

SUPPORTING REPORT REGARDING THE AMENDMENT OF THE BOARD REGULATIONS AGREED BY THE BOARD OF DIRECTORS IN ITS MEETING OF OCTOBER 1, 2021

1. Introduction

This report is made by the Board of Directors of SACYR, S.A. ("Sacyr" or the "Company"), in accordance with the provisions of article 528 of the Corporate Law, after a favorable report from the Sustainability and Corporate Governance Committee in accordance with the provisions of article 3.2 of the Board Regulations, to inform the General Shareholders' Meeting of the amendments made by the Board of Directors to the Board's Regulations and to explain the reasons why the Board has considered it appropriate to carry them out.

In order to facilitate the understanding of the changes that motivate this report and proposal, a statement of the purpose and justification of these modifications is offered, including the new wording of the articles of the Board Regulation that have been subject to modification.

2. General justification for the performed modifications

Last May, Law 5/2021, of April 12, 2021, which modifies the consolidated text of the Corporate Law, was approved by Royal Legislative Decree 1/2010, of July 2, and other financial regulations, with regard to the promotion of the long-term involvement of shareholders in listed companies, came into effect.

The purpose of this standard is to improve the field of corporate governance of listed companies and does so basically around two axes; (i) to improve the long-term financing that listed companies receive through the capital markets and, (ii) to increase transparency in the actions of market agents, regarding the remuneration of directors, as well as on the transactions carried out by the company with related parties. With the same goal of transparency and improvement of good corporate governance, the Law introduces other changes such as the reinforcement of the duty of diligence of the directors or the fact that the directors of listed companies must necessarily be natural persons.

In view of the above and within the process of review and continuous updating carried out by the Company in relation to its internal corporate governance rules, it was considered appropriate to review, among other internal regulations, the Board Regulations in order to adapt them to the new regulation.

3. Structure of the modification and reason for the modification

The proposed amendment is structured in the following blocks:

(i) Modification of articles 5 (General supervisory function), 16 (The Audit Committee), 34 (Regime of Dispensation of situations of conflict of interest), 34 bis (Related Transactions), in order to include the new regulation on the operations

carried out by the company with its related parties. To this end, a new Article 34a is included that contains this regulation, adapting the rest of the articles of the Regulation that refer to it.

(ii) Modification of article 7 (*Qualitative composition and categories of directors*) and 22 (*Selection of directors*), in order to include the provenance and origin as an additional criterion of diversity in the boards of directors, together with the criteria of knowledge, experience, age and gender, which were already included previously, in order to have an appropriate composition of the board.

(iii) Modification of articles 7 (*Qualitative composition and categories of directors*), 21 (*Appointment of Directors*), 32 (*Duty of secrecy of the director*) and 35 (*Duties of information*) in order to include the legal obligation that the members of the board of directors will be exclusively natural persons.

(iv) Modification of articles 24 (*Dismissal of directors and availability of the position*), to reinforce the cases of resignation and availability of the position of director, 28 (*General obligations of the director*) and 35 (*Duties of information*) in order to reinforce the duty of diligence of the directors.

(v) Modification of article 39 (*Relations with markets*) in order to adapt the wording of the article to the organizational reality of the company.

(vi) Inclusion of a Transitional Provision to regulate the transitional regime with respect to the current members of the board of directors' legal persons.

4. New drafting of the Board Regulations subject to amendment

The new wording of the articles of the Board Regulation which is being amended is then literally transcribed, indicating the proposed amendments in bold:

Article 5. General supervision responsibility

1. *The Board of Directors has the broadest powers for the administration of the Company and, except in matters reserved to the competence of the General Meeting, is the highest decision-making body of the Company.*
2. *However, in general, the Board of Directors policy is to delegate the ordinary management of the Company over executive bodies and the management team in order to concentrate in its general supervision activity, ensuring at all times the attainment of the corporate interest.*
3. *Those responsibilities reserved to the direct knowledge of the Board of Directors according to the law or articles of association cannot be delegated .*

4. The Board of Directors will directly exercise the following responsibilities, except when the law attributes them to the General Shareholders Meeting:
- a. The approval of the strategic or business plan, annual budget and management objectives, investment and financing policy, sustainability policy and dividend policy;
 - b. The establishment of the control and risk management policy, including prosecutors, and the supervision of the internal information and control systems;
 - c. The establishment of the Company and group corporate governance policy and other corporate policies of which is a parent company; its organization and operation and, in particular, the approval and modification of its own regulations;
 - d. The definition of the group of companies' structure of which the company is the parent company;
 - e. the approval of the policy related to own shares;
 - f. The establishment of the company tax strategy;
 - g. The approval of investments or transactions of all types that due to their high amount or special characteristics, are considered strategic or of special tax risk, unless their approval corresponds to the Shareholders Meeting;
 - h. Approval for the creation or acquisition of shares in entities of special purpose or domiciled in countries or territories which have the consideration of tax havens, as well as any other transactions or operations of a similar nature which, due to their complexity, could undermine the transparency of the Company and its Group;
 - i. ~~the authorization or dispensation of obligations arising from the loyalty duty under the law, in all those cases in which these powers have not been legally or statutorily attributed to the General Meeting and, in particular, the approval, following a report of the Audit Committee, of the operations that the company or its group of companies made with advisors, under the terms of articles 229 and 230 of Corporate Law, or with shareholders, individually or jointly, of a significant participation, including shareholders represented on the Company Board of Directors or other companies that are part of the same group or with people related to the above, except in those cases exempted by the law;~~ **pursuant to the terms of articles 229 and 230 of the Corporate Law.**
 - j. **the approval, following a report by the Audit Committee, of the related transactions as defined by the legislation and internal regulations that are applicable at all times.**
 - k. the Shareholders General Meeting notice of meeting and the preparation of the agenda and agreements proposals;

- l. the preparation of the financial statements and their submission to the General Shareholders Meeting;*
 - m. the preparation of the non-financial statements condition and their submission to the General Shareholders Meeting;*
 - n. the responsibilities that the General Shareholders Meeting has delegated over the Board of Directors, except when specifically authorized by the above to delegate, and the specifications provided in the By-laws and the Regulation.*
 - o. The approval of financial and non-financial information that, by its listed status, should be made public by the Company periodically;*
 - p. the supervision of the operations regarding committees that have been incorporated and the action of delegated or managerial bodies which have been appointed;*
 - q. the appointment and dismissal of the Company executive director/s, as well as the establishment of their contractual conditions;*
 - r. the appointment and dismissal of the managers who directly depend on the Board of Directors or some of its members as well as the establishment of their basic contractual conditions including their retribution;*
 - s. the decisions related to Board members remuneration, within the statutory framework and, where applicable, the remuneration policy approved by the General Shareholders Meeting;*
 - t. The establishment of the Company personnel retributive policy and, in particular, that of top management and the management team;*
 - u. The preparation of any type of report required by law to the administration body as long as the operation related to the report may not be delegated.*
- 5. When duly justified emergency circumstances concur, the decisions corresponding to the above-mentioned items of the Executive committee can be adopted and must be ratified by the first Board of Directors that is held after the decision has been adopted.*

Article 7. Qualitative composition and types of directors

- 1. The Board of Directors, within the exercise of its powers of proposal to the General Meeting and co-optation to cover vacancies, shall promote and adequate diversity of **provenance, origin**, knowledge, experiences, age and gender and will attempt that the composition of the external boards' bodies or non-executive bodies represent the majority of the executive directors.*

The Board of Directors shall be composed exclusively of natural persons.

2. According to the provisions of the Corporate Law, the Directors must necessarily ascribe to one of the following categories: (i) Executive Directors or (ii) Non-executive Directors and, within this category, to Directors representing controlling shareholders, Independent Directors or Other External ones. The annual report of Corporate Governance must indicate to which category and which specific type each of the Directors belongs to.
3. Executive Directors are those who perform management functions of the Company or its Group, regardless of the legal relation that is held. However, those Directors who are senior executives or Directors of companies belonging to the group of the parent Company will be considered as directors representing controlling shareholders. When a Director performs management responsibilities and, at the same time, is or represents a significant shareholder or one that is represented in the Board of Directors, he/she will be considered as Executive. All remaining directors of the Company will be considered as non-executive directors.
4. Directors representing controlling shareholders will be those who own shares equal or exceeding 3 percent of the capital stock or had been assigned due to his/her condition as shareholder, even if their share participation does not reach said amount, as well as those representing the above-mentioned shareholders. According to what is established under the By-laws, the shareholding participation which will be taken into consideration for these purposes will be the one resulting from the Detailed Records of the participating companies in "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores" (Iberclear).
5. Independent Directors will be those ~~individuals~~ who, appointed due to their personal or professional conditions, can develop their responsibilities without finding themselves conditioned by relations with the Company or its group, its significant shareholders or their Directors. A Director who owns shares in the Company can have the condition of independent, provided that he/she meets all the conditions established in this article and, in addition, when his/her participation is not significant. Directors representing controlling shareholders who lose said condition due to the sale of their participation of the shareholder they represented can only be reelected as independent directors when the shareholder who he/she represented until that time would have sold the totality of his/her shares in the Company. No one who finds themselves in the following situation can be considered as an independent Director:
 - a. Those who have been employees or executive directors of the group, except when a period of 3 or 5 years has elapsed, respectively, since the end of the relationship.
 - b. Those who receive from the Company, or from the same group, any amount or benefit by a concept different that director remuneration, except if it is not significant for the director. For the purposes of what is established in this document neither the dividends nor the complements of pensions that are received by the director will be taken into consideration due to his/her previous professional or work relationship, as long as said

complements are unconditional and, as a consequence, the Company that pays them cannot at its own discretion suspend, modify or cancel its accrual without default of his/her obligations.

- c. Those who are or have been during the past 3 years partners of the external auditor or supervisors of the audit report, either in relation to the audit for that listed Company period or any other company of its Group.*
 - d. Those who are executive directors or senior managers of a company different from the one in which any executive director or senior manager of the company is an external director.*
 - e. Those who maintain or have maintained during the past year, a significant business relationship with the Company or any Group company, either in their own name or as a significant shareholder, director or senior manager of an entity that maintains or has maintained said relationship. Business relations are considered to be that of suppliers of goods or services, including financial, and that of advisor or consultant.*
 - f. Those who are significant shareholders, executive directors or senior management of an entity that receives or has received during the last 3 years, donations from the company or its group. Those who are merely trustees of a foundation that receives donations will not be included in this document.*
 - g. Those who are spouses, persons bound by an analogous relationship of affection or relatives up to the second degree of an Executive Director or senior manager of the company or of a Director Representing Controlling Shareholders.*
 - h. Those that have not been proposed, whether for their appointment or renewal by the Appointments and Retributions Committee.*
 - i. Those who have been directors during a continuous period which exceeds more than 12 years.*
 - j. Those who are, in relation to any significant or represented shareholder of the Board in any of the cases stipulated in letters a), e), f) or g) above. In the case of kinship relationship mentioned in letter g), said limitation applies not only in regard to the shareholder, but also in regard to their directors representing controlling shareholders in the participated company.*
- 6. Those Non-Executive Shareholders who cannot be considered as directors representing controlling shareholders nor Independent Shareholders regarding the previously established requirements will be considered as Other External ones.*

Article 16. Audit Committee

1. *The members of the Audit Committee will all be non-executive directors appointed by the Board of Directors. The majority of its members must be independent directors and one of them will be appointed taking into consideration their knowledge and experience in matters of accounting, audits or both.*

As a whole the Committee members will have technical knowledge belonging to the sector of activity to which the Company belongs to.

2. *The Audit Committee will be composed by a minimum of 3 and a maximum of 5 directors. The establishment of the number and their appointment corresponds to the Board of Directors.*

The members of the Audit Committee will be elected for a maximum period of four years, being able to be reelected one or more times for periods with the same maximum duration.

3. *The Chairperson of the Audit Committee will be appointed by the Board of Directors itself from among the corresponding Independent directors and must be replaced every four (4) years, being able to be reelected once a period of one (1) year since its termination has elapsed.*

4. *The Audit Committee will likewise have a Secretary, who will be that of the Board of Directors, who, if not a director, will have a voice but not a vote. In case of absence, impossibility or unavailability of the Secretary, he/she will be replaced by the Deputy Secretary of the Board of Directors, who will likewise have a voice but no vote.*

5. *The Audit Committee will hold a meeting, at least once a quarter and all the times that is necessary, prior notice of meeting by its Chairperson, by own decision or answering to the request of two (2) of its members or the Executive Committee.*

6. *The Audit Committee will be considered as validly incorporated when concurring at the meeting, attending or represented, more than half of its members. Deliberations will be moderated by the Chairperson. To adopt agreements, it will be necessary to have the favorable vote of the absolute majority of the attendants, attending and represented and, in case of a tie, the Chairperson vote will be decisive. Except stipulation to the contrary, the responsibilities of the Audit Committee are consultive and of proposals to the Board of Directors.*

7. *Without prejudice of other responsibilities that are assigned by the applicable law, the By-laws, Regulations or the Board of Directors, the Audit Committee will have the following responsibilities:*

- a. *Inform, through its Chairperson and/or its Secretary, the General Meeting regarding matters that are submitted to it pursuant to those subjects that are the responsibility of the Audit Committee and, specifically, regarding the result of the audit, explaining how it has contributed to the integrity of the financial information that the committee has developed in said process.*

- b. Supervise the efficiency of the systems and internal control units of the Company, such as internal audit and the risk management systems, as well as talking to the accounts auditor about the significant weaknesses of the internal control system detected during the performance of the audit, all without affecting their independence. For said purposes, when applicable, they can submit recommendations and proposals to the Board of Directors and the corresponding period for their follow up.
- c. Supervise the preparation and submission process of the necessary financial information and submit recommendations or proposals to the Board of Directors, with the purpose of safeguarding its integrity.
- d. Supervise the process of preparation and integrity of non-financial information, and report to the Sustainability and Corporate Governance Committee, prior to the issuance of the corresponding report by it.
- e. **Supervise the internal procedure established by the company for related transactions which approval has been delegated.**
- f. Submit to the Board of Directors the selection, appointment, reelection and replacement proposals for the external auditor, as well as the contracting conditions and regularly collect information from said external auditor regarding the audit plan and its execution, in addition to preserving its independence during the development of its responsibilities.
- g. Regarding the external auditor
 - i. Establish the necessary relations with the external auditor to receive information regarding those questions that may represent a threat for its independence, to be examined by the committee as well as any other related with the accounts audit development process and, when necessary, the authorization of services, different from those prohibited, under the conditions established in the applicable law, as well as all those other communications scheduled in the account audit legislation and audit regulations.
 - ii. Yearly receive the declaration of its independence from the account auditor regarding the entity or entities which are directly or indirectly related to it, as well as detailed and individualized information of the additional services of any type rendered and the corresponding fees received from said entities by the external auditor or by the people or entities related to it according to the provisions of the accounts auditing activities regulating code.
 - iii. In case of resignation, examine the circumstances which have caused it.
 - iv. Ensure that the retribution for the position does not jeopardize neither its quality nor its independence.
 - v. Supervise that the Company communicates as a relevant fact to the CNMV the change of auditor and provides a declaration regarding the

existence of disagreements with the exiting auditor and, if any, their content.

vi. Ensure that a yearly meeting with the Board of Directors plenary is held to be informed regarding the work that has been performed as well as the evolution of the accounting situation and risks to the company.

vii. Ensure that the Company and the external auditor comply with the regulation in effect regarding the provision of services other than auditing, the limits of the concentration of the auditor business and in general, the remaining regulations regarding the independence of auditors.

- h. Issue annually, before the issuing of the accounts audit report, a report indicating an opinion about the independence of the account auditor. This report must contain, in any case, an assessment motivated by the rendering of additional services mentioned in the previous section, individually and jointly taken into consideration, different from legal audit and regarding the independence system or the audit regulating code.
- i. Inform the Board of Directors in advance regarding all matters provided under the Law, the By-laws and the Regulations and in particular, regarding:
 - 1) the financial information that the Company must make public periodically;
 - 2) the creation or acquisition of participations in special purpose entities or with registered address in countries or territories that are considered as tax havens; and
 - 3) transactions with related parties to be **approved by the General Meeting or the Board of Directors.**
- j. Ensure the independence of the unit that assumes the internal audit procedure; inform regarding the selection, appointment, election and dismissal proposals of the internal service audit supervisor; propose the budget of that service; approve the orientation and its business plans, ensuring that its activity is focused mainly towards the relevant risks of the Company; receive periodic information regarding its activities; and verify that the top management takes into account and the conclusions and recommendations of its reports.
- k. Review and submit proposals for improvement to the Board of Directors, for approval or submission to the competent body, regarding compliance policies, in response to the recommendations of good governance of general recognition in international markets, in order to fulfill its mission of promoting the social interest and take into consideration, as applicable, the

legitimate interests of other stakeholders.

- l. Supervise the compliance of the applicable regulation to the stock market behavior, and in particular, the Internal Code of Conduct.*
 - m. Report regarding the modification proposals of the Internal Code of Conduct.*
 - n. Supervise the regulation compliance and criminal prevention model operation, as well as that of defense of competition of the Sacyr Group, including the application of the code of conduct and the penalty system in case those affected are board members.*
- 8. Any member of the management team or Company personnel who is required for said purpose has the responsibility of attending the Audit Committee sessions and provide his/her cooperation and access the available information. The Audit Committee may also require for account auditors to attend its meetings.*
 - 9. For the better fulfillment of its responsibilities, the Audit Committee can request the counseling of external professionals, for which purpose article 26 of this Regulation will be applicable.*
 - 10. In everything that is not scheduled in the By-laws, the Regulation or in this article, the Audit Committee will regulate its own operation, applying, by default, the operational regulations established in regard to the Board of Directors, as long as they are compatible with the nature and purpose.*

Article 21. Appointment of directors

- 1. Directors will be appointed by the General Meeting or by the Board of Directors (in case of appointment by coopting) according to the provisions contained in the applicable regulation and the regulations comprising the Company Governance System.*
- 2. The appointment or reelection proposal of the Board of Directors members is the responsibility of the Appointments and Retributions Committee, regarding independent directors, and that of the Board of Directors, in all other cases. In any case the proposal must be accompanied by a justifying report of the Board of Directors which assesses the competence, experience and merits of the proposed candidate, which will be appended to the General Meeting or the Board of Directors minute. The appointment or reelection proposal of any non-independent director must be preceded, in addition, by a report of the Appointments and Retributions Committee.*
- ~~*3. The appointment and the change of individual representation of the Directors, which are a corporation will also require the issuing of a report by the Appointments and Retributions Committee.*~~

4. When the Board of Directors does not follow the recommendations of the Appointments and Retributions Committee it will have to provide the reasons for its behavior and record them in the minutes.

Article 22. Selection of directors

The Board of Directors and the Appointments and Retributions Committee, within the scope of its responsibilities, will attempt to promote an adequate diversity of provenance, age, origins, knowledges, experiences and gender and for its appointment to fall over people of renown solvency, competence and experience.

Article 24. Dismissal of directors and availability of the position

1. Directors will terminate their position when (i) having elapsed the period for which they were appointed, the first General Meeting session takes place or the period for the celebration of the General Meeting which is to decide upon the approval of the financial statements for the previous business year, has elapsed, (ii) when they notify their resignation to the Company or (iii) when the General Meeting decides so according to the use of the authority it has been granted according to the law or the by-laws.
2. In addition, directors must make their position available to the Board of Directors and formalize, if the Board considers it convenient, the corresponding resignation:
 - a. When they incur in any of the incompatibility or prohibition cases which prevents them to continue in their position, and particularly under article 224.2 of the Corporate Law;
 - b. When the Appointments and Retributions Committee, Audit Committee and the Sustainability and Corporate Governance Committee inform the Board of Directors and the latter through the adoption of the corresponding agreement verifies, that the director has infringed, seriously or very seriously, his/her responsibilities as administrator and, in particular, those responsibilities derived from the diligence and loyalty, including the prevention of conflicts of interest and other responsibilities established by the Corporate Governance System; or
 - c. When his/her stay in the Board of Directors can endanger the Company interests or negatively affect its credit, reputation and is thus informed by the Appointments and Retributions Committee.
 - d. When the director goes on to occupy new positions or contracts new responsibilities which prevent him/her from dedicating the necessary time for the development of the responsibilities related to the position of director or he/she incurs in any of the circumstances that make him/her lose the condition of independents, according to what is established under the applicable law; **and in particular, when participating in more**

than five boards of directors of listed companies, including Sacyr, except dispensation of the Board of Directors;

- e. **When incurring in any of the circumstances that make him/her lose their status as independent, in accordance with the provisions of the applicable legislation; and**
- f. *In the case of directors representing controlling shareholders, when the shareholder they represent sells the entirety of his/her participation in the Company or, when doing so partially, reaches a level which triggers the obligation of reduction of his/her directors representing Controlling Shareholders.*

Article 28. General obligations of the director

- 1. *According to what is stipulated in articles 5 and 6, the role of the director is to guide and control the Company management with the purpose of ensuring the achievement of the corporate interest through the creation of sustainable value.*
- 2. *In the performance of his/her duties, the director shall act with the diligence of an orderly entrepreneur, **taking into consideration the nature of the position and the functions attributed to each of them, and subordinating, in any case, his particular interest to the interest of the company** being obliged, in particular, to:*

- a. *dedicate with continuity the time and effort necessary to regularly follow the matters posed by the Company administration, collecting sufficient information for this purpose and the cooperation and assistance he/she considers necessary;*

In order for directors to be able to devote the time necessary to perform the duties inherent to the position of director and provide adequate service to the company, they may not sit on more than five boards of directors of listed companies, including Sacyr. Exceptionally, and for duly justified reasons, the Board may exempt the director from this limitation.

- b. *Obtain information and prepare the Board of Directors and delegated and consultive bodies to which he/she belongs adequately;*
- c. *Actively participate in the Board of Directors and its Committees and tasks assigned, obtaining the necessary information, providing his/her opinion, and requesting from the remaining directors their agreement to the decision that is considered most favorable for the defense of the corporate interest. When not attending the sessions, due to justified reasons, he/she will attempt to instruct the director who represents him/her regarding his/her criterion;*
- d. *Oppose agreements contrary to the Law, the By-laws or the corporate interest and request the recording of his/her position in the minute when he/she considers it is more convenient for the safekeeping of the corporate interest;*

- e. Perform any specific tasks entrusted by the Board of Directors and that are reasonably included in his/her commitment and dedication;
- f. promote investigation regarding any irregularity in the management of the Company in relation to which he/she has obtained information, and request that the people with convening capacity to call an extraordinary meeting of the Board of Directors or include, in the agenda of the first meeting which is to be held, the items that he/she considers convenient.

Article 32. Director duty towards secrecy

1. The director, even after terminating his/her responsibilities, must keep the confidential information secret, having the obligation of keeping confidential the information, data, reports or background information which he/she has obtained during the exercise of the position, without being able to communicate said information when it may have detrimental consequences to the corporate interest.

Cases in which the applicable regulation allows for the communication or disclosure to third parties or that, as the case may be, are required or have to be sent to the relevant supervising authorities, in which case the assignment of information must be appended according to the applicable regulation are exempt from the above paragraph.

- ~~2. When the director is a corporation, the secrecy duty will fall over the individual representative, without prejudice of the compliance of the information obligation.~~

Article 34. Waiver of conflict-of-interest situations system

1. Before it is performed, Directors must inform the Audit Committee, through its Secretary, of any situations or operations stipulated under section 1 of the previous article, indicating the key characteristics and necessary circumstances so that the competent bodies can thoroughly assess the conflict situation.

The Audit Committee must submit a mandatory report, but not binding, to the corporate body, which is statutorily competent to allow, when applicable, the situations or transactions which have been communicated being able to, for said purpose, require from the communicating director all additional information that may be necessary.

2. The Company, by agreement of the General Meeting or the Board of Directors, when applicable, will adopt the necessary decisions, according to what is established under the applicable law, the By-laws and this Regulation.

The waiver or authorization agreements of the prohibitions established under the above article will demand the previous substantiation regarding the safety of the

situation or transaction to the corporate interest, and, particularly in case of related operations, the accreditation that it is performed according to market conditions **and the transparency of the procedure**.

3. Those transactions which the applicable regulation exempts from said approval will be exempt from this system.
4. The affected directors, or those who represent or are related to the affected shareholders, will abstain from participating in the deliberation and vote of the agreement in question.
5. The Company will make public the transactions with shares performed with its significant shareholders, directors, high management and group companies, under the terms that are demanded at each time by the applicable regulation in effect.

34 bis. Related Transactions

1. **"Related Transactions" shall be understood as those carried out by the Company or its subsidiaries with the directors, with the shareholders holding 10% or more of the voting rights or represented in the Board of Directors of the Company or with any other persons who must be considered parties related to the Company in accordance with the International Accounting Standards, adopted in accordance with Regulation (EC) N° 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of International Accounting Standards (IAS).**
2. **In general, all related transactions must be authorized by the Board of Directors, following a report by the Audit Committee.**
3. **However, the authorization of related transactions which amount or value is equal to or greater than 10% of the corporate assets according to the last annual balance sheet approved by the company, must be approved, after a report by the Audit Committee, by the General Shareholders' Meeting. For the purpose of calculating this amount, the related transactions concluded with the same counterpart in the last twelve months shall be added to determine the total value. When the General Meeting is called upon to decide on a related transaction, the shareholder concerned shall be deprived of the right to vote, except in cases where the proposed resolution has been approved by the Board of Directors without the majority of the independent directors voting against.**
4. **The Board of Directors may delegate the approval of the following related transactions:**
 - a. **Those that are concluded between the Company and the companies of the same group that are carried out under the normal management scope and according to market conditions.**
 - b. **Those concluded under contracts which standardized conditions apply overall to a large number of customers, are made at prices or rates generally established by the person acting as a supplier of the good or service in question, and which amount does not exceed 0.5 per cent of the net amount of the Company's turnover, in accordance with the company's consolidated**

financial statement or, failing that, individual financial statements approved by the General Meeting.

The approval of these related transactions will not require a prior report from the Audit Committee, although the Board of Directors must establish an internal procedure of information and periodic control in relation to them in which the Audit Committee must intervene, which will verify the fairness and transparency of said operations and, where appropriate, compliance with the legal criteria applicable to the above exceptions and compliance with the approval procedure.

- 5. The conclusion of a related transaction places the director who carries out the operation, or who is linked to the person who carries it out, in a situation of conflict of interest, so he/she must refrain from participating in the deliberation and voting of the corresponding agreement, without prejudice to the exceptions established in the law.**

When being a member of the Audit Committee, the director concerned may not participate in the preparation of the report that the Committee must carry out prior to the approval of the related transaction by the Meeting or the Board of Directors.

- 6. The Board of Directors shall ensure, through the Audit Committee, that related transactions are carried out under market conditions and with respect for the principle of the equal treatment of shareholders.**
- 7. The company must publicly announce on its website and communicate to the National Securities Market Commission, at the latest at the time of its celebration, the related transactions it carries out or that are carried out by companies of its group, when those reach or exceed (i) 5% of the total asset items or, (ii) 2.5% of the annual amount of the business annual turnover.**

This notice, which must contain at least the information provided for this purpose by the law, must be accompanied in any case by the report of the Audit Committee referred to herein.

Article 35. Duties of information

1. The director must inform the Company regarding the following:
 - a. The shares of the company or companies of the group of which he/she is a direct owner or through companies in which he/she has a significant participation (as well as the transactions performed over said shares), all according to what is established in the Internal Code of Conduct and the applicable regulations.
 - b. regarding those shares which are in possession, direct or indirect, of his/her ~~close family~~ **Closely Related People**, under the terms regulated in the Internal Code of Conduct.

- c. of all positions and activities, he/she performs in other ~~listed~~ companies.
- d. significant changes in his/her professional situation and those which affect the character or category under which he/she is classified.
- e. Regarding any judicial, administrative claim, or in relation to facts of any type in which he/she is implicated, which may seriously affect the Company credit or reputation **In particular, every director must inform the Company, through the secretary of the Board of Directors, in the event that he/she is called as investigated party, prosecuted or an order to open an oral trial in a criminal case is issued against him/her for any crime and the occurrence of any other relevant procedural milestones in such cases.**
- f. **on any other information that is required in accordance with the current legislation.**

~~2. What is established under this article will be also applicable in the case of Directors which are companies, to the individuals who represent them.~~

Article 39. Relations with the markets

1. The Audit Committee will supervise the compulsory information and any other required by caution to make available to the markets, attempting for it to be prepared according to the same principles, criteria and professional practices with which the financial statements are prepared and having the same reliability as the latter ones.
2. The statements that are submitted to the Board of Directors must be previously certified, regarding their accuracy and integrity, by the Chairperson (if he/she has executive responsibilities), the Managing Director and ~~the Corporate Chief Executive Officer~~ or supervisor of the department corresponding, clarifying that the consolidated financial statements include the incorporation of the accounting statements of all participated companies, domestic as well as abroad, which comprise the consolidation perimeter according to the commercial and accounting applicable regulation.
3. The Board of Directors will formulate in clear and concise terms, which facilitate the necessary understanding of its content, the financial statements and the management report, based on the certified statements, taking into consideration the reports of the Audit Committee and having performed the queries it considered convenient to the external auditor, having all the necessary information.

Transitional Provision



The requirement that directors are to be natural persons will only be applicable to appointments and renewals that have taken place since May 2021.

The current legal persons directors will continue to be so until the end of their mandate, resignation or termination in office for any other reason.

What is established under this Regulation will be also applicable in the case of Directors which are companies, to the individuals who represent them.

Madrid, October 1, 2021