

NOMINATION AND REMUNARATION COMMITTEE

The Nomination and Remuneration Committee is regulated by the Article 23 of the Regulation of the Board:

“Article 23: Nomination and Remuneration Committee

- 23.1. A Nomination and Remuneration Committee shall be set up within the Board, with no fewer than three nor more than five directors. All the members of this Committee shall be non-executive directors and at least two of them shall be independent directors, appointed by the Board pursuant to the law, the Articles of Association and these Regulations.
- 23.2. The Board shall appoint one of the independent directors on the Nomination and Remuneration to chair the committee, subject to a report by that Committee. In the event of absence or temporary unavailability of the Chairman, he shall be substituted by the Committee member provisionally designated by the Board, or otherwise the Committee member designated by its members for the specific meeting.
- 23.3. The Committee shall meet at least once every three months.
- 23.4. In addition to any other powers corresponding to it by law, the Articles of Association or these Regulations, the Committee shall study, report and submit proposals for the Board, at its request, on the following matters:
 - a) With regard to the composition of the Board and the nomination and appointment of its members:
 - i) Definition and, where appropriate, review of the criteria to be followed for the composition and structure of the Board and selection of candidates to join the Board. For this purpose, it shall define the tasks and capabilities required of the candidates to fill each vacancy and assess the time and devotion necessary to perform their duties effectively.
 - ii) Setting of targets for representation of the gender least represented on the Board and drawing-up of guidelines on how to reach those targets, if necessary.
 - iii) Submitting to the Board of nominations of independent directors for appointment by cooptation or to be laid before the General Meeting, and proposals for the re-election or removal of those Directors by the General Meeting.
 - iv) Reporting to the Board on the nominations of other Directors for appointment by cooptation or to be laid before the General Meeting, and proposals for the re-election or removal of those Directors by the General Meeting.



- b) With regard to the positions on the Board:
 - i) Appointment of the Chairman, and Vice-Chairman if any, of the Board, Managing Director(s), Lead Independent Director and the Secretary, and Vice-Secretary if any, of the Board and appoint Directors to the Committees of the Board.
 - ii) Examination and organisation, as deemed adequate, of the succession of the Chairman and chief executive and, if appropriate, submission of proposals to the Board to ensure that such succession is made in an orderly, well-planned manner.
- c) With regard to the nomination and appointment of members of the senior management:
 - i) Informing on the proposals for appointment and removal of members of the senior management and the basic terms of their contracts.
- d) With regard to the remuneration of Directors and senior management:
 - i) Proposal of directors' remuneration, according to the system of remuneration established in the Articles of Association and the applicable Remuneration Policy and the executive directors' relationship with the Company.
 - ii) Informing the Board in advance on: (i) any resolution or proposal of the Board on the remuneration of directors and executives indexed to the value of the shares in the Company or its subsidiaries or consisting of the delivery of shares in the Company or its subsidiaries or the granting of options thereover; (ii) the individual remuneration of each director to be set by the Board for their duties as such; and (iii) the individual remuneration of each executive director to be set by the Board for the performance of their executive duties, in accordance with the Remuneration Policy and the provisions of their respective contracts.
 - iii) Proposal and supervision of the senior management remuneration and incentives policy.
 - iv) Preparation and proposal of the Annual Report on Directors' Remuneration and the Directors' remuneration policy in accordance with the laws and regulations in place from time to time, in coordination with other Board Committees where appropriate.
- e) Other duties:
 - i) Verification of the information on Directors' and executives' remuneration contained in the different corporate documents.
 - ii) Supervision to ensure that the information published by the Company through its website on matters falling within the remit of the Committee is



sufficient and adequate and complies with the law and good governance recommendations undertaken by the Company.

iii) Issuance of an annual report on its activities during the year, on which the assessment to be made by the Board will be based.”

The current composition of the Nomination and Remuneration Committee is as follows:

- Mercedes Costa García, Chairman - External Independent
- Belén Barreiro Pérez-Pardo - External Independent
- Demetrio Carceller Arce - External Proprietary
- Blanca Hernández Rodríguez - External Proprietary
- Elena Segura Quijada - External Independent
- Luis Peña Pazos - Non member Secretary
