



## **NOMINATION AND REMUNARATION COMMITTEE**

The Nomination and Remuneration Committee is regulated by the Article 25 of the Regulation of the Board:

### **“Article 25: Nomination and Remuneration Committee**

- 25.1. A Nomination and Remuneration Committee shall also 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.
- 25.2. The Board shall appoint one of the independent directors on the Nomination and Remuneration to chair that committee, subject to a report by that Committee.
- 25.3. The Committee shall meet whenever called by its Chairman or at the request of two of its members and at least once every three months. It shall also meet whenever so required by law or when the Board requests the issuance of reports, submission of proposals or adoption of resolutions within the scope of its duties.
- 25.4. In addition to any other powers corresponding to it by law, the Articles of Association or these Regulations, the Committee shall study, issue reports and submit proposals for the Board, at its request, on the following matters:
- a) Definition and, where appropriate, revision of the criteria to be followed for the composition and structure of the Board and selection of candidates to join the Board, informing always prior to the appointment of a Director by cooptation or the submission to the General Meeting of any proposal regarding the appointment or removal of Directors.
  - b) 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; appointment of Directors to the Committees of the Board; and appointment and possible dismissal of senior executives and their termination benefit clauses.
  - c) Position of the Company regarding the appointment and removal of board members in subsidiaries.
  - d) 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. The Committee shall also inform 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.

- e) Supervision of the senior management remuneration and incentives policy, obtaining information and reporting on the criteria followed by the Company's subsidiaries in this respect.
- f) Assessment of the principles of the management training, promotion and selection policy in the parent company and, where appropriate, in its subsidiaries.
- g) 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.
- h) 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.
- i) Setting targets for the representation of the least represented gender on the Board and issue guidelines on how to achieve them.”

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
- Luis Peña Pazos – Non-member Secretary

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