

## Annual Report of the Audit Committee of Elecnor, S.A. on Related-Party Transactions carried out by Elecnor, S.A. in 2022

### 1. INTRODUCTION AND APPLICABLE LAWS

This report is prepared by the Audit Committee of ELECNOR, S.A. (the "Company") pursuant to Recommendation 6 of the Good Governance Code of Listed Companies (the "Good Governance Code"), approved by the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores – the "CNMV") on 18 February 2015, and updated in June 2020. According to such recommendation, listed companies should draw up and publish on their website sufficiently in advance of the annual general shareholders' meeting a report by the Audit Committee on Related-Party Transactions, as a consequence of the Audit Committee's duty to report to the Board of Directors on the dealings carried out by the Company with related parties in accordance with the provisions of article 529 quaterdecies of the consolidated text of the Spanish Companies Act, approved by Legislative Royal Decree 1/2010 of 2 July 2010 (Ley de Sociedades de Capital – "LSC").

Spanish Law 5/2021 of 12 April 2022, which transposes into Spanish law Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017, has introduced important changes in the consolidated text of the LSC, which, among other matters, has affected the rules governing transactions that listed companies can engage in with related parties, now specifically regulated in articles 529 vicies to 529 tervicies LSC. In this regard, the changes refer to the delimitation of the Related-Party Transactions subject to the new rules, as well as to their approval and disclosure.

The new legal framework includes in article 529 vicies of the LSC the definition of related parties in order to delimit the scope of the Related-Party Transactions, in accordance with the terms of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 and of International Accounting Standards ("IAS"), in accordance with the provisions of Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002.

The new rules also determined which Related-Party Transactions require approval by the General Meeting and which are left to the Board of Directors to approve, while also envisaging the possibility of the Board delegating the responsibility for the approval of transactions that meet certainly legally stipulated requirements, which will require that an internal procedure be implemented for verifying that those transactions are fair and transparent.

In this connection, article 33 of the Regulations of the Board of Directors of the Company (the "Regulations") provides that 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 and conditions 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 of 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 in market conditions, 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 Shareholders' 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 applicable, 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.

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.

## **2. ELECNOR, S.A. RELATED-PARTY TRANSACTIONS PROTOCOL**

The Company has a protocol (the "Protocol") approved by the Board of Directors that, based on the provisions of the LSC and of the Company Bylaws, General Shareholders' Meeting Regulations and Regulations of the Board of Directors, develops the criteria for applying the rules on approval of Related-Party Transactions that affect the Company, as well as for publicly disclosing those transactions, and also establishes the internal procedure for identifying, analysing, approving, monitoring, reporting and controlling Related-Party Transactions.

Pursuant to the provisions of said Protocol, the Company has an operational group in charge of analyzing eventual Related-Party Transactions and, where appropriate, coordinating the procedure to be followed for their referral to Elecnor's internal body or instance for approval.

## **3. RELATED-PARTY TRANSACTIONS CARRIED OUT IN 2022**

On December 19, 2022, the referred operational group formulated its annual Activities Report for the year 2022, in which the activities carried out by it in the aforementioned period and

the results. According to this report, which was presented to the Audit Committee at its meeting held on 20 December 2022, the operational group concluded that during the year 2022 no transactions were carried out with related parties of the Company that required authorisation from the General Shareholders' Meeting, from the Board of Directors of the Company or from any other person or body to which the Board may have delegated such authorisation in accordance with the terms of the Regulations of the Board of Directors and the applicable laws and regulations.

Without prejudice to the above, the annual accounts of the Elecnor Group for the financial year ended 31 December 2022, which will be posted on the corporate website (<https://www.grupoelecnor.com/>), include more detailed information on transactions by the Group with investee companies not consolidated by the global integration or equity method and with companies not included within the scope of consolidation, with members of the Board of Directors of the Company and with its executive management team, all of it in view of applicable accounting regulations.

Audit Committee of ELECNOR, S.A.

21 February 2023