the basic terms of the contracts for the members of the management team, all in keeping with the Company's Articles of Association and the remuneration policy for directors in force at any time.

c) Reporting to the Board of Directors in advance on the individual setting of the remuneration of each Director for performing their non-executive duties within the framework of the Company's Articles of Association and remuneration policy, as well as on individual determination of the remuneration of each Director for carrying out the executive duties which they have been allocated within the context of remuneration policy and consistent with the provisions of their contract.

d) Periodically reviewing the remuneration policy applied to the Directors and members of the management team, including the remuneration systems with shares and their application, as well as ensuring that their individual remuneration is in proportion to that which is paid to the Company's other Directors and members of the management team.

e) Reviewing the terms of the contracts for Executive Directors and members of the management team, and verifying that they are consistent with the current remuneration policies.

f) Verifying the remuneration information of the Directors and members of the management team contained in the various corporate documents, including the Annual Report on the Remuneration of Directors.

(v) In relation to reviewing corporate governance and sustainability:

a) Regularly evaluating and reviewing the Company's system of corporate governance and policy on corporate social responsibility and sustainability with respect to environmental and social matters, to ensure that they fulfil their task of promoting the social interest and take account of any legitimate interests of other stakeholders.

b) Supervising that the Company's practices in environmental and social matters adhere to established strategy and policy.

c) Overseeing and assessing processes in relations with the various different stakeholders.

(vi) Other functions:

a) Leading, with involvement of the Coordinating Director, where appropriate, the Board's annual evaluation of its functioning and composition, its Committees and the Directors of the Company.

b) Regularly designing and organising knowledge update programmes for the Directors.

c) Ensuring that any conflicts of interest do not jeopardise the independence of external advice provided to the Committee.

2. The Appointments, Remunerations and Sustainability Committee shall prepare an annual report on its functioning and performance during the financial year, which shall serve as the basis for the evaluation to be carried out by the Board of Directors. The report will contain information on, for instance, the make-up of the Committee, the number of meetings held during the year, the significant activities carried out during the year, work performed in association with outside experts, and any key incidents that took place. The report will be placed at the disposal of the shareholders on the Company's website sufficiently in advance of the Annual General Meeting.

3. When performing its duties, the Appointments, Remunerations and Sustainability Committee will bear in mind the good governance recommendations and standards issued by the National Securities Market Commission (CNMV) and other competent authorities, though these may be adapted to the specific circumstances of the Company and its Group.

4. Each year the Appointments, Remunerations and Sustainability Committee will formulate an action plan setting out the main activities to be carried out by the Committee in the performance of its duties."

In 2022, on the occasion of their re-election as directors of the Company for a four-year term and under a resolution passed by the General Shareholders' Meeting on 18 May, that same day the Board of Directors resolved to re-elect Miguel Cervera Earle and Jaime Real de Asúa Arte as members of the Appointments, Remunerations and Sustainability Committee also for a four-year term, the latter being appointed Secretary thereof through a resolution of the Committee itself. In line with the re-elections carried out, the composition of the Appointments, Remunerations and Sustainability Committee was left unchanged in 2022 and remains the same.

The Committee met eight (8) times in 2022, all members being present at all sessions. Furthermore, when considered appropriate, the Committee requested that the CEO and other members of the management team should be present, in all cases following prior invitation from the Chair of the Committee and to discuss the points on the agenda for which they had been called to participate. Specifically, the Corporate Development Director, the Director of Human Resources, the Sustainability Committee Coordinator, the Head of Corporate Governance, and the General and Board Secretary took part in certain Committee meetings.

Likewise, when thought appropriate, external advisers or providers took part regarding certain particularly complex matters within the remit of the Appointments, Remunerations and Sustainability Committee.

The arrivals and departures of the various invitees were recorded in the Committee meeting minutes in all cases.

Below are details of the most significant activities within the competencies which Article 5 of its current Regulations assigns to the Committee and how it pursued them in practice in 2022.

### 1. Composition of the Board of Directors and its Committees

The Committee has looked at the category of each of the Directors and concluded that, as matters stand, they are fully in line with their circumstances.

Every year the Committee carries out an ongoing process of analysing and studying the structure, composition and functioning of the Board of Directors to forge ahead in tailoring it to fit the best practices and recommendations for good governance. The Committee consequently



considers that the current composition of the Board of Directors is appropriate for the best exercise of its functions and reflects a suitable balance of requirements for the members of the Board in terms of suitability and diversity, particularly with respect to training, professional experience, skills, experience in the sector and knowledge of the company and its Group, as well as personal and professional backgrounds, among other aspects.

All of this is mirrored in the Board's matrix of necessary competencies which Directors must have, it being concluded that this remains fully valid, so there is no need to amend it.

## 2. Selection of Directors and members of the management team

The Appointments, Remunerations and Sustainability Committee made a preliminary needs analysis for the Board of Directors encompassing the expertise, know-how and experience required on the Board. All of this was borne in mind when preparing proposals and reports for the appointment and re-election of Directors which it submitted to the Board of Directors.

Specifically, at the request of the Board, the Committee reported favourably on the proposed re-election as Proprietary Directors of Jaime Real de Asúa Arceche, Ignacio María Prado Rey-Baltar, Miguel Cervera Earle, Juan Ignacio Landecho Sarabia, Miguel Morenés Giles and Rafael Prado Aranguren, and proposed the re-election as Independent Director of Irene Hernández Álvarez, as well as the appointment of Francisca Ortega Hernández-Agero as a new Independent Director of the Company, all for the four-year term provided for in the Articles of Association.

## 3. Positions on the Board

In 2022 the Committee approved the updating of the succession plan for the Chair of the Board of Directors and the CEO, while it has also reviewed the succession plan for the management team.

## 4. Remuneration of the Directors and the members of the management team

The Appointments, Remunerations and Sustainability Committee proposed Director Remuneration Policy for 2022, 2023, 2024 and 2025, which was passed by an ample majority at the AGM of 18 May 2022.

The Committee proposed the annual fixed and variable remuneration for the CEO and drafted the Annual Remuneration Report for 2021, which the Board of Directors submitted to the General Meeting for its advisory vote, this being passed by an ample majority at the AGM of 18 May 2022.

The Committee also proposed the remuneration policy for the management team and its implementation, including its proposal for short-term (annual) variable remuneration.

## 5. Reviewing corporate governance and sustainability

The Appointments, Remunerations and Sustainability Committee has not been unaware of the global drive toward sustainability and has taken actions in this area into its remit, having in 2021 set up a Sustainability Committee that draws on people from various different business areas at the Company.

On the basis of the information received via the General Secretariat and other areas of the Company, on 19 December 2022 the Committee issued a report on the functions of both overseeing compliance with the Corporate Policies within its competency and reviewing the system of Corporate Governance, which it was assigned under Articles 14 of the Regulations of the Board of Directors and 5.1 of the internal regulations of the Committee itself.

This report on the one hand analysed Policy for the diversity of the Board of Directors and selection of Directors, Director Remuneration Policy (as was mentioned in the preceding section) and environmental and social sustainability policies, and on the other hand the set of rules which make up the Company's corporate governance system, as well as any areas for improvement that this might present, concluding that over 2022 no department or in-house area at the Company pointed to any need to amend any of the policies or the rules which make up the corporate governance system at the company, which has functioned properly and efficiently.

This is without detriment to what has already been referred to in the introduction about the amendment of Article 24 of the Regulations of the Board of Directors which was passed at its meeting of 21 December. This relates to director remuneration to adapt it to the current wording of Article 12 of the Company's Articles of Association, in line with the amendment passed at the AGM held on 18 May 2022.

Lastly, the Committee oversaw the work by several areas at the Company in connection with the external audit of the Corporate Social Responsibility Management System to obtain the AENOR certificate which confirms that the Company has a CSR management system that complies with IQNet SR10:2015 specifications. The certificate was issued by AENOR on 10 January 2023 and is valid for three (3) years (up to 10 January 2026).

## 6. Other functions

The Committee gave consideration to various different aspects relating to Human Resources, such as trends in pay-rolled staff, bringing in and retaining talent, international mobility, reinforcing the identity, training and legal aspects associated with labour reform, as well as others.

As regards self-assessment by the Board, in 2022 the Committee revised the standard forms for appraisal of the Board, the Chair, the CEO and the Secretary, as well as its Committees, and carried out assessment of the Committee itself, concluding that the applicable requirements for composition and functioning have been satisfactorily fulfilled.

With respect to such assessments for financial 2021, with three years having gone by since the last time that this process was conducted using an external consultant, the Committee worked in conjunction with the firm Russell Reynolds. The process concluded positively, highlights being:

- (i) setting up a system that enables rationalisation of the management of time-frames and frequency for the points on the agenda
- (ii) clearly splitting out the points that are merely informative from among those that require approval
- (iii) holding an extraordinary board meeting attended by management to examine and discuss various different alternative strategies
- (iv) assessing how suitable the executive committee's structural mix is
- (v) continuous improvement in making available the information to be discussed at meetings of the Board and its Committees.

On the other hand, the questionnaire was revised which is sent to all the Directors on potential situations of conflicts of interest in 2022.

When necessary, the Committee has benefited from the advice of external experts, having first explored potential conflicts of interest with them in such cases, no situation entailing any risk having been uncovered.

### C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors			
	2022 Number %	2021 Number %	2020 Number %	2019 Number %
Executive committee	0%	0%	0%	0%
Audit committee	60%	40%	40%	40%
Appointments, Remunerations and Sustainability	25%	25%	33%	25%

**C.2.3** Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

As was stated in section C.2.1 above, the Audit Committee is regulated by Article 15 bis of the Company's Articles of Association and Article 13 of the Regulations of the Board of Directors, whereas the Appointments, Remunerations and Sustainability Committee is regulated by Article 15 ter of the Company's Articles of Association and Article 14 of the Regulations of the Board of Directors.

Both Committees moreover have their own internal regulations, which are intended to establish the rules on their organisation and functioning, and are available on the corporate website (www.grupoelcnor.com). No amendments to these regulations were approved over the year.

On the other hand, the existence and functions of the Executive Committee are regulated in Article 15 of the Company's Articles of Association, Article 12 of the Regulations of the Board of Directors and their own charter.

During the 2022 financial year, reports on the activities of the Executive Committee, the Appointments, Remuneration and Sustainability, and Audit Committees were prepared on a voluntary basis. They serve as the basis for the evaluation carried out by the Board of Directors and were made available to shareholders through the Company's website sufficiently in advance of the Annual General Meeting, all in accordance with recommendations 6 and 36 of the Code of Good Governance.

## D) RELATED PARTY AND INTRAGROUP TRANSACTIONS

**D.1** Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intragroup parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

*Procedure and Bodies for reporting approval for related-party transactions*

Article 33 of the Regulations of the Board of Directors offers a summarised description of the legal system applying to related-party transactions in Articles 529 vicies to 529 tercies of the Spanish Companies Act:

*"The Board of Directors will be responsible for reviewing and approving, after hearing the Audit Committee, transactions by the Company or by companies in its Group with Directors, with shareholders that hold ten per cent (10%) of the voting rights or more or are represented on the Company's Board of Directors, or with any other persons who are related parties as defined by law ("**Related-Party Transactions**"), unless that decision lies with the General Meeting.*

*For purposes of the preceding paragraph, the following will not be Related-Party Transactions: (i) transactions between the Company and companies that the Company wholly owns, directly or indirectly; (ii) approval by the Board of Directors of the terms of contracts to be signed with Directors who will be performing executive duties, including the CEO or Managing Directors or members of their executive management team, and setting the specific amounts or remuneration to be paid under those contracts.*

*Transactions carried out by the Company with its subsidiary or investee companies will also not be Related-Party Transactions where no other party related to the Company has an interest in those subsidiary or investee companies.*

*Related-Party Transactions valued at amounts greater than or equal to ten per cent (10%) of the total assets on the latest balance sheet approved by the Company will need to be approved by the General Shareholders Meeting. All other Related-Party Transactions are to*

*be approved by the Board of Directors, which may not delegate its authority in this area except for (i) Related-Party Transactions with companies belonging to the Group that are carried out as part of ordinary operating procedures at market terms and (ii) Related-Party Transactions that are concluded under contracts based on standard terms and generally employed for large numbers of customers, are performed at the usual prices or rates set by the vendor of the goods or services in question, or are for sums of not more than 0.5% of the Company's net turnover.*

*The Audit Committee is to issue a report on each Related-Party Transaction before it is approved by the General Meeting or the Board of Directors. In its report the Committee will assess whether the transaction is fair and reasonable from the standpoint of the Company and, if appropriate, of the shareholders other than the related party and will explain the standards on which the assessment has been based and the methods that have been used.*

*Members of the Audit Committee involved in the Related-Party Transaction may not take part in drawing up the report.*

*No report will be needed for Related-Party Transactions for which approval has been delegated by the Board of Directors in the cases permitted by law and as provided in these Regulations.*

*The Board of Directors itself will set up a routine internal control and reporting procedure for the cases in which it delegates approval of Related-Party Transactions to make sure that these transactions are fair and transparent and are compliant with the applicable legal requirements, as appropriate.*

*The Board of Directors will arrange for Related-Party Transactions carried out by the Company or other companies in its Group for sums greater than or equal to five per cent (5%) of total book assets or 2.5% of the Company's annual turnover to be made public.*

*It will post an announcement containing the information required by law in a readily accessible spot on the Company's website for that purpose and will report this to the National Securities Market Commission. The announcement is to be posted and released together with the report by the Audit Committee, if any, no later than at the time the Related-Party Transaction is concluded.*

*All the transactions concluded with the same counterparty in the previous twelve months will be taken into account when calculating the amount of a Related-Party Transaction."*

Similarly, Article 5 vi) a) of the Regulations of the Audit Committee states that its duties include "To report on Related-Party Transactions that need approval by the General Meeting or Board of Directors and oversee the Company's internal procedure for transactions for which the Board of Directors has delegated approval pursuant to the applicable rules". This function is also set out in Articles 15 bis.7) of the Company's Articles of Association and 13 r) of the Regulations of the Board of Directors.

Moreover, on 15 December 2021 and pursuant to Articles 529 vicies to 529 tercies of the Spanish Companies Act, The Company's Board of Directors unanimously approved a Protocol for Related-Party Transactions aimed at expanding on the criteria for applying the system for approving transactions of this kind which affect the Company, as well as for the purposes of publishing information on them and also establishing the internal procedure for identifying, analysing, approving, monitoring, reporting and exercising control over Related-Party Transactions.

Assessing Related-Party Transactions before approval for them shall be the duty of the relevant Task Force (comprising one member of the General Financial and Economic Sub-division, one from Internal Audit and Compliance, and one from the General Secretariat), who shall also issue a six-monthly report summarising any Related-Party Transactions for which the Board of Directors has delegated approval and which have been approved during the corresponding period. These reports shall be submitted to the Audit Committee.

The Manager of the Unit or Area within the Company to whom performing a Related-Party Transaction is proposed on account of the subject-matter concerned will have to refer the proposal to the Task Force to be studied so that a decision on the transaction can be taken as soon as possible.

If it is concluded that this is a Related-Party Transaction which the Board of Directors or the General Shareholders' Meeting must be approve, the Task Force will submit it to the Audit Committee to be studied and the mandatory report issued prior to approval of the transaction. When drafting this report, the Committee must assess whether the transaction is fair and reasonable from the point of view of the Company

and, where appropriate, shareholders other than the related party, and also explain the standards on which evaluation is based as well as the methods used. After this, the Audit Committee will refer the proposed Related-Party Transaction to the Board of Directors along with the Committee's report to be processed in accordance with the rules provided for in the Company's Articles of Association and in the respective Regulations of the General Shareholders' Meeting and the Board of Directors.

If it is concluded that this is a Related-Party Transaction where the Board of Directors has delegated approval for it, the proposal will be passed on to the competent body or person in accordance with the resolution to delegate which the Board of Directors has passed for these purposes. The competent party must then decide on whether to approve the Related-Party Transaction and immediately notify the Task Force and the Secretary of the Board of Directors of their decision.

With respect to the rules on abstention, the Company's internal regulations echo those legally provided for. In connection with this:

- With regard to Related-Party Transactions where approval falls to the General Shareholders' Meeting, the shareholder concerned shall not be entitled to vote, except in those cases where the motion has been approved by the Board of Directors there being no voting against it by the majority of Independent Directors, without detriment to the fact that, where appropriate, the rule on reversal of the burden of proof in Article 190.3 of the Spanish Companies Act shall apply.
- For Related-Party Transactions where approval falls to the Board of Directors, the Director concerned, or the one which either represents or has ties with the shareholder concerned, must abstain from participating in deliberating and voting on the relevant resolution pursuant to Article 228 c) of the Spanish Companies Act. Nonetheless, those Directors on the Board of the Company who represent or have ties with the parent company must not abstain, without detriment to the fact that, in such cases, if their vote has been decisive in passing the resolution, the rule on reversal of the burden of proof shall apply on terms similar to those which Article 190.3 of the Spanish Companies Act provides for.

When the Audit Committee has to draw up a mandatory report, in doing so Directors who are members of this Committee and affected by the Related-Party Transaction may not participate.

In keeping with the procedure described above, on 19 December 2022, the Task Force wrote up its annual report reviewing the key activities it had carried out over 2022 in relation to scrutiny of Related-Party Transactions. It concluded that in the course of the year no transactions had been carried out with parties having ties to the Company which had required authorisation from the General Meeting, the Company's Board of Directors or any other person or body to whom the Board might have delegated such authorisation pursuant to the Regulations of the Board of Directors and the applicable regulatory framework.

**D.2 Give individual details of transactions that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against it by the majority of the independents:**

Name or company name of shareholder or any of its subsidiaries	% Shareholding	Name or corporate name of the company or subsidiary	Nature of the relationship	Type of transaction and other information required for its evaluation	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against by a majority of independents
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**D.3 Give individual details of the transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those transactions carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against it by the majority of the independents:**

Name or company name of the administrators or managers or their controlled or jointly controlled entities	Name or corporate name of the company or subsidiary	Relationship	Nature of the transaction and other information necessary for its evaluation	Amount (thousands of euros)	Approving body	Identity of the shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against by a majority of independents
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**D.4 Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or these are fully owned, directly or indirectly, by the listed company.**

Not applicable.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Company name of the entity within the group	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
N/A	N/A	N/A

**D.5 Give individual details of the transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.**

Company name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
N/A	N/A	N/A

**D.6 Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other related parties.**

Article 26 of the Regulations of the Board of Directors establishes an obligation on Directors of "taking whatever steps are needed to avoid situations in which their interests, whether their own or on behalf of third parties, may conflict with the corporate interests and with their duties to the Company."

*This Article also refers to the obligation on Directors of "opposing resolutions contrary to law, to the Company's Articles of Association, to these Regulations, and to any other internal regulations of the Company or to the corporate interest and asking to have their views recorded in the minutes whenever they consider this to be appropriate to safeguard corporate interests. In particular, the Independent Directors and other Directors who do not have a potential conflict of interest are to clearly voice their opposition to decisions that may be detrimental to shareholders not represented on the Board of Directors."*



Moreover, in the context of their duty to avoid situations where there is a conflict of interest, Article 28 of the Regulations of the Board of Directors establishes the following obligations for Directors:

*"Directors will report any direct or indirect conflict of interest they may have with respect to the Company's interests to the Board of Directors and will abstain from participating in the deliberations and voting on resolutions concerning matters in which they have a personal interest."*

*A personal interest will also be considered to exist on the part of a Director where a matter concerns persons related to the Director. Related persons will be as defined by law.*

*Directors will not be required to abstain from participating in the deliberations and voting on matters where they have a personal interest or decisions affecting their status as Director, such as appointment to or removal from positions on the Board of Directors and like decisions.*

*Directors will refrain from:*

- a) Directly or indirectly engaging in transactions with the Company unless the transaction is exempted by law or has been approved in accordance with the law and these Regulations in respect of Related-Party Transactions.*
- b) Using the Company's name or relying on their position as director to exert an improper influence on the performance of private transactions.*
- c) Accepting benefits or remuneration associated with the performance of their duties from third parties unrelated to the Company and its Group except for hospitality offered merely as a courtesy.*
- d) Engaging in activities on their own behalf or on behalf of others where those activities entail actual or potential competition with the Company or might represent an ongoing conflict with the Company's interests for Directors.*

*The Company may waive the bars set forth in items b) and d) above by decision by the competent body as provided by law.*

*The preceding provisions will also apply to cases in which the beneficiary is a person related to a Director.*

*In any event, conflicts of interest that affect the Company's directors will be reported in the Annual Report."*

On the other hand, the Elecnor Group's Code of Ethics and Conduct lays down the following among the principles applying to action by employees:

*"Independence in exercising one's professional activity is the cornerstone for a performance driven by freedom of judgement, fairness and loyalty to the company.*

*As a general principle of action, all Elecnor Group employees who find themselves in a potential or actual conflict of interest, considering their private or family interests and business interests, must refrain from carrying out the activity giving rise to such conflict, informing their immediate supervisor of the characteristics and circumstances at hand. Only with the express written authorisation of their supervisor may the employee continue to maintain this situation or carry out the specific activity within his or her professional remit that causes the conflict.*

*Elecnor Group employees will refrain from taking advantage for their own benefit or for the benefit of persons related to them of opportunities for personal gain related to investments, contracts or corporate transactions being considered or executed by the company or any of its subsidiaries or investees, or to any other information to which they have had access in the course of their professional duties.*

*Those Elecnor Group employees who participate in supplier, contractor or external collaborator selection processes are obliged to act at all times with impartiality and objectivity, adopting the criteria that guide the organisation in those processes. Under no circumstances will Elecnor Group employees request or accept, either directly or indirectly, any payment or advantage from current or future suppliers that could undermine this impartiality."*

**D.7** Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

Yes  No

Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries have been defined publicly and precisely:

Yes  No

Report covering the respective areas of activity, and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries, and identify where these aspects have been publicly reported

Identify the mechanisms in place to resolve potential conflicts of interest between the parent company of the listed company and the other group companies:

Mechanisms for resolving possible conflicts of interest

## E) RISK MANAGEMENT AND CONTROL SYSTEMS

**E.1** Explain the scope of the company's financial and non-financial risk management and control system, including tax risk.

The Elecnor Group has exposure to several risk factors associated with both the sectors in which it operates and the broad range of countries where it is active, either on a stable basis or through occasional projects.

Ultimate responsibility for identifying key risks and implementing and monitoring internal control and information systems lies with the Group's Board of Directors, which relies on the Audit Committee in this role of supervising and assessing risk management and internal control systems.

Without detriment to this, day-to-day management and effective control of the Elecnor Group's businesses and activities is assumed by the CEO and the management team who identify, evaluate, rate and manage the range of risks which affect pursuit of the Group's activities in the ordinary exercise of these responsibilities via the various business units and organisational structures.

The Elecnor Group's Risk Management System is therefore configured as an integrated, structured and dynamic arrangement, the principal features of which are:

- Continuous risk identification, and assessment and prioritisation in terms of impact and probability of occurrence.
- Evaluation and implementation of the most suitable strategies for managing the major risks identified according to their risk tolerance levels.
- Identification and implementation of the mechanisms and tools to manage and control the main risks, and ongoing evaluation of their effectiveness.
- Continuous improvement of risk management through the development and implementation of initiatives and projects aimed at improving management mechanisms and tools.
- Ongoing monitoring and oversight of the system.

To ensure adequate identification and integration of risks and coordination of management of these at all levels and in all areas of the organisation, the Elecnor Group has a Corporate Risk Map which is arranged as a structured list of risks where each of them is rated according to potential impact (measured in terms of turnover, profitability and efficiency, and reputation and sustainability) and their probability of occurrence, which provides gauging of the inherent risk associated with each event and the effectiveness of established control measures, thereby obtaining a resulting residual risk score. The outcome of this scoring exercise, which is revised on an annual basis, enables proper prioritisation of the risks and alignment of the organisation's resources with supervision and enhancement of dealing with those which are most serious.

To ensure improved identification and management of identified risks, the Risk Map is structured into five major categories:

- Governance risk
- Strategy, planning and environmental risk
- Operational risk
- Reporting risk
- Compliance risk.

Based on the Corporate Risk Map and built into the Risk Management System, the Elecnor Group has developed and implemented several management and control systems which allow both more accurate identification of the risks associated with certain specific management areas and appropriate deployment, monitoring and enhancement of the measures set up to head off, detect and mitigate the risks properly.

Likewise, as part of its Integrated Management System, the Elecnor Group has developed a set of systems that are fully in line with the methodology described to build on, update and manage the Risk Map, which allows satisfactory identification and management of the key risks linked to certain processes by regularly revising them and implementing and pursuing action plans. This system is supplementary to the initiatives and actions taken on the basis of the aforementioned Corporate Risk Map.

More notable among the chief theatres of management for which the specific management and control systems referred to are designed are project management, compliance, tax matters, environmental management), and health and safety, preparing financial and non-financial information, and information systems.

## **E.2 Identify the bodies within the company responsible for preparing and executing the financial and non-financial risk management and control system, including tax risk.**

Coordination of the process of revising and updating the corporate Risk Map is performed by the Internal Audit and Compliance area, which is also in charge of following up key action plans underway to enhance management of the risks that are included within its annual audit plan each year.

The Corporate Services department is responsible for taking the lead and coordinating the process of regularly reviewing and updating the risks identified for which management enhancement is supervised within the Integrated Management System. For this it is supported by the specialists in charge of quality from the various business organisations and certain people directly involved in operations.

Risk management on projects is the responsibility of the management teams of the different business units, from (initially) project managers up to their superiors, who are business officers (via, at a middle level, heads of production centres in organisations where such a person exists in their structure), and ultimately senior management at the separate organisations, who perform tracking and supervision of these risks in both carrying out their day-to-day duties and on a regular basis at the various management meetings. On the other hand, other players also take part in cross-cutting initiatives of revisiting and pooling experiences in managing projects to enhance identification, prevention, mitigation and management of the risks they entail, such as the tenders and contracts areas or business administration departments. These initiatives are headed up by those at the very top of the management tree.

The Compliance Officer and the Compliance Committee (delegated by the Audit Committee and the Board of Directors of the Company) shoulder responsibility for continuous improvement and reliable functioning of the Elecnor Group's Compliance System. The Compliance Committee reports structurally and functionally to the Audit Committee of the Board of Directors of the Company, which is the committee ultimately responsible for oversight of the system.

The corporate Tax area, which falls within the General Finance Sub-Division, is the area in charge of establishing the procedures and controls which enable proper management and monitoring of the tax risks to which the various organisations might have exposure in the different jurisdictions in which the Elecnor Group operates, in all cases in line with corporate Tax Policy.

The Elecnor Group's climate governance is a cross-cutting duty at all organisational levels. The Sustainability Committee, which was set up in June 2020 and comprises representatives from around 15 Group areas, is the body charged with designing the tools required to manage sustainability, promote a coordinated strategy, ensure implementation of it, track progress achieved and monitor this to further best practices. This Committee reports directly to the Appointments, Remunerations and Sustainability Committee of the Company's Board of Directors, which is the body at the highest management level for climate-related matters.

In any event it falls to the corporate Environmental Management area to coordinate and oversee the day-to-day management of environmental risk, which is performed via the Environmental Management System, for which it chiefly relies on the specialists responsible for environmental affairs at the various different business organisations.

Corporate Health & Safety is the area in charge of appropriate functioning and ongoing enhancement of the Health & Safety System by means of establishing, promoting and following up the targets and action plans in this regard as well as permanent oversight of compliance with occupational health and safety policies and procedures, mainly via on-site check-ups and inspections which are conducted by both the various operational management teams and levels and the health and safety organisation itself.

Regular checking on the appropriate design and operativity of the Internal Control over Financial Reporting (ICFR) system is the duty of the corporate Internal Audit and Compliance area, which, within its annual audit plan, regularly analyses the risks attaching to the process of preparing financial reporting and the relevant controls established to ensure that the information of this kind that is published and available to the general public offers a true and fair view of the Elecnor Group's activities and is drawn up in accordance with generally accepted accounting principles.

Preparation of the annual Non-Financial Information Statement is the responsibility of the Elecnor Group's External Communications and Corporate Image area, which gathers together, analyses and processes the information provided by the different areas of the organisation responsible for reporting the pertinent information required according to the materiality study conducted as well as the sustainability reporting regulations and standards applying at any time. For this task it is supported by a specialist firm with over 15 years of experience in advising on Corporate Social Responsibility and Sustainability. On the other hand, the Internal Audit and Compliance area is in charge of checking the key aspects (with the scope determined in each case) that affect preparation of the Non-Financial Information Statement and the procedures and controls established in the areas for capturing, checking and reporting such information, as well as ultimately the results for the key quantitative indicators and qualitative information included in this report.

Identification and management of the risks relating to the information systems is the responsibility of the corporate IT and Technology area, which is tasked with establishing the relevant policies and procedures, ensuring proper implementation of them and providing the organisation with the corresponding tools and systems which guarantee the security of support infrastructure and data stored and processed via IT systems.

The Elecnor Group's management committee carries out continuous monitoring of the major risks that can affect its operations.

The Audit Committee is responsible for supporting it in supervising the effectiveness of internal control, internal audit and the management and control systems for both financial and non-financial risk, as well as the process of preparing and filing the mandatory financial and non-financial information.

Lastly, the Board of Directors is in charge of deciding and approving the organisation's general policies and strategies, most significantly risk control and management policy and tax strategy.

**E.3 Indicate the main financial and non-financial risks, including tax risks, as well as those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant and may affect the achievement of business objectives.**

The corporate Risk Map classifies the risks to which the Elecnor Group may have exposure into five broad categories:

<b>Governance risk</b>	This chiefly relates to the structure and form of the organisation's governance (structure and composition of the administrative body, risk management, social responsibility and sustainability strategy and identification and management of stakeholder expectations).
<b>Strategy, planning and environmental risk</b>	<p>Risks associated with the key variables and decisions of a strategic nature, the way in which strategy is implemented and environmental shifts or changes that could have a significant bearing on the organisation's activities and achievement of its objectives.</p> <p>Most notable among such risks are:</p> <p><b>Geopolitical risk:</b> Risks that relate to the possible impact on the business from factors such as political instability, corruption, cultural differences, armed conflicts or international sanctions, including in the countries where the Elecnor Group operates or has potential interests.</p> <p><b>Climate change risk:</b> This category would include risks from events linked to climate change, be they physical climate risks that might prompt interruption or seriously affect certain activities or transition risks, which would be those associated with new legal and/or market requirements in this area (regulations, reporting, expectations of third parties...).</p> <p><b>Market risk:</b> These risks mainly refer to potential impacts of movements in exchange rates, interest rates and energy market prices.</p> <p>Interest rate fluctuations change the fair value of assets and liabilities that accrue a fixed interest rate, as well as the future flows of assets and liabilities benchmarked against a variable interest rate. The Elecnor Group has external financing to carry out its operations, both at corporate level and in relation to the development, construction and operation of wind farms, solar projects and electricity infrastructure concessions. The guarantee for such specific project finance is borne by the projects themselves.</p> <p>The Elecnor Group has exposure to risk from exchange rate fluctuations from its operations in international markets. A portion of income and costs incurred is denominated in currencies other than the Group's functional currency (Euro) and in certain projects economic and financial inflows and outflows occur in different currencies, so the profit or loss on these has exposure to currency risk.</p> <p>Income and profits from wind power generation activity which the Elecnor Group engages in via its Enerfin sub-group have exposure to energy price fluctuations.</p>

**Operational risk:**

Under this umbrella come risks concerning the way in which the organisation pursues its activities and manages its resources according to established processes and procedures. They include risks associated with project management, asset management and maintenance, the supply chain, business management, financing, credit, liquidity, financial planning and budgeting, legal matters, human resources and information systems.

Most notable among these are:

<b>Project management risk:</b>	These are risks that can have a direct effect on the performance and profitability of the projects and services which the Group performs and which appear throughout the entire cycle of these (opportunity, bidding, contract, execution and delivery/acceptance, settlement and closing). The profitability of projects can be affected by errors in identifying and assessing risks in the bidding phase itself which have a knock-on effect on the estimate for expected margin and the very feasibility of the project, on setting the bid price and possible contingencies and on planning the necessary resources for execution; by insufficient analysis and negotiation of contracts and by execution problems, either arising from fortuitous and unforeseen events or errors in planning and allocating resources. Similarly, poor planning and management of the process of closing and settling the project can lead to very significant impacts on the project's profitability.
<b>Legal and regulatory risks:</b>	The complexity and diversity of activities which the Elecnor Group pursues, and particularly their geographical dispersion, expose it to major legal risks as a consequence of the assortment and extent of the regulatory frameworks which may apply to it, changes to rules, and the different interpretations which third parties with whom there is contact may make of laws and regulations, particularly courts. Materialisation of such risks may lead to major sanctions and significant reputational harm for the Elecnor Group.
<b>Tax risk:</b>	In a way comparable to legal risks, the complexity of the Elecnor Group's operations exposes it to significant tax risks, which chiefly relate to study of the fiscal implications of projects and the fiscal regulations that apply in each case, possible amendments to tax regulation and interpretation of this by the tax authorities, and compliance regarding tax liability in substance, manner and timeliness.
<b>Financial risk:</b>	<p>Inadequate planning of operational financial needs can pose difficulties for the organisation's ability to obtain the requisite funding at the right time and on optimal terms.</p> <p>Liquidity risk is defined as that which can lead to the Group being unable to meet its short-term financial obligations within the established timeframes.</p> <p>The main credit risk facing the Elecnor Group arises from trade receivables when the other party or customer does not take responsibility for their contractual obligations.</p>
<b>Occupational health and safety risk:</b>	The nature and geographical dispersal of the activities which the Elecnor Group engages in, and the intensive utilisation of labour, means that the greatest of efforts and investment is assigned to risk prevention linked to the health and safety of its workers and people working on the Group's projects through sub-contracting. A lack of sufficient awareness and knowledge of these risks and the importance of preventing them, insufficient or inappropriate procedures or protocols for ensuring safety, or not applying them during work, a lack of adequate on-site protection equipment or improper use of them or insufficient cover or an absence of diligence in carrying out inspections and checks in this area are among the major factors that can lead to risks of this kind materialising.
<b>Risks associated with labour relations and human resources management:</b>	<p>Such risks mainly refer to those that may adversely affect the satisfaction and performance of the Elecnor Group's employees and its ability to attract and retain talent.</p> <p>This category includes those risks that derive from the complexity and scale of employment legislation applicable to the Elecnor Group, chiefly as a result of its widely distributed geographical presence, and in particular the different interpretations of this legislation which the various affected parties may make of it, especially the competent labour authorities.</p> <p>On the other hand, labour unrest linked to dissatisfaction of its employees may have a serious impact on the Group's operations on occasions.</p>

**Information system risk**

The Elecnor Group's operations and information may be compromised by poor design, failings or attacks affecting the information systems that support, house or safeguard them. Included in this category are risks relating to system architecture itself to the extent that this is misaligned with established objectives or hampers adaptation to new requirements and technology in terms of uninterrupted operating capacity and ongoing management as well as protection and security as regards both hardware and software damage, whether the causes of this are fortuitous or deliberate.

**Reporting risk**

This is risk relating to information management, both internally and externally, including risks ranging from data capture and processing to drafting reports and distributing them to intended recipients, whether these are management reports or those that are mandatory (annual financial statements, reporting, tax returns, etc...). This category includes risks that relate to preparing financial and non-financial information to be released to markets.

**Compliance risk**

These risks relate to mechanisms in place to ensure compliance with laws and regulations as well as the organisation's policies and procedures, notable among these being areas such as promoting and consolidating a compliance culture, actual management of risks of this kind, communications or incident management. Most significant among major risks managed within the Compliance System are those concerning corruption, money laundering and the financing of terrorism, and the spheres of competition law, tax matters, the environment, human rights, social issues or employment.

**E.4 Indicate whether the entity has risk tolerance levels, including for tax risk.**

The Company's Board of Directors is responsible for defining the strategic and management guidelines for this, particularly deciding and approving risk control and management policy, and delegating the day-to-day running and management of operations to the management team.

Risk tolerance is the factor which shapes decision-making and the strategy to adopt for the risk concerned in each case (transfer, mitigation or acceptance) and is motivated by the Group's culture and strategy.

Within their respective remits it is the business units and the corporate areas which are in charge of assessing the degree of exposure and the seriousness of the different risks which affect them in pursuing their activities as well as making the right decisions in keeping with the tolerance level.

Without detriment to this, decisions on the Elecnor Group's overall strategy or the use of its resources, as well as those involving a risk of taking on debt (such as arranging credit facilities, loans, guarantee facilities, suretyships, asset disposals, etc.) are adopted via resolution by the entire Board of Directors with an absolute majority of its members.

In any event, the Group keeps to a zero-tolerance policy with respect to malpractice or failures to observe its ethical and compliance standards.

**E.5 Indicate which risks, including tax risks, have materialised during the year.**

Over the year the Elecnor Group was affected by the emergence of various risks in the ordinary course of its activities. The risks were handled appropriately, in line with the prevention and management mechanisms implemented in the organisation's respective areas.

Prominent among these risks in 2022 on account of their exceptional nature were those deriving from high inflation and the Ukraine war.

Turning to the first of these, the Elecnor Group mainly had exposure to rises in the costs of its supplies and services outsourced in project execution, even though the Group managed to offset the impact of this by taking steps such as renegotiating contracts with customers, managing its supply chain and costs judiciously or passing on the cost risk of its key supplies to customers, or taking inflation risk properly into account in cost and margin estimates during bidding processes and negotiation of new contracts.

With respect to the impact from the war in Ukraine, the Elecnor Group had very low exposure in terms of both business opportunities and its contract portfolio, so the effects of this on its operations and business were of little significance.

On the other hand, also more notable among the risks which materialised in 2022 were those described in the table below.

The Elecnor Group provides the requisite information on the risks which materialised over the year in its annual financial statements, as well as the impact on them now or in the future where significant.

**Project execution risk**

In the course of the year there were deviations between actual and forecast performance on certain projects, principally in relation to costs and deadlines, which led to readjustment of relevant margin estimates. Furthermore, isolated claims and disputes in connection with customers appeared on closing and settling certain projects, as did delays in collection and/or defaulting on trade receivables. The impacts of these situations which, on the other hand fall within the ordinary course of operations, were duly taken into account and recognised on the Elecnor Group's financial statements.

**Legal, judicial and regulatory risk**

Certain legal and judicial risks which stemmed from the Group's normal business activities emerged in 2022.

The Group has forged ahead with formal steps and procedures in defence of its interests in the legal proceedings begun in previous years, in particular (i) Expedited Proceeding No. 4/2022, Section 3 of the Criminal Chamber of the National Court with respect to the subsidiary Deimos Space, S.L.U., and (ii) the sanction by the Spanish National Markets and Competition Commission ("CNMC") which arose from proceeding S/DC/0598/16 concerning the Company, which was appealed in a filing with the National Court. Notes 18 and 22 of the Consolidated Annual Financial Statements for the year include the information on these proceedings.

On the other hand, certain legislative amendments were made within Spain's electricity sector in 2022 which affected the Group's activities in electric power generation based on renewable sources (wind and solar).

At all events, the impacts from both the legal and court proceedings in progress or closed during the year and the regulatory changes mentioned were not significant and were suitably recognised and taken into account in the Elecnor Group's annual financial statements.

**Compliance risk**

Aside from what is described above in relation to legal and judicial risk, no risks have appeared this year in connection with either regulatory compliance or adherence to the Elecnor Group's principles and values that might be viewed as significant in terms of their impact on results or the Group's image and reputation.

**Tax risk**

2022 saw inspection procedures initiated by the competent tax authorities in separate jurisdictions where the Elecnor Group operates. Be this as it may, none of the checks concluded over the year led to tax assessments or regularisations being issued for material sums.

On the other hand, the Group pressed on with formal steps and procedures in the defence of its interests against certain tax audit reports that had been issued in previous years.

In December 2022 notification was received of the initiation of a new procedure to inspect Elecnor, S.A. encompassing the following taxes and periods:

- Corporate Income Tax for the financial years from 2017 to 2020
- Value Added Tax for the tax periods from January 2019 to December 2020
- Withholding and pre-payments on earned personal income and professional activities for the tax periods from January 2019 to December 2020.

On the basis of the relevant studies of the chances of the respective open inspection procedures concluding with the imposition of tax regularisations, and in accordance with best estimates of the sums which these might amount to, the Elecnor Group has recognised the corresponding accounting provisions in its financial statements to provide an adequate reflection of the estimated impact on assets.



<b>Financial risk</b>	From the second quarter of 2022 there were substantial rises in interest rates over all time horizons. The Elecnor Group did not suffer a major impact on its financial costs over the year due to such rises, given that its funding structure kept a high percentage of funds drawn down pegged against fixed rates, either through contracts directly tied to fixed rates or else via the effect on financing benchmarked against variable rates of interest rate of interest rate hedging which the Elecnor Group applies using IRS (interest rate swap) contracts.
<b>Environmental risk</b>	In the course of the year there were certain mild environmentally-related incidents, which were managed and successfully addressed in accordance with the procedures laid down within the environmental management system, while the corrective measures required to prevent recurrence of these were implemented.
<b>Health and safety risk</b>	During the 2022 financial year, there were some serious occupational accidents involving construction workers, both the Group's own workers and those of subcontractors, while they were performing their tasks, many of which were the result of failure to comply with the established procedures or error on the part of the workers themselves. All of these incidents were handled appropriately, in keeping with the procedures laid down under the Group's health and safety system.
<b>Risks associated with labour relations and human resources management</b>	<p>During 2022 regulatory changes were introduced which had a radical effect on the structure of contracts in Spain and concern not only forms of contract but also the sums involved in punitive action in relation to fraud in hiring activity. For this reason, although there were not noticeably more inspections in the year, several campaigns conducted by the Labour and Social Security Inspectorate (ITSS) are anticipated regarding these matters over the coming years. Although such campaigns are expected to lead to more inspections, they are not predicted to have a significant impact on the Elecnor Group in terms of either major changes to current standard contract formats or the imposition of fines or settlement, since the Group made the requisite adjustments to align with the new contract system in 2022 having made a specific effort to study contracts in detail and adapt them.</p> <p>On the other hand, the unaccustomed situation which we are experiencing on account of rampant inflation has brought added complexity to labour relations, with increased worker unrest (strikes) due to the problems which employers' associations face in signing collective bargaining agreements acceptable to businesses and the unforeseen jump in the cost of applying percentage increases under collective bargaining agreements that have already been negotiated and agreed.</p> <p>In the course of the year there were specific bouts of labour unrest that affected the Group's activities on occasions, yet they failed to make any significant impact and fall within the scope of normal factors affecting the sector.</p>
<b>Information system risk</b>	The year saw some security incidents, which were virtually all mild and at any rate did not have any meaningful adverse impact on the Group's operations or data security. All of the incidents were handled appropriately in line with the established in-house procedures and were accorded due consideration within continuous improvement efforts regarding the information systems at the Elecnor Group.

## E.6 Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company to ensure that the Board of Directors responds to any new challenges that arise.

As was described in section E.1, the Group has an integrated approach to managing the principal risks to which it has exposure based on the corporate Risk Map and the various specific risk management systems designed for key management areas.

Outlined below are the chief mechanisms in place at the Group to ensure proper management of the most significant risks that may affect its activities:

<b>Project management risk</b>	EWithin the orbit of project management, which is where the main risks lie to which the Group has exposure, Elecnor has different mechanisms which allow systematized identification and assessment of the risks which might materialise over the whole life cycle of projects (opportunity analysis; studying and entering the bid; examining, reviewing, managing and signing the contract; executing and delivering the project/acceptance; and settling and closing the project). The departments involved at each phase and which belong to the different business units pinpoint, analyse and gauge the risk factor attaching to each project using various tools and decide on a strategy to pursue in each case (transfer, mitigation or acceptance).
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The Elecnor Group continuously monitors the progress and current and expected result of its projects, both evaluating the impact which the associated risks may have on their economic and financial performance and taking the measures that are deemed appropriate, in each case, based on these analyses. By virtue of this ongoing analysis and monitoring, the Elecnor Group records the appropriate entries and breakdowns in its annual financial statements so that they accurately reflect the impact of these risks, and both adjusts its cash forecasts and plans its financial needs, while also identifying the causes that have led to the occurrence of these risks, implementing measures that reinforce its risk monitoring and control activities in a process of continuous improvement.

<b>Compliance risk</b>	<p>The Group has a Compliance System which is designed and operates in accordance with best domestic and international practices to provide adequate prevention and management of compliance-related risks. The Elecnor Group's Compliance System has certification to the UNE-ISO 37001 Anti-bribery Management Systems and UNE 19601 Criminal Compliance Management Systems standards.</p> <p>The main activities which ensure continuous enhancement and proper functioning of the Compliance System are:</p> <ul style="list-style-type: none"> <li>• Annually setting and continuously monitoring targets for Compliance, which the Audit Committee reports and approves.</li> <li>• Regularly reporting any aspect or issue that relates to compliance (projects underway, initiatives...) to the Audit Committee.</li> <li>• Designing, developing and rolling out the annual compliance and awareness training programme.</li> <li>• The functioning of the Ethics Channel and regular reporting to the Audit Committee on notifications received, as well as any investigations in progress and the conclusions arrived at.</li> <li>• Ongoing review and auditing of the main controls identified in relation to Compliance risks.</li> <li>• Two annual audits of the Compliance System conducted by separate audit/consulting firms.</li> </ul>
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<b>Tax risk</b>	The Elecnor Group has a corporate Tax Policy which sets out its tax strategy and establishes the principles and basic lines for adequate tax risk management. Within deployment of this policy, Elecnor has procedures and sets of systems which enable appropriate identification of the tax risks to which the organisation has exposure, at the level of both the corporate enterprise or the different companies or organisations with tax obligations and those projects which may entail a bigger tax risk, either because of the way they are structured or due to the tax regulations which pertain in the various geographies where the taxable bases are generated.
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<b>Financial risk</b>	Pin regard to management of the risk from interest rate fluctuations, the Group uses hedging instruments to cover funding subject to variable rates. On the other hand, depending on market conditions at any time as well as its borrowing requirement and the financing structure goals set, the Group assesses the merits of borrowing at a fixed rate and arranges this when appropriate.
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To manage and mitigate currency risk, and when it is not possible to design and implement natural hedging frameworks, such as using funding benchmarked against the currency in which payment for a contract is received, the Group uses other cover strategies such as exchange rate hedging and cross currency swaps.

To reduce the Group's exposure to energy price movements to an acceptable level, a policy is followed of using the relevant derivative financial instruments to hedge against the energy price for a specific percentage of the estimated production from its assets in Spain. As for production from its assets located outside Spain, most of it is sold at prices set under long-term Power Purchase Agreements, meaning that this is not affected by energy price movements in the market.

Given the activity and sectors in which the Elecnor Group operates, its customers are generally highly creditworthy. In any event, mainly for international projects with non-repeat customers the Group takes added precautions to mitigate credit risk (payment arrears or default) and conducts exhaustive studies of counterparty solvency while also stipulating specific contract terms and conditions to ensure collection against consideration, as well as using other mechanisms, such as collecting against advances, irrevocable letters of credit or insurance policy coverage.

Lastly, to offset liquidity risk the Group keeps permanent watch over its working capital to optimise management of it and maintains a sound liquidity position in current accounts and lines of credit with adequate limits.

**Environmental risk**

Environmental risk management is mainly handled using the Environmental Management System, which is built into the Group's Integrated Management System and has certification under the ISO 14001 standard. This system rests on the following pillars:

- Identifying and verifying legal requirements by using special tools which enable management of compliance with administrative obligations and other commitments taken on besides those required by law.
- Devising and deploying policies and procedures which allow identification of the environmental impacts of projects and mitigation, offset and avoidance of adverse effects on the environment, thereby providing added reinforcement to aspects such as the circular economy and the protection and conservation of biodiversity and nature.
- Building the environmental side into decision-making processes and encouraging the taking of this into account in cost-benefit analyses.
- Involving the various stakeholders in jointly searching out solutions that are of use in conserving and developing the environment and sustainable consumption of natural resources.

On the other hand, the Group has a Climate Change Strategy which sets targets in this area for 2020-2035 and represents the superstructure within which it fits all of its actions geared toward scaling down greenhouse gas emissions, adapting to climate change and making the most of associated opportunities. As a key part of designing and implementing this strategy the Group has identified the risks and opportunities within its activities which relate to climate change and follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This study looks at two scenarios: the first part focusses on the impact of climate change on the Elecnor Group's physical assets while the second part spotlights how climate change affects building infrastructure in countries where the Elecnor Group currently has a presence and significant medium- and long-term business opportunities. The findings of this research have established that the Elecnor Group's degree of exposure to the major risks relating to climate change is low, although considerable opportunities exist in connection with the ambitious energy transition and decarbonisation plans globally.

The Elecnor Group has also taken another step forward in its commitment to decarbonisation by joining the Science Based Targets (SBT) initiative and setting corporate SBTs for reducing emissions which were approved under this initiative in 2022.

**Health and safety risk**

Health and safety risk management is handled using the Elecnor Group's Health & Safety System, which is also built into the Group's Integrated Management System and has certification under the ISO 45001 standard. Key elements which contribute toward appropriate management of such risks are:

- Identifying health and safety risks to workers which can arise from our activities.
- Designing and implementing procedures and protocols to ensure suitable prevention and mitigation of health and safety risks.
- Providing adequate protection resources.
- Training in prevention techniques and carrying out awareness campaigns.
- Continuously conducting on-site inspections and audits and taking the corrective measures identified.
- Immediately giving notification of and managing any incident in relation to health and safety.

With regard to managing significant accidents, irrespective of the seriousness of injuries they are subjected to in-depth analysis and if necessary specific action plans are implemented, such as might involve undertaking additional training measures, supervising work and marshalling the necessary human and material resources, improving work equipment or PPE, etc.

In 2022 there has been continued progress in developing the "Safety Excellence" Project. The fundamental objective of this is to achieve a behavioural change among all workers to raise the level of risk perception and reduce the number of accidents in the workplace. In particular, the process of consolidating the project in Spain has advanced and it has been rolled out across a large swathe of the international market, with implementation concluded in Angola, Argentina, Chile and Uruguay, with steady progress in Italy and efforts underway in Brazil and Mexico. On the other hand, digital transformation of the procedures associated with this area has moved ahead, which has helped to boost the level of health and safety for our sites and projects.

**Risks associated with labour relations and human resources management**

The Elecnor Group is wholly committed to guaranteeing our employees a stimulating and safe working environment which promotes their personal and professional development as well as to providing them with employment conditions that live up to their expectations.

**Risks in preparing financial and non-financial information**

The Group has identified those risks which can affect identification and capture of transactions and events with a potential impact on financial information, as well as processing of them and proper recognition in the accounting systems and preparation of the annual and other financial statements, as well as other financial information to be published and released to the market and the general public. These risks are managed through its Internal Control over Financial Reporting System (ICFR), which enables systemisation of regular assessment of the sufficiency and adequate operativity of the controls established to ensure that the financial information is prepared in accordance with the applicable accounting rules and standards.

Preparation of non-financial information, the key component of which is the annual Non-Financial Information Statement, is supported as of this financial year on a software application which guarantees full traceability of the data and the process to capture and process it, as well as its reliability. The process and the more relevant information are supervised and checked by the internal audit service, which carries out the tests of detail required to help ensure their suitable design and operativity, as well as adaptation of the data incorporated to the relevant reports.

**Information system risk**

Management of information systems is structured into two broad areas: on the one hand that concerned with demand management and digital development, and on the other that for protection of information, and support applications and infrastructure, as well as user assistance. The Group has several policies and procedures to manage processes associated with systems and a Systems Continuity Plan which defines the operational guidelines to be followed to ensure the continuity of all Elecnor processes and services active in all of its business locations. Information protection is handled via the Information Security Management System which has ISO 27001 standard certification.

All of these risk management and control systems share a set of features that define the way in which the Elecnor Group manages, operates and controls its activities:

- Ongoing supervision of risks and operations by the governing and senior management body.
- Clear and precise organisational structure, and role and duty allocation disseminated to the entire organisation.
- Separation of roles.
- Perfectly defined structure of authority in keeping with the duties assigned to the different organisational levels.
- Development and dissemination of policies and procedures.
- Continuous tracking and monitoring of operations by the departments that make up the internal audit service.

At its monthly meetings and as part of its overall supervisory role, the Elecnor Group's Board of Directors reviews developments regarding the Group's key economic indicators, the general market situation, and the Group's position and business strategy to identify any risks in the economic and business environment, and adjust its strategic approach accordingly.

## F) INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

### F.1 The entity's control environment

Report on at least the following, describing their principal features:

#### F.1.1 The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

The responsibility for the existence and maintenance of an adequate and effective Internal Control System in relation to the Financial Reporting process (ICFR), as well as its supervision, is assumed by the Audit Committee, a body which has delegated the tasks of designing and verifying the effective implementation and operating capacity of the ICFR to Elecnor's General Internal Audit and Finance Sub-Division.

The Regulations of the Board of Directors of Elecnor establish that one of its functions is to identify the main risks of the Company and to implement and monitor the appropriate internal control and information systems, and specifically to supervise the process for the preparation and submission of financial information. Moreover, these Regulations, the Company's Articles of Association and the Regulations of the Audit Committee establish that the Audit Committee's responsibilities include the supervision of the effectiveness of the Company's internal control, internal audit and systems for managing and controlling risk, both financial and non-financial, as well as the process of preparing and submitting the mandatory financial information, reviewing compliance with regulatory requirements, proper delimitation of the consolidation scope and proper application of the accounting rules. The Audit Committee is also responsible for establishing appropriate relations with the account auditors to receive information on any matters that may jeopardise their independence and any other matters relating to the accounts auditing process. In the specific area of auditor independence and through the internal procedure established in this respect, the Audit Committee is responsible for pre-approving, directly or indirectly through Internal Audit and from an independent perspective, any proposal for non-audit services submitted by the Group's external auditor. It also annually asks for written confirmation from the auditors of their independence and information on the additional services which they provide, and issues the required report in this respect for the Board of Directors prior to issuing the audit report

#### F.1.2 Indicate whether the following exist, especially in relation to the drawing up of financial information:

- Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.

The General Internal Audit and Finance Sub-Division, together with the relevant heads of each related department, are responsible for designing the organisational structure and the lines of responsibility and authority with regard to functions concerning the process of preparing financial information. Any changes to the organisational structure made during the financial year are reported to the Communications Area, which periodically updates the organisation charts, which are then incorporated into the communal IT directory to which all employees have access (intranet).

Persons responsible for the administration and recording of transactions with a direct impact on the process of preparing financial information (company, local offices and subsidiaries) are functionally under the General Internal Audit and Finance Sub-Division.

- Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.

The Elecnor Group's Code of Ethics and Conduct, and the documents that implement it, apply to all of the companies within the Group and all of the business and activities which it pursues in all of those countries where it operates. Their essential mission is to disseminate the Group's business philosophy among all of its employees and all of the people and companies who collaborate with it in its operational activity (such as suppliers, subcontractors, consultants or advisers, business partners and co-workers in general). They also lay down the guidelines that should inform their personal and professional conduct in carrying out their activities. Among those documents that develop the Code of Ethics and Conduct is that on Compliance Policy, which expands on the behaviour expected of Elecnor employees and the natural and legal persons that have regular dealings with Elecnor to ensure compliance with what is lawful. The Board of Directors of Elecnor approves these documents and they are available to all employees and interested third parties on Elecnor's website within the "Sustainability" section, as well as on the corporate intranet.

The Elecnor Group enforces a zero-tolerance policy for malpractice in contravention of any provision as regards ethics and integrity and expects its professionals and third parties with whom it deals to keep their conduct and actions permanently aligned with the principles and values which the Code of Ethics and Conduct establishes, as well as with the regulations or legislation on which it is based and/or the policies or procedures that implement it.

With respect to the sphere of information which the Elecnor Group shares with third persons and publishes, the Code of Ethics and Conduct stipulates that "Our related parties... must be able to trust in the truthfulness and integrity" of it. It also states that "Our books and records must faithfully and clearly reflect our transactions to a reasonable level of detail and in harmony with generally accepted accounting principles and policy" and it stresses that, to a greater or lesser extent, we all contribute to the process of recording transactions properly and keeping records of information, without detriment to the fact that certain employees have more specific duties in this field.

The Elecnor Group keeps a Compliance System fully operational, which is designed and operates in accordance with best domestic and international practices to provide adequate prevention and management of risks attaching to potential violation of the principles, values and guidelines applying to behaviour that are laid down in the Code of Ethics and Conduct and other associated regulations, policies and procedures. The Chief Compliance Officer and the Compliance Committee (whom the Audit Committee and the Board of Directors delegate) are in charge of continuous improvement and proper functioning of the Elecnor Group's Compliance System. Specifically, the Compliance Committee is tasked with supervising, monitoring and controlling the Compliance System and ensuring both constant review and upgrading of it, and that it operates effectively. Moreover, it is the body entrusted with looking into potential contravention of the above-mentioned principles on conduct and lawfulness, and reports its conclusions to the Audit Committee to decide whether to take any corrective action and disciplinary measures. The Compliance Committee presently comprises 10 people (the Chief Compliance Officer and nine others who belong to the areas of general services, human resources and the Group's different business divisions, mainly through the respective legal advisory departments). The body structurally and functionally operates under the Audit Committee, to whom it regularly reports on its work.

The Compliance Committee arranges repeat training courses, which are intended for as many of the organisation's employees as possible and cover the organisation's values and unwanted behaviour regarding risks. Training courses are given through in-class sessions, on-line training or making informative material available. This training plan is part of the organisation's training programme. When new employees are hired, including temporary ones, the Elecnor Group provides them with a copy of the Code of Ethics and Conduct along with Compliance Policy in the welcome pack. All the new structure employees joining the organisation in Spain also receive an online induction course which includes a specific and very highly-evolved unit on our principles and values, and the Elecnor Group's Compliance System.

- Whistle-blower channel allowing notifications to the Audit Committee of irregularities of a financial and accounting nature, as well as potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistle-blower and the person reported.



The Regulations of the Audit Committee of Elecnor stipulate that the Committee's functions include setting up and supervising a mechanism to allow employees and people associated with the Company, such as Directors, shareholders, vendors, contractors or sub-contractors, to report potentially important irregularities, including those of a financial, accounting-related or any other nature in connection with the Company and which they notice within it or its Group. This mechanism must guarantee confidentiality and, in any event, provide for cases where the reporting can be made anonymously, protecting the rights of the whistle-blower and the person reported, while they regularly receive information on its functioning and can propose any appropriate action to improve the mechanism and lessen the risk of irregularities going forward.

All Elecnor Group professionals are obliged to immediately report any irregular practice or unlawful or unethical conduct of which they become apprised or which they witness. To this end and at no detriment to other, less formal channels, the Elecnor Group provides its professionals and/or third parties having a legitimate interest with a confidential channel through which to (i) express any doubts about how to interpret the Code of Ethics and Conduct or its implementing regulations, (ii) put forward suggested improvements to existing internal control systems, or (iii) report in good faith with regard to conduct that is irregular or runs contrary to the provisions set out in the Code, regulations upon which it is based, policies and/or procedures that build on it, or legislation in force. Access to this channel is via an email address (codigoetico@elecnor.com) and/or traditional post (to "apartado de correos nº 266-48080"). These channels are clearly set out in the Code of Ethics and Conduct, Compliance Policy and other related policies, on the corporate website and intranet, and in other public communications or publications, such as the Integrated Report.

Such reporting should preferably be specifically addressed by name and will all be reviewed and treated confidentially while following the regulatory framework on personal data protection in accordance with the procedure laid down for this. Notwithstanding this, and if anonymous reports are received, these are studied alike by those in charge of the Ethics Channel and, where the argumentation in these appears sound, they are processed and investigated in line with the procedure discussed. The Elecnor Group does not tolerate reprisals against anybody using the established channels and procedures for reporting potentially irregular conduct in good faith.

Those supervising the Ethics Channel (who are appointed for such purpose from among the members of the Compliance Committee) are in charge of taking receipt of and processing incoming reports and then identifying their nature and assessing how important they are, as well as deciding which department or unit at the Elecnor Group is best suited to resolving them. The Ethics Channel supervisors report directly to the Audit Committee on notifications received, the enquiries carried out and the conclusions reached. The final decision on disciplinary action to take lies with the Audit Committee.

- Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.

Training and development policy is integrated into the Human Resources Integrated Management System.

The Department of Performance Management, Training and Development is responsible for designing and configuring training itineraries for Elecnor's structure personnel, depending on the position held and the training needs identified by the different areas. In particular, for staff with responsibilities in the financial field or who need to improve their skills in this area, there is a specific financial training programme. Over 2022 several courses have been delivered as part of this programme, such as finance for non-financial staff, project financial management, investor relations and operational excellence (Corporate Finance – Finance and Infrastructure – Value creation through finance).

Elecnor also provides its employees with regular training in the field of Compliance, which, among other issues, provides them with a better understanding of the main risks of this nature and the internal control elements established for their adequate prevention and management.

In addition, the heads of the departments most directly involved in preparing and reviewing financial information, as well as in evaluating the ICFR, maintain close ongoing contact with the external auditors and other accounting experts, who inform them promptly of new developments in accounting matters and risk management and internal control of financial information, and provide them with material and assistance for updating it. If necessary, depending on the extent and importance of the new developments, as well as the group concerned, specific courses are designed on the subject.

## F.2 Assessment of risks in financial reporting

Report on at least the following:

### F.2.1 The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- Whether the process exists and is documented.
- Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so, how often.
- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures, holding companies or special purpose vehicles.
- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.
- The governing body within the company that supervises the process.

The process of identifying risks in relation to that of generating and issuing financial information falls within the remit allocated to the General Internal Audit and Finance Sub-Division by the Audit Committee.

To summarise, this risk identification process has the following characteristics:

- Analysis of the consolidated annual financial statements for the year to identify the relevant headings and breakdowns in them.
- On the basis of this information, those processes from which transactions are processed are identified and finally reflected in the aforementioned relevant headings and breakdowns.
- Lastly, the relevant risks that may lead to errors in the process of generating and issuing financial information are identified and prioritised for each of the aforementioned processes. Each risk identified relates to one or more of the potential errors in the process of generating and issuing financial information, such as integrity, accuracy, occurrence, cut-off, valuation and allocation, and classification and comprehensibility, in the main.

The functioning of the ICFR oversight system is structured around the Elecnor Group's annual Internal Audit work plan. The Annual Plan is prepared by the General Internal Audit and Finance Sub-Division and presented to Elecnor's Audit Committee for approval. Among the tasks included within the Annual Plan is reviewing both the risks and main controls that relate to preparing financial information and the significant risks with a potential impact on the financial statements.

The review of the scope of consolidation is carried out twice a year coincidentally with the consolidation process. Corporate transactions are approved by the Board of Directors and reported to the General Internal Audit and Finance Sub-Division for the updating of the Group's scope of consolidation.

In performing its tasks, the General Internal Audit and Finance Sub-Division continuously monitors the Group's activity, which enables it to identify any significant risk in the different areas of business and activity that could have a significant impact on the financial statements. The General Internal Audit and Finance Sub-division reports these risks and their potential impact to the Audit Committee at the various meetings which the Committee holds.

### F.3 Control activities

Report on whether the company has at least the following, describing their main characteristics:

#### F.3.1 Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

With respect to the accounting closing procedure, in coordination with the General Accounting Department, the Management Control Department annually prepares the closing calendar which includes the closing dates, rules and instructions. This calendar is made available to all staff involved through email and the computerised directory. In addition, the Elecnor General Accounting and Management Control departments underpin the accounts closing process, both monthly and yearly, through separate closing checklists.

With respect to subsidiaries, the Management Control, Consolidation and Internal Audit Departments permanently monitor the subsidiaries that make up the Elecnor Group, assigning the monitoring of the various investees to the Subsidiary Controllers. On a monthly basis, these controllers send the Consolidation and Internal Audit areas the integration files, which include all relevant information from the subsidiaries. If deemed necessary, subsidiary follow-up meetings are also held.

The Management Control and Consolidation departments prepare all the documentation relating to analysis of the Group's performance on a monthly basis for presentation to the Board of Directors, which is previously reviewed by the General Internal Audit and Finance Sub-Division

With regard to the procedures for reviewing and authorising financial information to be published on the securities markets, a distinction is made between these levels of relevant information:

- **Annual and interim financial statements**

The head of Elecnor's General Accounting Department is responsible for preparing the individual annual financial statements. The Head of Consolidation is also responsible for preparing the consolidated annual financial statements and the consolidated interim financial statements.

Subsequently, the individual and consolidated annual financial statements are reviewed by the heads of the various corporate areas of Elecnor, the General Internal Audit and Finance Sub-Division, the Audit Committee and the Board of Directors. The Audit Committee receives the annual financial statements sufficiently in advance to ensure adequate review of them and meets with the external auditors prior to the meetings of the Board of Directors where the annual and interim financial statements are prepared.

- **Description of the ICFR**

The General Internal Audit and Finance Sub-Division is responsible for preparing the description of the ICFR. This process culminates in a review of it by the Audit Committee and approval for it as part of the Annual Corporate Governance Report by the Board of Directors.

- **Notifications to the CNMV**

The department or subsidiary from which the information to be reported originates prepares a note that is reviewed by the General Secretary and the Communications Area. The relevant information is also reviewed by the General Internal Audit and Finance Sub-Division if it includes financial or accounting information.

- **Uploading of information to CNMV applications**

The annual individual and consolidated financial statements, as well as their associated management reports (including the Annual Corporate Governance Report, or ACGR, and the Annual Directors' Remuneration Report, or ADRR), are presented in the European Single Electronic Format in accordance with the formatting and labelling requirements established in Commission Delegated Regulation (EU) 2018/815 in the case of the consolidated annual financial statements, which the Company's Board of Directors prepares in this format. The formatting is sent to the CNMV, along with the letter from the secretary confirming authorisation from the Board for publication, via the applications which it has enabled for these purposes. The Company's Secretary to the Board is responsible for validating and delivering this information and has exclusive access to the smart card for sending information.

Elecnor has documented accounting and administrative procedures for "Purchases and Payments", "Contracting, Invoicing and Collection", "Control of Fixed Assets", "Treasury Control" and "Cash Control", among others. These procedures include the type of transactions for each process, the procedures for recording and accounting for them and the corresponding controls established by Elecnor. These procedures are reviewed annually by Elecnor's General Accounting Department, which updates them if necessary.

In addition, the General Internal Audit and Finance Sub-Division has a matrix of risks and controls of financial information, which includes controls related to fraud risks. The risks and controls are reviewed within the Annual Internal Audit Plan, and the matrix is updated annually.

With regard to the procedures and controls established in relation to the relevant judgements, estimates and projections, the Group has identified the main risks attaching to these aspects. In particular, the main areas with exposure to judgements and estimates have been identified as those associated with:

- Recognition of income from construction contracts under the stage-of-completion method.
- Recognition of provisions of any nature.

All significant estimates are reviewed by the General Internal Audit and Finance Sub-Division and, where appropriate, are submitted to the Audit Committee and the Board of Directors for analysis and approval.

Elecnor's Board of Directors meets on a monthly basis. Beforehand, the Group's financial information is analysed by the General Internal Audit and Finance Sub-Division and the Chief Executive Officer.

#### F.3.2. Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

Elecnor currently has a series of controls that mitigate the main risks relating to the integrity, availability, validity and confidentiality of accounting and financial information. In addition, Elecnor has procedures on Information Security and System Operation.

The management of access to the systems is carried out in accordance with procedures established for this purpose.

Elecnor has a documented Contingency Plan in the event of a Disaster, as well as a Backup Policy and Procedures for the organisation's critical systems.

#### F.3.3. Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

As regards subcontracting to third parties of valuations or calculations in connection with certain items in the financial statements, the Group entrusts valuation of interest rate and exchange rate hedging derivatives traded to top-tier financial institutions.

The Treasury Area receives monthly valuations of the derivatives from the financial institutions and evaluates their fairness. In the event of a discrepancy, the financial institutions are contacted for clarification and, if necessary, to obtain new valuations.

In addition, the Elecnor Group in each case evaluates the desirability of engaging the services of independent experts to support certain valuations of assets or businesses, depending on the significance they may have with respect to the balance sheet and income statement. The reports received from these experts, and the consequences that arise from them, if any, for financial information, are reviewed by the areas responsible for the preparation of the information (generally, and ultimately, by the General Internal Audit and Finance Sub-Division if they have a significant impact on the preparation of the financial statements and the annual accounts) for the purposes of their validation, paying particular attention to the methodology and main assumptions used.

#### F.4 Information and communication

Report on whether the company has at least the following, describing their main characteristics:

##### F.4.1 A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

The responsibility for defining and keeping the Group's accounting policies up-to-date is assigned to Elecnor's General Internal Audit and Finance Sub-Division. In this regard, free-flowing and continuous contact is maintained with the external auditors and other accounting experts so as to be informed permanently and duly in advance of the main accounting developments, and if relevant and considered appropriate, the opportune mechanisms are in place to pass these on to areas of the organisation with responsibilities in preparing financial information.

The Management Control and Consolidation departments carry out permanent monitoring of the subsidiaries and local offices. The resolution of doubts and queries regarding accounting policies is primarily the responsibility of the Corporate Controllers of each of the subsidiaries. In the event that the query is not resolved or there is a conflict of interpretation, such matters are taken up with the Head of Consolidation and/or Internal Audit, both of which are part of the General Internal Audit and Finance Sub-Division.

If necessary, the Head of Consolidation of the General Internal Audit and Finance Sub-Division submits queries to the external auditor.

##### F.4.2 Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group and which support its main financial statements and notes, as well as disclosures concerning ICFR.

All transactions are recognised at Elecnor based on documentary evidence and using an operation key format. Each document used to report data to the system has some mandatory data (customer code, centre, project/site, VAT rate, etc.). After the "end-of-day" (transaction validation) is complete, the system reports any erroneous entries, which are verified by the corresponding corporate departments, correcting them if necessary.

As for the reporting tool, a standardised "Consolidation Report Package" is used for all subsidiaries. This "Consolidation Report Package" is reviewed on an annual basis by the external auditor to confirm that it includes all the required information and breakdowns. Subsidiaries generally report under IFRS. The Consolidation Department is where the consolidation process takes place.

The Consolidation Department prepares a reporting schedule and instructions on an annual basis. Once the closing-off has been prepared and supervised by each of the heads of the corresponding Accounting and Financial Departments, each of the subsidiaries sends the required information to the Consolidation Department via the IT solution which supports the whole process. The reporting instructions establish the

obligation for the information included in the report package to tally with that obtained from the subsidiary's accounting records, as well as a bar on including subsequent entries in the accounts after the report package has been sent to Elecnor. If a significant subsequent entry is detected, the Management Control and Consolidation departments are notified and the corresponding report package is amended.

This reporting and consolidation process is supported on a well-respected IT application (SAP – Business Planning and Consolidation, or "BPC").

#### F.5 Supervision of the functioning of the system

Report on at least the following, describing their principal features:

##### F.5.1 The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function, one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

As described earlier, among the functions which the Audit Committee has is that of supervising and assessing the effectiveness of both the financial and the non-financial risk management and control systems, including the Internal Control over Financial Reporting system. The Audit Committee is also in charge of supervising and assessing the preparation and presentation of the financial and non-financial information of the Company and its Group, checking on compliance with the regulatory requirements, suitable definition of the consolidation scope and proper implementation of accounting standards.

In carrying out these functions, the Audit Committee relies on the internal audit service. The Elecnor Group's internal audit service is structured around six major control areas: General Accounting, Management Control, Consolidation, the Financial Area, Internal Audit and Tax Advice. These departments act, in their respective areas of competence and under audit criteria, as internal corporate control/audit bodies, carrying on their activities with complete independence from both Elecnor's production departments (business) and the domestic and foreign subsidiaries that comprise the Elecnor Group. Internal Audit is integrated within the General Internal Audit and Finance Sub-Division. The Elecnor Group has an annual Internal Audit Plan, which the Chief Audit Executive presents to the Audit Committee, who approve it. At its various meetings the Audit Committee follows up on execution of the plan using the information which the General Internal Audit and Finance Sub-Division provides.

The Management Control area continuously monitors the different Elecnor organisations, paying particular attention to the most significant sections of the balance sheet and the income statement, such as work in progress (old production), advance invoicing, customer balances, and recognition of margins and provisions, among others.

With respect to ICFR, the Elecnor Group's Audit Committee is informed of the internal control structure existing within the organisation and, as previously mentioned, approves and supervises the annual internal audit plan, meets at least twice a year with the external auditors and is informed monthly about developments within businesses and activities at the meetings of the Board of Directors. Furthermore, where relevant, it is informed of certain judgements or estimates included in the financial information and, without detriment to this regular monitoring work, the Audit Committee devotes one of its meetings specifically to reviewing key aspects of the ICFR system. The Audit Committee reports on all its relevant actions carried out during the year in its annual Activity Report.

**F.5.2** Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

The Elecnor Audit Committee meets at least four times a year, in accordance with the provisions of the Regulations of the Board of Directors of the Company, and as many times as required in the interests of the Company. During the 2022 financial year, the Audit Committee held 11 meetings, three of which have been attended by external auditors. These meetings were to:

- Review the planning and scope of audit work.
- Review the annual financial statements and analyse any monitoring weaknesses detected by the external auditor in its review of the main business processes and general controls that are implemented in the Group, as well as the suggested corrective actions. Prior to this meeting, the external auditors met with the Chair, the Chief Executive Officer and members of the General Internal Audit and Finance Sub-Division.
- Review the interim financial statements.

The external auditor also presents to the full Board of Directors on the result and conclusions of its audit regarding the annual financial statements before formulation of them.

## F.6 Other relevant information

There is no additional relevant information to consider that has not been covered by the previous points.

## F.7 External auditor's report

Report:

**F.7.1** Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

This information in relation to ICFR has been submitted for review by the external auditor, whose review is included as an attachment.



Elecnor, S.A.

**Auditor's Report on the "Internal Control over Financial Reporting (ICOFR) Information" of ELEC NOR, S.A. for 2022**

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*



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## **Auditor's Report on the "Internal Control over Financial Reporting (ICOFR) Information" of ELECNOR, S.A. for 2022**

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

To the Directors of ELECNOR, S.A.

As requested by the Board of Directors of ELECNOR, S.A. (the "Company") and in accordance with our proposal letter dated 16 February 2023, we have applied certain procedures to the "ICOFR information" attached hereto in section F of the Annual Corporate Governance Report (ACGR) of ELECNOR, S.A. for 2022, which summarises the Entity's internal control procedures for annual financial reporting.

The Board of Directors is responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and oversight of an adequate system of internal control, the development of improvements to that system and the preparation and definition of the content of the ICOFR information attached hereto.

In this respect, it should be borne in mind that irrespective of the quality of the design and operation of the internal control system adopted by the Entity in relation to annual financial reporting, the system may only provide reasonable, but not absolute assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Entity's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures on the Entity's annual accounts. Consequently, the scope of our evaluation of internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the effectiveness of this internal control over regulated annual financial reporting.

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the auditor's report on the information concerning the system of Internal Control over Financial Reporting in Listed Companies, published on the website of the Spanish National Securities Market Commission (CNMV), which define the work to be performed, the minimum scope thereof and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on the effectiveness thereof, nor on its design or operating effectiveness, with respect to the Entity's annual financial reporting for 2022 described in the ICOFR information attached hereto.

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

Consequently, had additional procedures been applied other than those established in the aforementioned Guidelines, or had an audit or a review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.

As this special work did not constitute an audit of accounts and is not subject to current legislation regulating the audit of accounts in Spain, we do not express an audit opinion under the terms provided in such legislation.

The procedures applied were as follows:

1. Reading and understanding of the information prepared by the entity regarding ICOFR – disclosures included in the directors' report – and an evaluation of whether this information meets all the minimum reporting requirements, taking into account the minimum content described in section F, regarding the description of ICOFR, of the ACGR template provided in Spanish National Securities Market Commission (CNMV) Circular 5/2013 of 12 June 2013 and subsequent amendments, the most recent of these being CNMV Circular 3/2021 of 28 September 2021 (hereinafter the CNMV Circulars).
2. Inquiries of the personnel responsible for drawing up the information detailed in point 1 above in order to: (i) obtain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the entity.
3. Review of the explanatory documentation supporting the information detailed in point 1 above, primarily including documents made directly available to those responsible for preparing the description of the ICOFR system. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the audit committee.
4. Comparison of the information detailed in point 1 above with the understanding of the entity's ICOFR obtained as a result of the procedures performed within the framework of the audit work on the annual accounts.
5. Reading of the minutes taken at meetings of the board of directors, audit committee and other committees of the entity for the purpose of assessing the consistency of the matters discussed at those meetings in relation to the ICOFR with the information detailed in point 1 above.
6. Procurement of a representation letter concerning the work performed, duly signed by those responsible for preparing and authorising the information detailed in point 1 above.





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*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

As a result of the procedures applied to the ICOFR information, no inconsistencies or incidents have been detected that could affect it.

This report has been prepared exclusively within the context of the requirements laid down in article 540 of the Revised Spanish Companies Act and in the CNMV Circulars for the purposes of the description of ICOFR in annual corporate governance reports.

KPMG Auditores, S.L.

*(Signed on original in Spanish)*

24 February 2023

## G) DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

**In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.**

1. That the Articles of Incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

Complies  Explain

2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.

b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies  Complies partially  Explain  Not applicable

3. That, during the Annual General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

a) Changes that have occurred since the last General Shareholders' Meeting.

b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

Complies  Complies partially  Explain

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (the media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies  Complies partially  Explain

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of pre-emptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of pre-emptive rights, the company should immediately publish the reports about such exclusion that are referred to by company law on its website.

Complies  Complies partially  Explain

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

a) Report on the auditor's independence.

b) Reports on the workings of the audit and nomination and remuneration committees.

c) Report by the audit committee on related-party transactions.

Complies  Complies partially  Explain

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies  Complies partially  Explain

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies  Complies partially  Explain

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies  Complies partially  Explain

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

a) Should immediately distribute such complementary points and new proposals for resolutions.

b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.

c) Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.

d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies  Complies partially  Explain  Not applicable

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies  Complies partially  Explain  Not applicable

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics, and a respect for commonly accepted customs and best practices, it should seek to reconcile its own company interests, when appropriate, with the legitimate interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the community at large and on the environment.

Complies  Complies partially  Explain

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies  Explain

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:

a) Is concrete and verifiable.

b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors.

c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the appointments committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies  Complies partially  Explain

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less than 30% prior to that date.

Complies  Complies partially  Explain

The first paragraph of this Recommendation is fully complied with, since the Board of Directors of the Company is composed of an ample majority of proprietary and independent directors, with only one executive director.

As to the second paragraph, the Company's director selection procedures (which the Appointments, Remunerations and Sustainability Committee in particular looks after within its remit) are based on objective criteria that enable achievement of the most suitable composition of the Board by bearing in mind the particularities of the Company and its Group and choosing the best profiles available to this end.

Without detriment to this, and although the current number of female directors is less than 40%, the Company intends to continue to promote an increase in the presence of female directors on the Board of Directors to be able to comply with the Recommendation without affecting its normal functioning and the overall suitability of its members for the performance of their duties.

On 18 May 2022, at the Board's proposal the General Shareholders' Meeting approved the appointment of Francisca Ortega Hernández-Agero as a new Independent Director of the Company, thus making progress towards the goal of diversity of the Board of Directors since this appointment lifted the percentage of female directors by 8.1% compared to the previous year. On the same date too, Irene Hernández Álvarez was re-elected as an Independent Director and Chair of the Audit Committee for four more years.

16. That the number of proprietary directors as a percentage of the total number of non-executive directors should not be greater than the proportion of the company's share capital represented by those directors to the rest of the capital.

This criterion may be relaxed:

- a) In large-cap companies where very few shareholdings are legally considered significant.  
b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies  Explain

Elecnor is a company with a long tradition in its sector, and since its inception it has been managed by a variety of family groups, the founders of the company. Through the significant shareholder CANTILES XXI, S.L., and the Directors who represent it at the Company, the Family Groups which this comprises are represented in the broadest and most diverse manner possible, with a profile that is suitable for the exercise of their obligations and always aimed at producing shareholder value.

Elecnor's Proprietary Directors perform a supervisory task similar to that assigned to Independent Directors. The composition of the Board of Directors of Elecnor corresponds with its shareholder structure.

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies  Explain

Elecnor is a company with a long tradition in its sector, and since its inception it has been managed by a variety of family groups, the founders of the company. Through the significant shareholder CANTILES XXI, S.L., and the Directors who represent it at the Company, the Family Groups which this comprises are represented in the broadest and most diverse manner possible, with a profile that is suitable for the exercise of their obligations and always aimed at producing shareholder value.

Elecnor's Proprietary Directors perform a supervisory task similar to that assigned to Independent Directors. The composition of the Board of Directors of Elecnor corresponds with its shareholder structure.

18. That companies should publish the following information on directors on their website, and keep it up to date:

- a) Professional profile and biography.  
b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.  
c) Category of directorship, indicating, in the case of proprietary directors, the significant shareholder that they represent or to which they are connected.  
d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.  
e) Company shares and share options that they own.

Complies  Complies partially  Explain

19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose equity interest is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

Complies  Complies partially  Explain  Not applicable

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies  Complies partially  Explain  Not applicable

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the Articles of Incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies  Explain

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

Complies  Complies partially  Explain

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies  Complies partially  Explain  Not applicable

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should sufficiently explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies  Complies partially  Explain  Not applicable

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies  Complies partially  Explain

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies  Complies partially  Explain

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies  Complies partially  Explain

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies  Complies partially  Explain  Not applicable

29. That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies  Explain  Not applicable

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies  Complies partially  Explain

31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors present shall be necessary, and said consent shall be duly recorded in the minutes.

Complies  Complies partially  Explain

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies  Complies partially  Explain

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and under the Articles of Incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company; should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies  Complies partially  Explain

34. That when there is a coordinating director, the Articles of Incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies  Complies partially  Explain  Not applicable

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies  Explain

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:
- a) The quality and efficiency of the Board of Directors' work.
  - b) The workings and composition of its committees.
  - c) Diversity in the composition and skills of the Board of Directors.
  - d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.
  - e) Performance and input of each director, paying special attention to those in charge of the various Board committees.
- In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.
- Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.
- Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies  Complies partially  Explain

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.
- Complies  Complies partially  Explain  Not applicable
- The Executive Committee consists of a CEO and five Proprietary Directors, all of whom have extensive knowledge of the business and the sector in which the Company operates, this being the essential reason for their appointment as members of the Executive Committee, given the nature of the business subject-matter discussed in it.
- As for the post of Secretary, at its meeting of 11 May 2022 and as a result of the voluntary stepping down of the previous Secretary, the Executive Committee resolved to appoint the Non-Director Secretary to the Board of Directors, Pedro Enrile Mora-Figueroa, as its own Non-Director Secretary.

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies  Explain  Not applicable

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.
- Complies  Complies partially  Explain
40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies  Complies partially  Explain

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies  Complies partially  Explain  Not applicable

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:
1. With regard to information systems and internal control:
    - a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
    - b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.
    - c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, including those of a financial or accounting, or any other nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which the communications can be made anonymously, respecting the rights of the whistle-blower and the person reported.
    - d) Generally ensuring that internal control policies and systems are effectively applied in practice.
  2. With regard to the external auditor:
    - a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.
    - b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
    - c) Making sure that the company informs of the change of auditor through the CNMV, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
    - d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session to report on the tasks performed and the developments in the company's accounting situation and risks.
    - e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.
- Complies  Complies partially  Explain
43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies  Complies partially  Explain



44. That the audit committee be kept abreast of any corporate and structural changes planned by the company to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies  Complies partially  Explain  Not applicable

45. That the risk management and control policy identify or determine, as a minimum:

a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.

c) The level of risk that the company considers to be acceptable.

d) Measures in place to mitigate the impact of the risks identified in the event that they should materialise.

e) Internal control and information systems to be used to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies  Complies partially  Explain

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

a) Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.

b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.

c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies  Complies partially  Explain

47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies  Complies partially  Explain

The members of the Appointments, Remunerations and Sustainability Committee are appointed while exercising care to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform.

In regard to its composition, the Company fully complies with what is stipulated in the Spanish Companies Act, Article 529 quidecies, paragraph 1 of which establishes that “The appointments and remuneration committee shall consist entirely of non-executive directors appointed by the board of directors, at least two of whom must be independent directors.” The Appointments, Remunerations and Sustainability Committee comprises two Independent Directors and two Proprietary Directors.

48. That large-cap companies have separate nomination and remuneration committees.

Complies  Explain  Not applicable

49. That the appointments committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies  Complies partially  Explain

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

a) Proposing the basic conditions of employment contracts for senior management to the Board of Directors.

b) Verifying compliance with the company's remuneration policy.

c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.

d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.

e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies  Complies partially  Explain

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies  Complies partially  Explain

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

a) That they be composed exclusively of non-executive directors, with a majority of independent directors.

b) That their chairpersons be independent directors.

c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.

d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.

e) That their meetings be recorded and their minutes be made available to all directors.

Complies  Complies partially  Explain  Not applicable

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies  Complies partially  Explain

54. The minimum functions referred to in the foregoing recommendation are the following:

a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.

b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.

c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.

d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.

e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies  Complies partially  Explain

55. That environmental and social sustainability policies identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct.

b) Means or systems for monitoring compliance with these policies, their associated risks, and management.

c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.

d) Channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies  Complies partially  Explain

56. That director remuneration be sufficient to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies  Explain

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies  Complies partially  Explain

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.

b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.

c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies  Complies partially  Explain  Not applicable

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral for a sufficient time of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies  Complies partially  Explain  Not applicable

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies  Complies partially  Explain  Not applicable

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies  Complies partially  Explain  Not applicable

Although Article 12 of the Articles of Association provides for the possibility of the Directors being paid by means of remuneration based on the provision of shares or option rights on shares of the Company itself, at the moment the Company has not considered it necessary to establish remuneration for its Chief Executive Officer through shares or financial instruments linked to their value, since it considers that the current variable remuneration systems for the Chief Executive Officer are the most appropriate to encourage the latter's motivation and professional performance, as well as commitment and linkage to the interests of both the Company and the Group. In particular, the Chief Executive Officer's variable remuneration is linked to predetermined and measurable performance criteria that allow them to be paid for their continuous performance over a period of time sufficient to appreciate their contribution to the creation of sustainable value.

In addition, the length of time over which the current Chief Executive Officer has been linked to the Company allows us to conclude that their long-term interests are sufficiently aligned with those of the Company.

Likewise, the Company has chosen to maintain the same policy for all the Directors, no distinction being made among the various categories of them, for which reason no percentage of the Chief Executive Officer's variable remuneration has been linked to payment in shares even though this possibility is included within the current Directors' Remuneration Policy. This is all without prejudice to the fact that the Appointments, Remunerations and Sustainability Committee will at all times give consideration to the advisability or otherwise of changing policy, in which case it will submit the idea of making payment in shares to the Chief Executive Officer to the General Shareholders' Meeting for approval pursuant to Article 219 of the Spanish Companies Act.

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director may need to sell so as to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies  Complies partially  Explain  Not applicable

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies  Complies partially  Explain  Not applicable

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments where accrual of them or the obligation to pay them arises as a consequence of, or on the occasion of, the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-compete agreements.

Complies  Complies partially  Explain  Not applicable

The CEO's compensation amounts to the equivalent of two (2) years of total remuneration, from which long term variable remuneration is excluded. Even so, exceptionally, if cessation and termination of the contract with the CEO is due to a change of control of the Company in the sense which Article 42 of the Commercial Code provides for, or the assignment or transfer of all or a material part of its activities or its assets or liabilities to a third party or merger into another business group, as well as a change of the current shareholders who own over 50% of the share capital or the Company's key shareholder, the CEO would be entitled to receive an additional sum equal to one (1) year of their total remuneration. Total remuneration shall in any event be calculated as the average of that received in the past three (3) years.

The CEO's contract also establishes a post-contractual non-compete agreement for a two (2) year period from contract termination, where the consideration shall be the sum equal to one (1) year of the CEO's overall remuneration, including both fixed and variable pay, though expressly excluding that earned under annual or multi-year programmes or incentives.

## H) FURTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.

2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.

This Annual Corporate Governance Report was approved by the Board of Directors of the company at its meeting held on **22 February 2023**.

Indicate whether any director voted against or abstained from approving this report.

Yes  No

