



**ANNUAL REPORT ON THE OPERATION
OF THE APPOINTMENTS AND
REMUNERATION COMMISSION**

FISCAL YEAR 2024

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ANNUAL REPORT ON THE OPERATION OF THE APPOINTMENTS AND REMUNERATION COMMISSION DURING FISCAL YEAR 2024

1. INTRODUCTION

Pursuant to the provisions of Article 3.1.(v).j) of the Appointments and Remunerations Commission in effect at Técnicas Reunidas, S.A. (the **"Company"** or **"Técnicas Reunidas"**) and in order for the Board of Directors to be able to complete the annual evaluation of its operation and that of its Commissions, as set forth in Article 529 nonies of the recast text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July (the **"Spanish Corporate Enterprises Act"**), Recommendation 36 of the Good Governance Code of Listed Companies (the **"GGC"**) establishes that the evaluation of the Commissions shall be based on the report they submit to the Board of Directors, and the evaluation of the latter shall be based on the report submitted by the Appointments and Remuneration Commission.

Based on the foregoing, the Appointments and Remuneration Commission of Técnicas Reunidas (the **"Commission"**), at its meeting on February 20, 2025, issues this Report on its operation during the year 2024 (the **"Report"**), which includes the information set out in Technical Guideline 1/2019 of the CNMV on appointments and remuneration commissions (the **"Technical Guideline 1/2019"**), and which will be available to shareholders, investors and other interested parties on the Company's corporate website (www.tecnicasreunidas.es) from the publication of the notice of the call for the Ordinary General Meeting of Shareholders, in accordance with the provisions of Recommendation 6 of the GGC.

2. COMMISSION REGULATION AND PRACTICAL GUIDELINES BEING FOLLOWED

The Company's Appointments and Remuneration Commission is regulated by articles 529 quincecies of the Spanish Corporate Enterprises Act, 30 of the Bylaws and 14 of the Regulations of the Board of Directors and by the Regulations of Company's own Appointments and Remuneration Commission, which incorporate the basic principles and recommendations regarding the composition, functions and operation of the Commission included in the Recommendations of the GGC and in Technical Guideline 1/2019. In particular, this report includes the information contained in part three, section 11 of the Technical Guideline 1/2019.

The current version of the aforementioned corporate texts is published for consultation on the Company's corporate website (www.tecnicasreunidas.es) within the "Rules of Organization" section of the "Corporate Governance" section, which is located within the "Shareholders and Investors" section.

3. COMPOSITION

In accordance with article 529 quincecies of the Spanish Corporate Enterprises Act, and as stated in article 30 of the Company's Bylaws, article 14 of the Board Regulations and article 1 of the Regulations of the Appointments and Remuneration Commission, the Commission must be made up of a minimum of three (3) and a maximum of five (5)

directors appointed by the Board of Directors itself from among the non-executive directors, with at least two (2) of them being independent directors.

Likewise, pursuant to said articles and Article 2 of the Commission Regulations, the Chairman of the Commission shall be appointed by the Board of Directors from among the independent directors on the Commission for a term of four (4) years and may be re-elected one or more times for terms of the same duration.

During the 2024 financial year, the Appointments and Remuneration Commission has not changed its composition, so that, throughout the financial year and as of the date of this Report, the Commission has been composed of the following members:

Director	Position	Category	Date of the first appointment as a member of the Commission	Date of the last appointment as a member of the Commission
Mr. Alfredo Bonet Baiget	Chairman	Independent	July 25, 2018	July 28, 2022
Mr. José Manuel Lladó Arburúa	Board Member	Proprietary	July 28, 2020	July 28, 2022
Ms. Inés Elvira Andrade Moreno	Board Member	Independent	September 30, 2020	July 28, 2022
Ms. Silvia Iranzo Gutiérrez	Board Member	Independent	September 29, 2023	September 29, 2023

Ms. Laura Bravo Ramasco, Secretary of the Board of Directors of the Company, acts as non-member Secretary of the Commission.

The professional profiles of the members of the Commission are as follows:

- Mr. Alfredo Bonet Baiget (Chairman) has been an independent external director since his appointment by agreement of the Ordinary General Meeting of June 27, 2018 and re-elected as director for the last time at the Ordinary General Meeting of June 28, 2022. He was appointed as a member and Chairman of the Commission on 25 July 2018 and was last re-elected on 28 July 2022.

Mr. Bonet Baiget holds a degree in Economics and Business Administration from the Complutense University of Madrid and is a Commercial Attaché and State Economist. He has developed his career in both the public and private sectors.

In the field of public economics and trade, he has been Deputy Director General of European Union Trade Policy and GATT Relations (1991-1993), Economic and Commercial Counselor of Spain in Miami (1997-1991) and Milan (1993-1997), General Director of Promotion of the Spanish Institute for Foreign Trade (ICEX) (2001-2004), Secretary General of Foreign Trade and a member of the Boards of Directors of Instituto de Crédito Oficial (ICO) and Navantia (2004-2010), Secretary of State for Foreign Trade and President of ICEX and Invest in Spain (2010-2012) and Chief Economic and Commercial Counselor at the Permanent Spanish Delegation to the OECD in Paris (2012-2015). In the private sector, he has been General Manager of Altair Asesores (1997-2001), International Director of the

Spanish Chamber of Commerce (2015-2018) and Secretary General of the Círculo de Empresarios (2018-2022).

He is now a director and independent professional, member and secretary of the Advisory Board of AMFRESH Group, patron of the CRE100DO Foundation and vice president of Madrid Open City.

- Mr. José Manuel Lladó Arburúa (member) has been a proprietary director as proposed by Araltec, S.L. since May 10, 2006. He was re-elected as a director for the last time at the Ordinary General Meeting of 26 June 2024. He was appointed member of the Commission on 28 July 2020, a position to which he was re-elected on 28 July 2022.

Mr. Lladó Arburúa holds a degree in Business Administration (BSBA) from Georgetown University and an MBA from the University of Chicago. In his professional career, he has been manager of the international corporate finance division of Citibank N.A. (1986-1990) Managing Director of The Chase Manhattan Bank, with responsibility for Global Market Sales for Spain and Deputy Managing Director of Banesto, with responsibility for the International and Treasury area. He has been a Director of CESCE, Director and Founder of Ideon Financial Solutions, Founding Partner, President and Director of Summa Investment Solutions, Founding Partner and President of Borrox Finance, as well as a member of the Board of Directors of Raisin Technology Europe, S.L. (previously, Choice Financial Solutions, S.L.), Fintonic Servicios Financieros, S.L. and Ideon North America (later, Choice).

He is a member of the Board of Directors of the companies Araltec, S.L., Agrupación Aralar, S.A., Tejure, S.L. and Aracorp Campo, S.L.; and joint director of Aragonesas Promoción de Obras y Construcciones, S.L., Arafín, S.A. Arainvest Private Equity, S.A., Aracorp activos, S.L., Aracorp Gestión Financiera, S.L., Aracorp Participaciones, S.L., Aracorp Velázquez, S.L., Araltec Corporación, S.L., Castellana 60 Propiedad, S.L., Explot. For. Guadalupe, S.L., Lifelke, S.L., Agrícola Sevillana, S.L. y Los Chiqueros, S.L.; and sole director of Fairfield, S.L.

- Ms. Inés Elvira Andrade Moreno (member) has been an independent external director since her appointment at the Ordinary General Meeting of 25 June 2020, having been re-elected as director for the last time at the Ordinary General Meeting of 26 June 2024. She was appointed as a member of the Appointments and Remuneration Commission on September 30, 2020, and re-elected as a member on July 28, 2022.

Ms. Andrade Moreno has a degree in business management (with a specialization in international finance and business) from Georgetown University (Washington, D.C.) where she graduated *Summa Cum Laude*. She has developed her career in the financial and investment sectors, with extensive renowned experience in investment banking, investment management and investor relations.

She is currently a Partner of the AltamarCAM Partners group. Over the past 17 years, Ms. Andrade has held various positions within the AltamarCAM group, becoming its Vice President from January 2016 until the end of 2021. AltamarCAM is a Spanish-German investment management company specializing in alternative investments at a global level. It has 20.8 billion euros under management through its Funds and the “Client Solutions” division, chaired by Ms. Andrade, which offers tailor-made solutions for the investment programs of large clients, both families and

institutions.

Ms. Andrade began her career in 1984 in the JP Morgan financial advising, mergers and acquisitions department at its offices in New York. She subsequently worked in the JP Morgan office in Madrid from 1986 to 1989. She then worked as a professional investor for direct private equity funds with an investment focus in Spain, mainly Inversiones Ibersuizas as Senior Analyst and iNova Capital as Director of Investments. Later on and until she joined Altamar in 2008, she was General Manager of Grupo Río Real which is a Spanish family office with direct investments in listed and private companies.

Ms. Andrade is currently an independent director and Chair of the Audit Commission of Vidrala S.A., as well as a member of the Board of Trustees of the Junior Achievement Foundation Spain and a member of the Advisory Committee of OpenWealth, S.A.U. (an entity of the Caixabank group). She has also actively participated in boards of directors, in their different commissions, as well as in advisory boards of various companies over the years, highlighting Corporación Acciona Energías Renovables, Grupo LAR Inversiones Inmobiliarias, INJAT ("Family Office" of the Antolín family) and Grupo Seguriber. She was also a member of the Level20 Spain Steering Committee and responsible for its Mentoring program for 3 years. The objective of Level20 is to encourage the incorporation and permanence of women in the Private Equity and Venture Capital sectors in Spain / Europe.

- Ms. Silvia Iranzo Gutiérrez (member) has been an Independent Non-Executive Director since she was appointed at the Ordinary General Meeting of Shareholders on June 28, 2022. She was appointed member of the Commission on September 29, 2023.

Ms. Iranzo holds a degree in Economics and Business Administration, a PhD in Economics and Business Administration, a Master's Degree in Financial and Accounting Management (Pompeu Fabra University); and she's a State Economist and Trade Expert. Graduated from the IESE Business School Management Programme of the Bank of Spain. Diploma from the Institute of Counselors and Administrators (IC-A) in Good Corporate Governance.

She has been the Spanish ambassador to the Kingdom of Belgium and Secretary of State for Trade, chairwoman of the Board of Directors of ICEX, member of the Management Group of the Bank of Spain, independent director of the listed company Indra Sistemas, member of its Appointments, Remuneration and Corporate Governance Committee and chairwoman of its Sustainability Committee; independent director of the listed company Tecnocom and member of its Appointments, Remuneration and Corporate Governance Committee; member of the Governing Board of the Institute of Directors and Administrators (IC-A), and director of the companies CESCE and Telefónica Internacional. She is an independent director of the Instituto de Crédito Oficial (ICO); she is an independent director of the listed company Artificial Intelligence Structures, a member of its Audit and Sustainability Committee, and of its Appointments and Remuneration Committee; she is a member of the Plenary of the Spanish Court of Arbitration; a trustee of INCIPE (Institute of International Issues and Foreign Policy) and a member of the Reflection Committee of the Exporters Club. She is a professor of Global Governance and International Institutions at CUNEF (College of Financial Studies) and a professor of Deglobalization and the European Union at the Instituto de Empresa.

She chairs the Sustainability Committee of 65ymas. She holds the Grand Cross of the Order of Civil Merit, the Grand Cross of the Order of the Sun (Peru), the Grand Cross of the Order of the Liberator San Martín (Argentina) and the Gold Medal of the Association of State Economists and Trade Experts.

All the Commission members have the necessary knowledge, skills, experience and dedication to perform their duties. Detailed information on the members of the Commission and their professional background is available to shareholders, investors, and other interested parties on the Company's corporate website.

As explained above, throughout fiscal year 2024, the Commission was entirely comprised of non-executive directors, with three (3) of the four (4) members as independent directors, including its President as set forth in Article 3 quincecies.4 of the Spanish Corporate Enterprises Act and Recommendation 47 of the GGC. All its members have been appointed by the Board of Directors taking into account the duties of the Commission and ensuring that its composition promotes equality between women and men and responds to the various diversity criteria, including, among others, those related to the knowledge, aptitudes, professional experience, competencies, personal abilities and sectoral knowledge of its members, in accordance with the Policy for the Selection of Directors and Diversity in the Board of Directors of Técnicas Reunidas.

4. COMMISSION COMPETENCIES AND ACTIVITIES CARRIED OUT DURING FISCAL YEAR 2024

Articles 529 quincecies of the Spanish Corporate Enterprises Act, 14.2 of the Regulations of the Board of Directors and 3 of the Regulations of the Appointments and Remuneration Commission set out the competences of the Appointments and Remuneration Commission, without prejudice to other functions that may be assigned to it by the Board of Directors.

What follows is a list of the Commission's competences as allocated in the Board of Directors Regulations, indicating the most significant activities in fiscal year 2024 in relation to them:

1) In relation to the composition of the Board:

- Evaluate the skills, knowledge, and experience necessary on the Board of Directors. For these purposes, it will define the functions and skills necessary in the candidates who must fill each vacancy and will evaluate the time and dedication required so that they can effectively carry out their duties, ensuring that non-executive directors have sufficient time available for the proper performance of their duties.
- Ensure that corporate policies are oriented towards an objective of representation for the less represented sex on the Board of Directors and develop guidelines on how to achieve said objective, as well as, propose to the Board of Directors the Directors Selection and Diversity Policy on the Board of Directors.
- Periodically verify directors' categories.

2) Regarding the selection of directors and senior management:

- Submit to the Board of Directors proposals for the appointment of independent directors for their appointment by co-option or for submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or removal of said directors by the General Shareholders' Meeting.
- Report on the proposals for the appointment of the remaining directors for their appointment by co-option or for submission to the decision of the General Shareholders' Meeting, as well as the proposals for their re-election or removal by the General Shareholders' Meeting.
- Annually verify compliance with the Directors' Selection Policy and Diversity Policy on the Board of Directors which will be reported in the Annual Corporate Governance Report.
- Analyze, formulate and periodically review the proposed policies for hiring, loyalty and dismissal of executives, as well as formulate and review the criteria to be followed for the composition of the management team of the Company and its subsidiaries and for the selection of candidates; collect exhaustive information on the Company and Group workforce, including general information on the composition thereof as well as relevant specific information.
- Report the proposals for the appointment and removal of senior managers.

3) Regarding the positions of the Board and the composition of the Commission:

- Propose the members who should form part of each of the Commissions, taking into account the knowledge, skills and experience of the directors and the tasks of each Commission.
- Inform the Board of Directors about the appointment of the Chairperson, Deputy Chairperson and the Honorary President, if applicable.
- Inform the Board of Directors about the appointment and, where appropriate, removal of the Secretary and Deputy Secretary of the Board of Directors.
- Propose, where appropriate, the appointment of the Coordinating Director.
- Examine and organize the succession of the Chairperson of the Board of Directors and the chief executive of the Company and, where appropriate, make proposals to the Board of Directors so that said succession takes place in an orderly and planned manner.

4) Regarding the remuneration of directors and senior management:

- Propose to the Board of Directors the remuneration policy for the directors and general managers or those who carry out their senior management functions under the direct dependence of the Board or delegated committees, checking its observance.
- Analyze, formulate and periodically review the remuneration policy applied to directors and senior managers, including remuneration systems with shares and their application, weighing their adequacy and performance, as well as ensuring that their individual remuneration is proportionate to that paid to other directors and senior managers of the Company.

- Propose to the Board of Directors the individual remuneration and the other contractual conditions of the Executive Directors, verifying that they are consistent with the remuneration policies in force.
- Inform the Board of Directors in advance on individual determination of remuneration of each Director acting as such, within the statutory framework and remunerations policy, well as on the performance of executive functions that are allocated to them within framework of remunerations policy and in compliance with their contracts.
- Propose the basic conditions of the contracts of senior managers, verifying that they are consistent with the remuneration policies in force.
- Inform the Board of Directors about the systems and the amount of the annual remuneration of directors and senior managers and verify the information on remuneration of directors and senior managers contained in corporate documents, including the Annual Report on Directors' Remuneration, ensuring for the transparency of remuneration.

5) Other duties:

- Lead the annual evaluation of the Board regarding the operation and composition of the Board and its Commissions and submit to the Board the results of its evaluation together with a proposal for an action plan or with recommendations to correct any deficiencies detected or improve its operation.
- Establish an annual work plan including the main Commission activities based on the duties it must perform.
- Report annually to the Board of Directors on the evaluation of the performance of the Company's Senior Management.
- Designing and organizing regular refreshing training programs for Board members.
- Ensure that any conflicts of interest of the advisers do not affect the Independence of the external advice provided to the Commission.

In accordance with the foregoing, the Commission carried out the following activities during fiscal year 2024:

a) In relation to the appointment of Directors and senior management:

The Appointments and Remunerations Commission has internally developed a matrix of Board responsibilities, in coordination with Técnicas Reunidas' Board Selection and Diversity Policy, and in accordance with best practices in good governance, with the aim of having a common, shared model that also incorporates market trends.

This matrix makes it possible to evaluate next steps, be able to decide upon possible positions on the Board, lead any possible search for directors, as well as decide which competencies are necessary in the Company's governance bodies. In this regard, the Commission approved the competence matrix at its meeting on 16 December 2024, submitting this agreement to the Board of Directors for final approval.

Furthermore, the Commission has analyzed the composition and needs of the Board of Directors in accordance with the results of the evaluation of the Board for the year 2023 and on the occasion of the appointment and re-election of several of its members, concluding that the structure is adequate for the correct development of its functions.

In view of the recent entry into force of Law 2/2024, of August 1, on equal representation and balanced presence of women and men (the "**Parity Law**"), the Appointments and Remuneration Commission has been working on updating the Board Selection and Diversity Policy to adapt it to new legal requirements and best corporate governance practices.

In this regard, at the Ordinary General Meeting of 26 June 2024, Ms. Petra Mateos-Aparicio Morales, External Independent Director and member of the Audit and Control Commission, and Ms. Inés Andrade Moreno, External Independent Director and member of the Appointments and Remuneration Commission, were re-elected, following a report from the Commission, and Ms. Belén Villalonga Morenés was appointed as Independent External Director, also following a report from the Commission, thus increasing the number of women who are part of the Board of Directors of Técnicas Reunidas, thus achieving the objective of 40% of the less represented sex on the Board and therefore complying with the provisions of Directive 2022/2381¹ and the Parity Law.

Likewise, the Commission has verified the categories of the directors on the occasion of the proposals for appointment and re-election of directors that were submitted for consideration by the Ordinary General Meeting and, additionally, at the meeting held in January 2025, in which, after verifying the circumstances and the year of initial appointment of each of the directors, the Commission concluded that the categories of directors remain unchanged, all being independent except for Mr. José Manuel Lladó (category of Proprietary Director) and Mr. Juan Lladó (category of Executive Director).

b) Regarding the selection of directors and senior management:

At its meeting on 16 May 2024, the Commission approved the proposals for the appointment of Ms Belén Villalonga Morenés and Mr Luis Enrique Téllez Kuenzler, both Independent Directors, as well as the proposals for the re-election of the Independent Directors Ms Petra Mateos-Aparicio Morales, Ms Inés Andrade Moreno and Mr Ignacio Sánchez-Asiain Sanz. Likewise, The Board of Directors was informed favorably of the proposals for re-election of Mr. Juan Lladó Arburúa, with the category of Executive Director, and Mr. José Manuel Lladó Arburúa, with the category of Proprietary Director.

c) Regarding the positions of the Board and the composition of the Commission:

At its meeting on 18 September, 2024 the Commission reported favorably on the proposal for the appointment of the Vice Chair of the Management and Risk Commission for submission to and approval by the Board.

d) Regarding the remuneration of directors and senior management:

The members of the Commission have reviewed, like the rest of the Directors, the Annual Report on Directors' Remuneration for the year 2023 and, following the explanation by

¹Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on better gender balance among directors of listed companies and related measures.

the Chairman of the Commission on how said report was prepared, the Commission decided to approve it unanimously.

On the other hand, the Commission studied the remuneration of members of the Company's Senior Management with the General Management of Human Resources and General Services giving several presentations at various meetings on matters such as: (i) information on salary reviews and compliance with the 2024 goals; and (ii) the 2023-2026 remuneration plans.

In particular, the possibility of reassessing the performance objectives of Senior Management in order to set the variable remuneration for the coming years was presented, as well as the review of the share plan, and the fixed and variable remuneration of the CEO was analyzed and reviewed, submitting a proposal in this regard for approval by the Board of Directors.

The Appointments and Remuneration Commission also reviewed the terms of the Directors' Remuneration Policy, which does not require any changes as it will remain in force until 31 December 2025.

Finally, at the meeting of the Commission on 21 November, 2024 the Head of Large Companies and the Head of Financial Lines of AON were invited to present the regulatory framework and the main characteristics of the Civil Liability Policy for Directors and Officers of the Group and the D&O Program 2024 of the Company.

e) Other matters:

At its meeting on 15 February 2024, the Appointments and Remuneration Commission approved the Annual Report on its operation for the year 2023.

The Chairman of the Commission also presented the results of the 2023 Board of Directors Evaluation Report prepared by external advisor KPMG. Based on the conclusions drawn from this report, the Action Plan for the year 2024 was submitted to the Commission, as explained in section 6 of this Report.

The external advisor KPMG also appeared at the meeting on 21 November 2024 to present the proposal for the evaluation of the Board of Directors for the 2024 financial year.

On the other hand, in accordance with recently approved European regulations (CSRD², CS3D³, etc.), the Commission analyzed, at its meeting of 21 November 2024, the need to develop and approve a Cybersecurity Policy and an Artificial Intelligence Policy.

At its last meeting of the fiscal year, the Commission reviewed and unanimously approved the meeting calendar and work plan which include the main activities for 2025.

Lastly, it stated that during fiscal year 2024 there were no deviations from the procedures adopted by the Company and that the Board of Directors was not informed

²Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards sustainability reporting by companies.

³Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate due diligence regarding sustainability and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859.

of any irregularities in matters within the competence of the Commission, as evidence of such does not exist.

5. MEETINGS HELD DURING THE FISCAL YEAR, NUMBER OF ATTENDEES AND OTHER PEOPLE WHO APPEARED

In accordance with the provisions of Article 14 of the Board Regulations and Article 4 of the Appointments and Remunerations Commission Regulations, the Commission shall ordinarily meet once (1) a year to prepare the information on the compensation of the Board Members that the Board of Directors must approve and make public. On the other hand, Technical Guideline 1/2019 recommends the Commission meet sufficiently often and at least three (3) times a year and well enough in advance of Board meetings.

Likewise, said Article 14 sets forth that the Commission shall meet each time it is called by the Chairman, who must always call it to meet whenever the Board or its Chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever suitable for the proper performance of its duties.

In the period between January 1 and December 31, 2024, the Appointments and Remuneration Commission has met on eight (8) occasions, with sufficient advance notice to the meetings of the Board of Directors, upon prior notice by the Secretary, by order of the Chairman and through individual communication to each of its members.

All the members of the Commission personally attended all the meetings held throughout the fiscal year, either in person or remotely.

Date	Type of meeting	Attendance
January 29, 2024	In-person/remotely	Four (4)
February 15, 2024	In-person/remotely	Four (4)
April 3, 2024	In-person/remotely	Four (4)
May 16, 2024	In-person/remotely	Four (4)
June 17, 2024	In-person/remotely	Four (4)
September 18, 2024	In-person/remotely	Four (4)
November 21, 2024	In-person/remotely	Four (4)
December 16, 2024	In-person/remotely	Four (4)

Besides attendance by its members and Secretary, the Appointments and Remunerations Commission meetings were attended by the people listed below following an invitation by the Commission Chairman in order to discuss certain items on the Agenda for which their presence was strictly necessary without attending the deliberation and voting phases of Commission meetings. All of these people's entries and exits are recorded in the meeting minutes, entirely in accordance with the provisions of Technical Guideline 1/2019:

- Mr. Hugo Mínguez, Director of Human Resources and General Services, on three (3) occasions.
- Mr. Ramón Pueyo and Ms. Elena Bajo of KPMG, on one (1) occasion.
- Ms. María Díaz-Lladó and Ms. Verónica Rodríguez, both from AON, on one (1) occasion.

The Commission Chair, in cooperation with the Secretary, channeled and facilitated the necessary information to all other Commission members sufficiently in advance so they could analyze it before the meetings were held.

Likewise, the Commission Chairman encouraged constructive dialogue among members, fostering freedom of expression and an attitude of analysis among all members, ensuring their free participation in all deliberations.

6. EVALUATION

As mentioned above, the evaluation of the Board of Directors and its Commissions corresponding to fiscal year 2023 was conducted in fiscal year 2024 with assistance from the external advisor KPMG. It was confirmed that the consultant is not the same one that advises the Company on the appointments of directors and senior management or compensation systems with their independence verified by the Appointments and Remuneration Commission.

The areas under assessment were the following:

- The standard and efficiency of the functioning of the Board of Directors.
- The functioning and the composition of its Commissions.
- The diversity in the composition and competencies of the Board of Directors.
- The performance of the Chairman of the Board of Directors and the Secretary of the Board.
- The performance and contribution of each director, paying special attention to the heads of the various Board Commissions.

As regards the methodology used, the evaluation of the different Commissions was based on the report submitted by them to the Board of Directors, and for the evaluation of the Board of Directors, on the report submitted by the Appointments and Remunerations Commission. Moreover, as part of the process, KPMG held various interviews with all the members of the Board and its Secretary.

During the evaluation process, the following aspects, among others, were very positively reviewed: the high technical qualifications and professional experience of the members of the Board of Directors, the fluid and transparent communication between members of the Board, the work climate and collaboration observed among the directors, the trust observed in the management team and the immense appreciation for and trust in the executive secretary.

In particular, with regard to the Committee, the directors positively evaluated its performance during the year, considering it has adequately carried out its functions. As concerns the actions for improvement included in the Action Plan, the main

recommendation from the directors referred to continuing to improve planning of meetings and of the matters to be handled throughout the year.

As a result of the Board's evaluation, an Action Plan was established with suggestions for improvement, including actions in the areas of meeting organization and procedures (i.e. holding a monographic Board Meeting on strategy each year, maintaining greater contact with members of Senior Management and carrying out periodic and formal monitoring of the main operational risks), composition of the Board (moving forward in this regard in the renewal and improvement of competences and diversity), and training of directors. In mid-2024, the Commission reviewed the Action Plan and recalled the goals included in it.

Also, at the meeting of the Commission in November, KPMG was present, at the invitation of the Chairman of the Commission, and presented the proposal for the evaluation of the Board for the year 2024.

7. CONCLUSIONS

Based on all matters set forth in this Report, the Company's Appointments and Remunerations Commission has evaluated its composition and operation during fiscal year 2024 positively, considering that:

- The composition of the Commission has been adjusted to the provisions of the Spanish Corporate Enterprises Act, its internal rules, Recommendations from the GGC and Technical Guideline 1/2019, with members having the necessary and appropriate knowledge and experience to properly perform their duties, with the majority of its members being independent directors.
- The Commission has met more frequently than the frequency established in Article 14 of the Board Regulations, Article 4 of the Appointments and Remunerations Commission Regulations and Technical Guideline 1/2019, and whenever has been necessary in light of the issues to be discussed therein, sufficiently in advance of the meetings of the Board of Directors.
- All the meetings of the Commission have been attended by all its members.
- The Commission members always had the necessary information with regard to the items on the agenda subject of analysis and discussion available to them prior to the meetings so they could exercise their duties properly in an informed manner. Likewise, when necessary, the Commission has been advised by external experts following verification in all cases by the Commission that there were no conflicts of interest that may compromise their independence of judgement.
- Finally, the Commission has deliberated on and passed resolutions on the matters within its competence after discussions in which there has been a constructive dialogue and critical attitude, favoring the diversity of opinions, as provided for in Technical Guideline 1/2019.

In accordance with the foregoing, it can be concluded that the Appointments and Remunerations Commission has complied with the requirements set forth in the Law and its internal rules regarding composition, frequency of meetings, attendance and informed participation of its members, and its activity during the 2024 fiscal year has been very positively evaluated.

This Annual Report on the operation of the Appointments and Remuneration Commission for the year 2024 was approved by the Appointments and Remuneration Commission on February 20, 2025, and was submitted to the Board of Directors of the Company for approval at its meeting held on February 27, 2025.