

# REGULATIONS OF THE BOARD OF DIRECTORS OF INMOBILIARIA COLONIAL, SOCIMI, S.A.

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## **PRELIMINARY TITLE PURPOSE, INTERPRETATION AND MODIFICATION OF THE REGULATIONS**

### **Article 1. Purpose**

These Regulations of the Board of Directors (hereinafter, the “**Regulations**”) establish the regulations concerning the internal procedures and the functioning of the Board of Directors of Inmobiliaria Colonial, SOCIMI, S.A. (hereinafter, the “**Company**” or “**Inmobiliaria Colonial**”). These Regulations shall determine the code of conduct for the members of the Board of Directors and shall develop and complete the provisions established by law and, in particular, in Spanish Royal Legislative Decree 1/2010, dated 2 July, approving the revised text of the Spanish Limited Liability Companies Law (hereinafter, the “**Spanish Limited Liability Companies Law**”), as well as the Company Bylaws of Inmobiliaria Colonial, to ensure the proper performance of its functions.

### **Article 2. Scope, Interpretation and Dissemination**

These Regulations shall apply both to the Board of Directors of the Company and its delegated bodies and committees, as well as to the members that comprise them and, as it concerns them, to the Senior Officers of the Company and the companies that belong to the group.

For the purposes of these Regulations, “**Inmobiliaria Colonial Group**” or “**Group**” shall refer to Inmobiliaria Colonial and those companies in whose share capital it has, directly or indirectly, a stake greater than 50%, as well as any others that the Spanish Limited Liability Companies Law considers to belong to the Colonial Group. Foreign companies listed in official securities markets outside Spain that have their own rules of good governance are excluded from this definition.

The Board of Directors, by resolution of its members, shall be responsible for solving any doubts arising from the application of these Regulations in accordance with the general criteria on the interpretation of legal norms and in accordance with their legal and statutory application.

The persons who are subject to the application of these Regulations, particularly the Directors and Senior Officers of the Company and, as it concerns them, their Group, have the obligation to know, comply with and enforce the content of these Regulations.

For the purposes of these Regulations, “**Senior Officers**” shall mean those who report directly to the Board of Directors or to the Chief Executive Officer of the company, as well as the internal auditor in any event.

The Board of Directors shall take the appropriate steps to ensure that these Regulations are widely disseminated among shareholders and the investing public in general, so that they are aware of the commitment of Inmobiliaria Colonial’s Board of Directors and senior management. The Rules shall be reported to the Spanish Securities Market Commission (CNMV). After that communication, they shall be recorded in the Commercial Registry and later published by the Spanish Securities Market Commission (CNMV). The Regulations shall likewise be included on the Inmobiliaria Colonial company website.

### **Article 3. Amendment**

These Regulations may only be validly modified by a resolution from the Board of Directors, passed with the favourable vote of the absolute majority of the Directors present or represented at the meeting.

## **TITLE I. GENERAL PROVISIONS CONCERNING THE BOARD**

### **Chapter One. Composition, categories and selection procedure of Directors**

#### **Article 4. Composition of the Board**

The decision regarding the specific number of Directors, within the range set by the Bylaws, corresponds to the General Meeting of Shareholders. In any case, the Board of Directors must be composed of at least forty percent of persons of the under-represented sex or any other percentage established by applicable legislation from time to time.

The persons appointed as Directors must meet the conditions required by these Regulations, as well as those required by the Spanish Limited Liability Companies Law, other applicable regulations and the Bylaws, formally committing themselves at the time of taking office to fulfil the obligations and duties provided therein. To be a Director, it is not necessary to be a shareholder.

#### **Article 5. Director status**

The Board of Directors may be comprised of the following status of Directors:

1. Executive directors, understood as those who perform management functions in the Company or its group, regardless of their legal relationship with it.

When a Director performs management functions and, at the same time, is or represents a significant or represented shareholder in the Board of Directors, he/she shall be considered an Executive Director.

2. Non-executive Directors, understood as all the other Directors of the Company, who may be "proprietary", "independent" or "other external".

##### **2.1 The following will be considered Proprietary Directors:**

- a. Those who have a shareholding greater than or equal to that legally understood as significant, or who have been designated because of their shareholder status, although their shareholding is smaller than this amount.
- b. Those representing shareholders as stated in the preceding paragraph.

For the purposes of this definition, a Director shall be deemed to represent a shareholder when:

- They have been appointed to exercise the right of proportional representation on the Board of Directors;
- They are a Director, senior officer, employee or regular provider of significant services to said shareholder or to companies belonging to the same group;
- From the corporate documentation it is clear that the shareholder assumes that the Director has been appointed by them or represents them;
- They are a spouse, a person linked by a similar emotional relationship, or a first/second-degree relative of a significant shareholder.

- 2.2. Independent Directors are those who, appointed based on their personal and professional qualifications, can perform their duties without being influenced by any connection with the Company or its group, its significant shareholders or its executives.

In no case may those who are in any of the following situations be considered Independent Directors:

- (i) Those who have been employees or Executive Directors of companies in the Inmobiliaria Colonial Group, unless 3 or 5 years have elapsed, respectively, since the termination of said relationship.
- (ii) Those who receive from the Company, or from the Group, any amount or benefit for a concept other than the Director's remuneration, unless it is a negligible amount. For these purposes, the dividends or supplementary pension payments received by the Director due to their previous professional or employment relationship will not be taken into account, provided that said supplements are unconditional and, consequently, the company that pays them cannot at its own discretion suspend, modify or revoke their payment, without a breach of their obligations.
- (iii) Those who are, or have been for the last three years, partners of the external auditor or company responsible for the audit report, whether for the audit during said period of Inmobiliaria Colonial or for any other Group company.
- (iv) Those who are Executive Directors or senior officers of a different company in which any Executive Director or senior officer of Inmobiliaria Colonial is a Non-executive Director.
- (v) Those who have, or have had during the last year, a significant business relationship with Inmobiliaria Colonial or with any Group company, whether in their own name or as a significant shareholder, Director or senior officer of an entity that has or has had such a relationship.

Business relationships shall be deemed as those involving goods or service suppliers, including financial services, advisory and consulting services.

- (vi) Those who are significant shareholders, Executive Directors or senior officers of an entity that receives, or has received during the last three years, donations from Inmobiliaria Colonial or the Group. Those who are mere patrons of a foundation that receives donations are exempt for such purposes.
- (vii) Those who are spouses, people linked by a similar emotional relationship or first/second-degree relatives of an Executive Director or senior officer of the Company.
- (viii) Those who have not been put forward, either for election or re-election, by the Appointments and Remuneration Committee.
- (ix) Those who have been Directors for an uninterrupted period of more than 12 years.
- (x) Those who, with respect to any shareholder who is significant or represented on the Board, find themselves in any of the situations indicated in points (i), (v), (vi) or (vii) above. In the case of kinship described in point (vii), the restriction will apply not only with respect to the shareholder but also with respect to their Proprietary Directors in the investee company.

Any Proprietary Director who loses said status as a result of the sale of their stake by the shareholder they represented may only be re-elected as an Independent Director once the shareholder they had represented has sold all of their shares in Inmobiliaria Colonial.

A Director who owns shares in Inmobiliaria Colonial may have independent Director status provided that he/she meets all of the conditions established in this section and, also, if their stake is not significant.

- 2.3. “Other external” Directors are those who cannot be considered proprietary or independent, for which there must be an explanation of this circumstance in the Annual Corporate Governance Report and, where appropriate, of the links of said Directors with the Company, its executives or its shareholders.

The Board of Directors, in the exercise of its power to make proposals at General Meetings of Shareholders and its power of co-option to fill vacancies, shall ensure that the Board is comprised of a majority of proprietary and independent Directors and that the number of executive Directors is the minimum necessary, taking into account the shareholding structure of the Company and the capital represented by the Board.

The Board will inform the General Meeting of Shareholders about the status of each Director whenever it proposes their appointment, ratification or reelection, which will be confirmed or, where appropriate, reviewed annually in the Annual Corporate Governance Report, after verification by the Appointments and Remuneration Committee.

Also, the Annual Corporate Governance Report will explain the reasons for the appointment of Proprietary Directors at the request of shareholders whose stake is less than 3% of the share capital; and will indicate why formal requests for a seat on the Board from shareholders with a shareholding equal to or greater than that of others, at whose request Proprietary Directors were appointed, have not been respected.

## **Article 6. Director recruitment process**

The Board of Directors and the Appointments and Remuneration Committee must strive to ensure that the process for recruiting new Directors meets the requirements of the Spanish Limited Liability Companies Law, the Company Bylaws and these Regulations. It must be ensured that persons proposed for the position of Director are persons of recognised solvency, competence, experience, and professional prestige suitable for the exercise of their duties.

Additionally, the Board of Directors shall strive to ensure that its recruitment process favours diversity in relation to age, gender, diversity of abilities, education, and professional experience and that there is no implicit bias leading to discrimination, and in particular that the process facilitates the appointment of forty percent of persons of the under-represented sex or any other percentage required under the applicable legislation at any given time.

## **Chapter Two. Operating rules and responsibilities of the Board**

### **Article 7. Board Meetings**

The Board of Directors shall meet at least eight times a year, following the programme and agenda established at the start of the year. Furthermore, each Director may propose the inclusion of

alternative items that were not originally on the agenda. In any event, it shall meet as often as necessary to perform its functions effectively and whenever the interests of Inmobiliaria Colonial so require.

The Board shall meet whenever called by the Chair or acting Chair. The Chairman shall be required to call a meeting of the Board of Directors when requested by at least one third of the Board members. In this latter case, should the Chairman, without just cause, fail to call such meeting within a term of one month, the Board may be called by the administrators requesting the meeting, indicating the agenda, to be held in the locale where the company is seated. In addition, the Independent Lead Director, if any, would be specially empowered to call a meeting of the Board of Directors.

Ordinary meetings shall be called by email, or by any other means that allows for its receipt, by the Secretary to the Board of Directors or whoever is acting in their stead, with the authorisation of the Chair. At least three days' notice shall be given and the notice will include the matters for approval, reporting and debate. The Council shall prepare an annual plan of ordinary meetings.

In the case of an emergency, determined solely by the Chairman, calls can be made (including by telephone) for an immediate Board meeting.

Meetings shall be held at the Company's registered office or at any location designated by the Chairman and stated in the call.

The Chairman shall decide on the agenda of the session. Directors and Board Committees may request that the Chairman include matters on the agenda pursuant to the first paragraph of this article, and the Chairman will be required to include them.

When a Director requests to include matters on the agenda, he/she shall either submit, along with their request, any relevant documents or identify them so that they can be sent to other members of the Board of Directors.

Efforts will be made, given each director's duty to maintain confidentiality, for the importance and confidential nature of the information not to serve as a pretext for in compliance with this rule, except in exceptional circumstances as determined by the Chairman.

Board meetings may be held by telephone conference call, videoconference, or any other similar system, enabling one or more of the Directors to attend the meeting. Accordingly, in addition to the location of the physical meeting, the notice shall state that the meeting may be attended by telephone conference, videoconference, or an equivalent system. Likewise, it will indicate and provide the necessary technical requirements to attend the meeting, which shall always allow for direct and simultaneous communication between all attendees. In addition to the Directors attending in person or represented by another Director, where applicable, the Secretary of the Board of Directors shall record in the minutes of the meetings those persons attending by telephone conference call, videoconference, or an equivalent system.

#### **Article 8. How meetings are held and resolutions adopted**

The Board will be validly established when the majority of its members attend either physically or represented by another Director.



The representation shall be granted in writing and specifically for each meeting and solely in favour of another Board member. Non-executive Directors may nonetheless grant their representation to another non-executive Director.

The Chairman shall encourage the participation of all directors at the meeting and in the Board's deliberations.

Agreements shall be adopted by an absolute majority of the Directors in attendance at the meeting. In case of tie, the personal vote of the Chairman shall decide.

Written votes and without holding a session shall be valid if not opposed by any Director.

Minutes of each meeting held by the Board of Directors shall be drawn up by the Secretary of the Board or, where applicable, by the Vice-Secretary, indicating the attendees, the meeting agenda, the time and place of the meeting, the main points of the deliberations, and the content of any resolutions adopted. Any Director has the right to request that his/her intervention or proposal be recorded in the minutes or that the minutes be transcribed in full, provided that he/she provides the text corresponding faithfully to his/her intervention at the meeting or within the period indicated by the Chairman. This requirement does not apply to Board meetings that are recorded on an electromagnetic format that enables the session to be stored and reproduced in full at a later date. In particular, any concerns expressed by directors or the Secretary regarding a proposal or, in the case of directors, the Company's performance, which remain unresolved by the Board, shall be recorded in the minutes when requested by the persons who expressed such concerns.

The minutes of Board meetings, in their entirety or partially, making reference to one or more of the resolutions, shall be approved either while the Board is still convened or in the following session. The Chairman or Vice-Chair and the Secretary or Vice-Secretary will sign the minutes.

The minutes of Board meetings shall be recorded in the Minutes Ledger.

## **Article 9. General Functions and Powers of the Board**

The Board of Directors shall perform its duties with unity of purpose and independent judgment, and it shall treat all shareholders who are in the same position equally and guide itself by the Company's interests, which are understood as achieving a profitable and sustainable long-term business, to promote the Company's continuity and maximise its economic value.

In pursuing the Company's interests, in addition to complying with laws and regulations and acting in good faith, ethically and with respect for commonly accepted uses and best practices, the Board of Directors shall endeavour to reconcile the Company's interests with, where applicable, the legitimate interests of its employees, its suppliers, its customers and those of other stakeholders that may be affected, as well as the impact of the Company's activities on the community as a whole and in the environment.

The Board of Directors is responsible for adopting, implementing and developing the necessary actions and decisions to fulfil the Company's corporate purpose as established in the Company Bylaws and in accordance with the Spanish Limited Liability Companies Law.

The Board of Directors has the power to adopt resolutions on all matters that are not assigned by law or the Company Bylaws to be resolved at General Meetings of Shareholders, focusing mainly on the

oversight of the ordinary affairs of the Company and on consideration of all matters of particular importance to the Company.

By delegating powers, the Board of Directors, in accordance with the provisions of the Spanish Limited Liability Companies Law, does not lose them.

In any case, the following functions and powers shall only be exercised in the plenary sessions of the Board of Directors and may not be delegated:

1. The organisation and functioning of the Board.
2. Coordinating the development of the Company's business activity according to its interests and those of its subsidiaries.
3. Establishing the Company's general policies and strategies, approving the investment and financing policy, the strategic or business plan, the annual management targets and budgets, and the treasury share policy, as well as establishing the corporate governance policy of the Company and the Group and the dividend policy. The Board of Directors shall also establish the Company's risk management and control policy, including tax risks, identifying its main risks, and implementing and overseeing the internal reporting and control systems to ensure the future viability and competitiveness of the Company, adopting the decisions best for optimum performance. In addition, the Board of Directors shall approve policies whose approval is entrusted to it by the legislation applicable from time to time.
4. Approving the Company's corporate social responsibility policy.
5. Approving those investments or operations that, because of their elevated price or special characteristics, are strategic or entail special tax risks, unless these investments or operations must be approved at General Meetings.
6. Defining the structure of the Group.
7. Decisions relating to Directors' remuneration, within the framework of the Bylaws and the remuneration policy approved at the General Meeting.
8. Appointing and removing the Company's Chief Executive Officers and establishing the conditions of their contracts.
9. Appointing and removing executives who report directly to the Board or to any of the members of the Board, as well as establishing the basic conditions of their contracts, including their remuneration.
10. Approving the creation or acquisition of shares in special purpose entities or entities registered in countries or territories considered tax havens and any other transactions or operations of a similar nature whose complexity may impair the transparency of the Company or the Group.
11. Drafting and presenting the annual financial statements to the General Meeting.
12. Drafting the reports required by law of the Board of Directors when the operation to which the report relates cannot be delegated.
13. Calling a General Meeting of Shareholders and preparing the agenda and proposed resolutions.
14. Approval of the financial information that all listed companies must periodically disclose.
15. Co-opting Directors to fill vacancies on the Board.

16. Accepting the resignation of Directors.
17. Appointing and removing the Chairman, the Vice-Chair and, where applicable, the Secretary and Vice-Secretary of the Board of Directors, as well as any other position that may be created in the future.
18. Appointing and removing Directors who are on the Board Committees provided for in these Regulations.
19. Monitoring the effective functioning of the Committees created by the Board and the performance of the delegated bodies and executives designated by the Board.
20. Approving and modifying these Regulations.
21. The approval of related-party transactions, subject to a report from the Audit and Control Committee, in accordance with the terms of the Law and these Regulations.
22. Authorising or waiving the obligations arising from the duty of loyalty as established by the provisions of the Spanish Limited Liability Companies Law and these Regulations.
23. Resolving on the issue and admission to trading of bonds, and resolving on the granting of guarantees on the issue of bonds, as long as these are not bonds that can be converted into shares or bonds that grant the bondholders a share in the Company's profits.
24. Planning the Company's fiscal strategy.
25. The powers delegated to the Board by the General Meeting, unless the Board is expressly authorised to sub-delegate these powers.

However, in a duly justified emergency, delegated bodies and persons may adopt resolutions on those matters specified in the Spanish Limited Liability Companies Law, which must then be approved at the first Board of Directors meeting held after the resolutions have been adopted.

The Board of Directors shall request authorisation or approval from the General Meeting of Shareholders to acquire, transfer or support another Company with essential assets, which are presumed to be essential when the amount of the operation exceeds twenty-five percent (25%) of the value of the assets listed in the latest approved consolidated balance sheet, when core activities that were previously carried out by the Company are transferred to subsidiaries, although the Company maintains full control over them, or when the operations are equivalent to the liquidation of the Company, as well as the Director's Remuneration Policy, etc.

### **Chapter Three. Board Relations**

#### **Article 10. Shareholder Relations**

The Company shall define and promote a policy relating to communication and contact with shareholders and institutional investors within the framework of their participation in the Company, and with proxy advisors, respecting the rules on market abuse and treating shareholders who are in the same position equally.

The Company will also have a general policy on the communication of economic/financial, sustainability and corporate information through the channels it deems appropriate, which will contribute to enhancing the dissemination and quality of the information available to the market, investors, and other stakeholders.

In addition, the Board, in its capacity as the link between owners and managers, shall provide the appropriate channels to hear any proposals that may be made by shareholders in relation to the Company's management. In this regard, the Board of Directors shall encourage the informed participation of shareholders at General Meetings of Shareholders and shall adopt any necessary measures to facilitate the effective exercise of their functions pursuant to the law and the Company Bylaws.

The Board, through some of its Directors and in collaboration with relevant senior management, may also organise briefings on the progress of the Company and its Group with the shareholders, which will take place in the most important financial districts of Spain and other countries.

The Board of Directors shall establish regular information exchange mechanisms with institutional investors who are stable shareholders of the Company. The information exchange mechanisms shall relate in particular to matters such as investment strategy, the assessment of results, the composition of the Board of Directors, and management efficiency. Under no circumstances may these mechanisms involve the provision of any information that could offer a privilege or advantage over other shareholders. In this regard, the Board of Directors shall guarantee equal treatment in its relations with shareholders.

#### **Article 11. Market Relations**

The Board of Directors shall perform all of the functions that are required by the legislation on Securities Markets and that result from its status as a publicly traded company. In particular, the Board of Directors shall carry out all of the necessary proceedings and take the necessary measures to ensure the Company's transparency in financial markets, as well as to promote the correct formation of the Company's share prices, avoiding any manipulation or abuse of privileged information.

The Board of Directors shall ensure that the public is immediately informed of all the information required by the applicable regulations and, in particular, the regulations on the securities market and implementing legislation, by sending it to the Spanish Securities Market Commission and simultaneously through the Company's corporate website, as well as through the mechanisms established by current legal provisions.

The Board of Directors shall also adopt the necessary measures to ensure that the required financial and sustainability information is disclosed to the markets, as well as any other information required by the legislation in force from time to time.

The Board of Directors shall publish a corporate governance report on an annual basis. Likewise, it will prepare and publish an annual report on Directors' remuneration. The annual report on Directors' remuneration shall be published by the Company as an announcement of relevant information at the same time as the annual corporate governance report.

#### **Article 12. Auditor Relations**

The relations of the Board of Directors with the external auditor shall be conducted through the Audit and Control Committee.

Accordingly, the Audit and Control Committee shall strive to ensure that the annual financial statements the Board of Directors presents the Company's General Meeting of Shareholders are in compliance with accounting legislation. Where the auditor has included qualifications in the audit

report, the Chair of the Audit and Control Committee shall give a clear account at the General Meeting of Shareholders of the opinion of the Audit and Control Committee on their scope and content. A summary of this opinion shall be made available to shareholders when calling the meeting, along with the Board of Directors' other proposals and reports.

The annual financial statements submitted to the Board of Directors for drafting must first be certified for accuracy and integrity by the CFO or the head of the relevant department. It must be stated for the record that the consolidated financial statements of all the investee companies included in the Company's scope of consolidation are included in the consolidated annual financial statements in accordance with the applicable commercial and accounting legislation.

## **TITLE II. DIRECTOR BYLAWS**

### **Chapter One. Appointing and Removing Directors**

#### **Article 13. Appointment, Ratification and Re-Election of Directors**

Directors shall be appointed at General Meetings of Shareholders or, in the event of an early vacancy, by the Board of Directors through their powers of co-option, in accordance with the provisions established in the Spanish Limited Liability Companies Law.

Directors co-opted by the Board do not necessarily have to be shareholders of the Company. If the vacancy in the Board arises when the General Meeting has been called, but before it has been held, the Board of Directors may appoint a Director until the next General Meeting is held.

Proposals for the appointment or re-election of independent Directors are made by the Appointments and Remuneration Committee. In all other cases, the Board is responsible for making proposals. Proposals must be accompanied by a supporting report from the Board that assesses the competence, experience and merits of the proposed candidates, which will be attached to the minutes of the General Meeting or the Board meeting. The proposal for the appointment or re-election of any non-independent Directors must also be preceded by a report of the Appointments and Remuneration Committee.

From the publication of the call notice and until the General Meeting is held, the Company must keep published on its corporate website, without interruption, at least the following information on the persons proposed for appointment, ratification or re-election as Board members: their identity, CV and category to which they each belong, and the aforementioned proposal and reports and explanatory report of the Appointments and Remuneration Committee containing the findings of the preliminary analysis of the skills required by the Board.

Where applicable, if the Board of Directors chooses to ignore the proposals made by the Appointments and Remuneration Committee, it must explain its decision, leaving a record of its reasons in the minutes.

Those who are subject to any legally established prohibitions, ineligibility or incompatibilities cannot become directors.

There is no age limit established to be appointed as a Director, nor for the exercise of this office.

The Company shall set up guidance programmes providing new Directors with quick and sufficient knowledge of the Company and the Group, as well as the rules of corporate governance. Irrespective of the knowledge that Directors are required to possess to carry out their duties, the Company shall also offer them training and refresher programmes when circumstances so advise.

#### **Article 14. Term of office**

The Directors will exercise their duties during the term provided in the Company Bylaws, which will never exceed four years. Directors may be re-elected to the post, once or several times, for periods of equal length.

The appointment of the Directors will expire when, after the expiration of the term, the next General Meeting is held or the term for holding the General Meeting that must decide on the approval of the previous year's accounts has elapsed. In this regard, the Directors whose term has expired will continue to exercise their functions until then.

The Directors elected by co-option will exercise their duties until the first General Meeting of Shareholders is held. However, if the vacancy arises when the General Meeting has been called, and before it has been held, the Board of Directors may appoint a director until the next General Meeting is held.

#### **Article 15. Dismissal of Directors**

The General Meeting of Shareholders may remove the Directors from office at any time even if their removal does not appear on the agenda.

Directors must tender their resignation to the Board of Directors and resign if the latter deems it appropriate subsequent to a report from the Appointments and Remuneration Committee, in the following cases:

1. When they become subject to any incompatibility or prohibition established by law.
2. When they cease to hold the executive positions associated with their appointment as Directors or when the reasons for their appointment cease to exist. Specifically, Proprietary Directors shall tender their resignation when the shareholder they represent sells off the entire shareholding in Inmobiliaria Colonial or when the number of shares held requires a reduction in the number of Proprietary Directors.

In cases in which, notwithstanding the foregoing paragraph, the Board of Directors considers that there are reasons that justify that the Director remains in office, the impact that the new circumstances may have on the qualification of the Director will be taken into account.

3. When, after having been evaluated by the Appointments and Remuneration Committee, the result is a negative rating and the Board of Directors deems it appropriate to seriously warn them for having breached their obligations as a Director.
4. When their remaining as a board member may adversely affect the operation of the Board or jeopardise the credit or reputation of the Company for any reason.

In particular, Directors must inform the Board and, if appropriate, resign in the event of situations arising which affect them and which are related, or not, to their performance in the Company, which could affect the Company's reputation. In particular, they must inform the

Board of any criminal case in which they are involved and under investigation as well as of any procedural events in such case.

If the Board of Directors is informed or has otherwise become aware of any of the situations mentioned in the preceding paragraph, the Board shall examine the case as soon as possible and, based on the specific circumstances, shall decide, after receiving a report from the Appointments and Remuneration Committee, whether to take any action. A reasoned account of the situation shall be given in the Annual Corporate Governance Report unless there are special circumstances that justify otherwise, which shall be recorded in the minutes.

The Board of Directors will not propose the removal of any independent Director before the statutory period for which they were appointed, except where just cause is found by the Board of Directors following a report from the Appointments and Remuneration Committee. Just cause shall be deemed to exist in any event if the Director takes up a new post or takes on new duties that prevent him/her from devoting the necessary time to the performance of the duties associated with the directorship, when the Director fails to carry out the duties inherent to his/her post, when the Director is involved in circumstances that cause him/her to lose his/her independent status, or on the occurrence of any of the situations mentioned in section 4 above.

The removal of independent Directors may also be proposed as the result of a takeover, merger or other similar corporate operations that represent a change in the Company's capital structure when these changes are led by proportionality criteria.

Also, the Board of Directors may propose the removal of other Directors prior to expiry of the statutory period for which they were appointed for exceptional and justifiable reasons as approved by the Board, subsequent to a report by the Appointments and Remuneration Committee.

Directors who cease to hold office before the end of their term, either through resignation or as resolved by the General Meeting, shall state their reasons, or in the case of non-executive Directors, their opinion on the General Meeting's decision, in a letter to be sent to all members of the Board of Directors. Without prejudice to the disclosure of all this in the Annual Corporate Governance Report, insofar as it is relevant to investors, the Company shall publish the termination of office as soon as possible, including a sufficient reference to the reasons or circumstances provided by the Director.

## **Chapter Two. Directors' Duties**

### **Article 16. General duties**

Directors shall hold office with the loyalty of a faithful representative, acting in good faith and in the best interest of the Company and respecting the principle of treating shareholders equally, as well as performing their functions with unity of purpose and independent judgment.

Likewise, the Directors must carry out their roles and comply with the duties imposed by legislation, the Company Bylaws and other internal regulations with the diligence of a prudent businessman, taking into account the nature of the role and the functions attributed to each of them. In this sense, they must demonstrate the appropriate dedication and adopt the necessary measures for the sound management and control of the Company.

In terms of strategic and business decisions, which are subject to business judgement, the standards of diligence of a prudent businessman shall be deemed to have been met when the Director has acted

in good faith, without any personal interest in the matter, with sufficient information and in accordance with an appropriate decision-making procedure.

In particular, the Directors undertake to:

1. Prepare thoroughly and gather all the relevant information for meetings of the Board and of the delegated bodies to which they belong.
2. Attend in person any meetings of the Board and other bodies to which they belong, and actively participate in the discussions so that their judgement can contribute effectively to the decision-making process. A Director's absence should be limited to the bare minimum and quantified in the Annual Corporate Governance Report. Nevertheless, the Directors may delegate their representation to another Director, though Non-executive Directors may only delegate theirs to another Non-executive Director. In cases of delegation, the Directors must give specific instructions to the proxy on how to vote on the matters submitted for discussion.
3. Attend General Meetings.
4. Carry out any specific task entrusted to them by the Board which is reasonably within the scope of their duties.
5. Ask the persons with capacity to convene the Board to call extraordinary meetings when the Company's best interest so requires or to include on the agenda the items they deem appropriate.
6. Clearly express their opposition when they consider that any motion submitted to the Board might be contrary to the company's best interests. This should be especially true for independent and other Directors who are not affected by the potential conflict of interest, in the case of decisions that may harm the shareholders not represented on the Board.

Directors may not sit on more than four boards of other listed companies besides Inmobiliaria Colonial or other Group companies. However, the Executive Directors of the Company may not be part of more than 2 boards of directors of listed companies other than Inmobiliaria Colonial or Group companies. For these purposes, all the boards of directors that are part of the same group will be considered a single board.

Exceptionally, and for duly justified reasons, the Board may exempt the Director from this prohibition.

#### **Article 17. Basic Obligations of the Duty of Loyalty**

Because of their duty of loyalty, Directors must:

1. Not exercise their authority for purposes other than those for which that authority has been granted.
2. Keep all information, data, reports or records to which they have had access in the performance of their duties a secret, even after they no longer hold that position, except as permitted or required by law.
3. Refrain from participating in deliberations and votes on resolutions or decisions in which they or an associated person has a direct or indirect conflict of interest.
4. Perform their functions under the code of personal responsibility with freedom of judgment and independently with respect to instructions from, and relationships with, third parties.



5. Take the necessary measures to avoid being involved in situations in which their own personal interests or those they may share with others could come into conflict with the Company's business interests and with their duties to the Company.

#### **Article 18. Duty of Secrecy**

Directors must maintain the secrecy of the deliberations of the Board and the delegated bodies of which they are members. In particular, Directors must keep confidential all information, data, reports and records that they have access to due to the exercise of their position, and they may not reveal any of it to third parties or disclose it except where so permitted or required by law.

All of the documentation belonging to the Company and the Group that is accessible by the Directors is confidential and may not be revealed in any form without the approval of the Board.

This confidentiality requirement shall remain in place, even after the Director has left office.

#### **Article 19. Duty to Avoid Conflicts of Interest and Rules on Waivers**

1. The Directors shall take the necessary measures to avoid becoming involved in situations in which their own interests or those that they may share with others could come into conflict with the Company's business interests and with their duties to the Company.

A Director's duty of loyalty obliges him/her to refrain from participating in the deliberations and votes on resolutions or decisions in which he/she or a related person has a direct or indirect conflict of interest, with the exception of his/her designation for or withdrawal from offices in the governing body or others with similar significance.

This duty to avoid conflicts of interest requires Directors to refrain from:

- a) Conducting transactions with the Company, with the exception of regular operations performed under standard conditions for customers and which have little relevance, defined as those operations whose information is not necessary in order to express the true and fair view of the Company's equity, financial position and results.
- b) Using the name of the Company or invoking their status as Director to improperly influence the performance of private operations.
- c) Using corporate assets, including the Company's confidential information, for private purposes.
- d) Taking personal advantage of the Company's business opportunities.
- e) Obtaining benefits or compensation from parties other than the Company and its Group associated with the performance of their duties, except in the case of courtesy gestures.
- f) Participating in activities on their own behalf or for others which involve effective competition with the Company, current or potential, or which may lead to a permanent conflict with the interests of the Company.

The foregoing shall also be applicable if the beneficiary of the prohibited activities or actions is a person related to the Director. The persons stipulated in the Spanish Limited Liability Companies Law shall be considered related persons.

In all cases, Directors must notify the Board of Directors of any direct or indirect conflict that they or any related persons may have that could affect the Company. Any conflicts of interest in which the directors are involved shall be reported in the annual report and the Annual Corporate Governance Report.

2. The Company may, however, waive the prohibitions contained in the previous section in individual cases, authorising a Director or related person to carry out a transaction with the Company, use certain corporate assets, take advantage of a specific business opportunity, or obtain an advantage or remuneration from a third party. If a Director is allowed to make use of the Company's corporate assets, the financial advantage thus obtained shall be treated as indirect remuneration and must be authorised by the Appointments and Remuneration Committee.

The authorisation must be approved by the General Meeting if its purpose is to waive the prohibition on obtaining an advantage or remuneration from third parties or if it affects a transaction whose value is greater than ten percent of the Company's assets. In all other cases, it may be granted by the Board of Directors provided that the members that grant it remain independent from the Director who has been excused. It is also necessary to ensure that the shareholders' equity remains unharmed by the authorised transaction or that, if appropriate, it is carried out at arms' length and transparently.

The Company must also ensure that the authorised transaction does not harm its assets and liabilities and, where applicable, ensure it is carried out under market conditions and that the process is transparent. The General Meeting shall grant dispensation through an express and separate resolution.

## **Article 20. Related-Party Transactions**

1. Transactions concluded between the Company or Group companies on the one hand, and Directors, shareholders holding at least 10% of the voting rights in the Company or who are represented on its Board of Directors, or any other persons that must be considered related parties under international accounting standards on the other, shall be considered related-party transactions (the "**Related-Party Transactions**").

By way of exception to the previous paragraph, the following will not be considered Related-Party Transactions: (i) transactions carried out between the Company and its fully owned subsidiaries, either directly or indirectly; (ii) the Board of Directors' approval of the terms and conditions of contracts to be concluded with Directors who are to carry out executive functions, including, if applicable, the CEO or senior officers; as well as the establishment by the Board of the specific amounts or remuneration to be paid under such contracts; and (iii) transactions carried out by the Company with its subsidiaries or investee companies, provided that no other party related to the Company has holdings in such subsidiaries or investee companies.

2. Responsibility for approving Related-Party Transactions for an amount or value of 10% or more of the total asset items in the most recent annual balance sheet approved by the Company shall lie with the General Meeting of Shareholders. In such case, the affected shareholder shall lose the right to vote unless the resolution proposal has been approved by the Board of Directors without the opposing vote of the majority of the independent Directors.

All other Related-Party Transactions shall be approved by the Board of Directors, who may not delegate this power except in relation to Related-Party Transactions: (i) concluded with Group companies in the Company's ordinary course of business and under market conditions, or (ii) concluded under contracts with standard terms that are applied en masse to a large number of clients, at rates or prices established for general application by the party acting as supplier or provider of the goods or services in question, for an amount that does not exceed 0.5% of the Company's net turnover.

The affected Directors or the Directors representing or related to the affected shareholders must refrain from taking part in the deliberation and voting for the relevant resolution, as provided by law.

3. The Audit and Control Committee must issue a report prior to the approval of a Related-Party Transaction by the General Meeting or the Board of Directors. In this report, the Committee shall assess whether the transaction is fair and reasonable from the Company's point of view and, where appropriate, of its shareholders other than the related party. It shall give an account of the assumptions on which the assessment is based and the methods used. Directors who are members of the Audit and Control Committee and are affected by the Related-Party Transaction may not be involved in the preparation of the report.

The said report will not be mandatory in relation to Related-Party Transactions whose approval has been delegated by the Board of Directors in those cases permitted by law. In such cases, the Board of Directors shall establish a periodic internal reporting and control procedure to verify that the transactions are fair and transparent and, where appropriate, to ensure compliance with the applicable legal criteria.

In this regard, the Audit and Control Committee shall collect and analyse all information and documentation relating to related-party transactions that must be approved by the General Meeting of Shareholders or by the Board of Directors, as provided for in the applicable legislation and these Regulations. Further, the Committee shall establish control mechanisms for related-party transactions whose approval has been delegated by the Board of Directors so that it can verify that the legal criteria for such delegation are met.

4. The Company shall make a public announcement regarding the conclusion of Related-Party Transactions between the Company or companies in its Group for amounts of at least: (i) 5% of the total amount of the asset items; or (ii) 2.5% of the annual turnover.

For this purpose, the announcement must be included, with the content provided by law, in an easily accessible part of the Company website, and a notification must be sent to the Spanish Securities Market Commission. The announcement must be published, and the communication made, no later than on the date of the Related-Party Transaction, and it must be accompanied by the Audit and Control Committee's report if applicable.

5. The amount of a Related-Party Transaction shall be calculated by adding together all the transactions concluded with the same counterpart in the last 12 months.

References to total asset items or total annual turnover shall be deemed to be made to the values set forth in the most recent consolidated annual financial statements or, in default

thereof, to the Company's most recent individual annual financial statements approved by the General Meeting.

#### **Article 21. Directors' Duty to Report to the Board of Directors**

Notwithstanding the provisions of Article 19 of these Regulations and the provisions of the Company's policy on the treatment and dissemination of privileged information and other relevant information, a Director must, before the annual financial statements are drafted and with reference to the prior financial year, inform the Board of Directors of:

- i. The Director's performance, on his/her own behalf or for others, in activities which are the same, similar or supplementary to the corporate purpose of Inmobiliaria Colonial.
- ii. The number of shares in Inmobiliaria Colonial held by the Director, either currently or in the past. The Director must similarly report any other shares directly or indirectly owned by related persons pursuant to the Spanish Limited Liability Companies Law.
- iii. The transactions concluded by the Director in his/her own interest or by persons acting on his/her behalf in the previous fiscal year with Inmobiliaria Colonial or other companies in the Group that were outside Inmobiliaria Colonial's ordinary course of business or not made under market conditions, if such transactions are relevant.
- iv. Any direct or indirect conflicts of interest between a Director's own interests and those of the Company, without prejudice to the duty to abstain envisaged in the Spanish Limited Liability Companies Law and in these Regulations. Any conflicts of interest encountered by the Directors of the Company shall, in any event, be reported in the annual report and the Annual Corporate Governance Report.

The Secretary and Vice-Secretary to the Board, in co-ordination with the Audit and Control Committee, shall be responsible for collecting the information from the Directors referred to in the preceding paragraphs.

The information referred to in paragraphs iii and iv above must be provided promptly upon the completion of each operation or transaction.

The Directors must inform the Appointments and Remuneration Committee of their other professional obligations, given that they may interfere with the Director's dedication to his/her office.

### **Chapter Three. Director's right to receive and duty to provide information**

#### **Article 22. Powers of Information and Inspection**

1. In the discharge of their duties, Directors must request, and are entitled to obtain from the Company, any appropriate information they may need to fulfil their obligations. In this respect, Directors are invested with the broadest powers to obtain information on any aspect of the Company, to examine its books, records, documents, and any other records of corporate operations, and to inspect all Company facilities.

The exercise of this right to information must be exercised through the Chairman, the CEO or the Secretary of the Board, who shall respond to requests from Directors, providing them with

information and offering them the appropriate interlocutors or measures to enable them to carry out the desired examinations and inspections.

2. Furthermore, unless the Board of Directors has been exceptionally convened or called for reasons of urgency, the Chairman of the Board, with the assistance of the Secretary, shall ensure that the Directors have, before the meeting and sufficiently in advance, the necessary information to deliberate and adopt resolutions on the matters to be addressed. In addition, the Appointments and Remuneration Committee shall ensure that non-executive Directors have sufficient time to properly perform their duties;

#### **Article 23. Expert Assistance**

The Company shall create the appropriate channels so that Directors can obtain the advice needed to fulfil their duties, including, if the circumstances so require, assistance from those outside the Company.

The Board of Directors may object to the hiring of external experts to be paid for by the Company in the following cases in which they believe:

1. That it is not necessary for a non-executive Director to properly perform the duties of his/her office.
2. That the cost is not reasonable in view of the importance of the problem and the assets or income of the Company.
3. That the technical assistance sought may be adequately provided by experts and other employees in the Company.

### **Chapter Four. Directors' Remuneration**

#### **Article 24. Remuneration**

1. The position of Director shall be remunerated in accordance with the provisions of the Company Bylaws.

The remuneration of the Directors shall maintain a reasonable proportion with the importance of the Company, the economic situation existing at any time, and the market standards of comparable companies. It shall further focus on promoting the profitability and long-term sustainability of the Company and avoiding the assumption of excessive risks and the rewarding of unfavourable results.

Furthermore, the Directors' remuneration must be that required to attract and retain Directors with a desirable profile, to compensate them for the dedication, qualifications and responsibility that the position entails, and to ensure that the amount does not interfere with the independence of Non-Executive Directors' decisions.

2. The Directors' Remuneration Policy must adhere to the remuneration system outlined in the Company Bylaws and shall be approved by the General Meeting of Shareholders as a separate item on the agenda with a maximum term of application of three years. Any proposals for a new Directors' Remuneration Policy must be submitted to the General Meeting of Shareholders before the end of the last year of application of the existing policy, and the General Meeting of

Shareholders may decide that the new policy shall be effective from the date of approval for the following three years. Any amendment or substitution of the policy during this period shall require the prior approval of the General Meeting of Shareholders in accordance with the established procedure for approval thereof. Upon its approval, the remuneration policy, together with the date and result of the vote, shall be published on the Company's website and shall be freely accessible for as long as it remains in force.

The proposal of the Directors' Remuneration Policy made by the Board of Directors must be duly reasoned and accompanied by a special report by the Appointments and Remuneration Committee. Both documents will be made available to the shareholders on the corporate website as soon as the General Meeting of Shareholders has been convened. The shareholders may also request that the documents be delivered or sent free of charge. This right shall be stipulated in the notice calling the General Meeting of Shareholders.

The remuneration policy must meet the following requirements:

- a) it must contribute to the Company's corporate strategy, long-term interests, and sustainability, and explain how this is achieved.
- b) it must be clear and comprehensible and specify the various components of fixed and variable remuneration, including bonuses and any other forms of compensation that may be paid to the Directors, indicating their relative proportions.
- c) it must demonstrate how the conditions of remuneration and employment of the Company's employees have been taken into account when establishing the remuneration policy.
- d) when the Company offers variable remuneration, the policy must contain clear, comprehensive, and diverse criteria for the granting of such remuneration and identify financial and sustainability performance criteria, explaining how they contribute to the achievement of the objectives set out in point (a) and the methods used to determine the degree of fulfilment of the performance criteria.
- e) it must indicate if there is a deferral period and whether the Company is entitled to demand the return of the variable remuneration.
- f) when the Company offers share-based compensation, the policy must specify the vesting periods and, where applicable, the retention of shares after vesting, and explain how this type of compensation contributes to the achievement of the objectives set out in point (a).
- g) it must indicate the term of the contracts or agreements entered into with Executive Directors, the applicable notice periods, the main features of supplementary pension or early retirement schemes, the conditions of termination, and termination payments.
- h) it must indicate the decision-making process followed for the development, revision, and application of the policy.
- i) If the policy is revised, it must describe and explain any significant changes made and specify how any votes taken and feedback received from shareholders on the policy and the annual Directors' remuneration reports since the date of the most recent vote on the remuneration policy at the General Meeting of Shareholders have been taken into account.

The Company may make temporary exceptions to the remuneration policy provided that the policy specifies the procedure to be followed, the conditions under which the exceptions may be applied, and the elements of the policy that are subject to exception.

If the proposal for a new remuneration policy is rejected by the General Meeting of Shareholders, the Company shall continue to remunerate its Directors in accordance with the remuneration policy in force on the date of the General Meeting and shall submit a new remuneration policy proposal for approval at the next Ordinary General Meeting of Shareholders.

3. The remuneration for the functions that Directors are required to perform in their capacity as such, as members of the Board of Directors or its Committees, shall comply with the remuneration system provided for in the Company Bylaws and the approved remuneration policy.

The remuneration policy shall specify at least the maximum amount of annual remuneration to be paid to all Directors in their capacity as such and the criteria for the distribution of remuneration according to the functions and responsibilities assigned to each Director. The Board of Directors is responsible for determining the individual remuneration of each Director in their capacity as such in accordance with the framework established in the Company Bylaws and the remuneration policy, subject to a report by the Appointments and Remuneration Committee.

4. When a member of the Board of Directors is appointed CEO or is assigned executive functions by virtue of another title, a contract must be entered into by the Director and the Company, which must be approved in advance by the Board of Directors with a vote in favour by two thirds of its members. The Director concerned shall refrain from participating in deliberations and from taking part in the vote. The approved contract shall be annexed to the minutes of the meeting.

The contract shall set out in detail all the items for which remuneration may be obtained for the performance of executive functions, including, where applicable, the possible severance package for the early cessation of such functions and the amounts to be paid by the Company as insurance premiums or contributions to savings systems. Along these lines, the Directors cannot receive any remuneration for the performance of executive functions in amounts or for items not established in their respective contracts. The contract must comply with the remuneration policy approved by the General Meeting. Accordingly, the remuneration of the executive functions of CEOs and other Directors to whom these functions are assigned by virtue of other titles must comply with the provisions of the Company Bylaws and, under all circumstances, with the approved remuneration policy and contracts.

The remuneration policy shall establish at least the amount of fixed annual remuneration due to the Directors for the performance of their executive functions. The Board of Directors is responsible for determining the individual compensation of each Director in their capacity as such based on the performance of their assigned executive functions in accordance with the remuneration policy framework and the provisions of the remuneration policy, subject to a report by the Appointments and Remuneration Committee.

5. The Board of Directors shall prepare an Annual Report on the remuneration of the Directors, which shall include complete, clear, and understandable information on the Directors'

Remuneration Policy applicable to the current year. It shall further include an overall summary of the application of the remuneration policy during the year ended and the detail of the individual remuneration earned for all items by each Director during such year. The report shall be disclosed and submitted for an advisory vote as a separate item on the agenda at the Ordinary General Meeting of Shareholders.

The Annual Directors' Remuneration Report shall be published by the Company as other relevant information at the same time as the Annual Corporate Governance Report and shall be freely accessible on the Company's website and the Spanish Securities Market Commission (CNMV) website for a minimum period of ten years.

If the Annual Directors' Remuneration Report is rejected by means of an advisory vote at the Ordinary General Meeting of Shareholders, the Company may continue to implement the remuneration policy in force on the date of the General Meeting of Shareholders only until the next Ordinary General Meeting of Shareholders.

#### **Article 25. Remuneration Transparency**

In addition to the Annual Report on Directors' remuneration, the records shall show, in detail, each director's remuneration for that fiscal year, including in particular:

1. A breakdown of the Directors' remuneration, including attendance fees and other fixed remuneration for directors, additional remuneration for the Chairman or members of any Board committee, any profit-sharing or bonus payments, and the reason for such payments, contributions to defined contribution pension plans for Directors or increases in the vested rights of Directors in the case of contributions to defined benefit plans. It will also include any indemnities agreed or paid in the event of termination of their functions, remuneration received as the Director of other Group companies, and remuneration for the performance of senior management functions by executive Directors. In addition, it will include any kind of remuneration other than those listed above, of whatever nature and provenance within the Group, especially when it may be deemed a related-party transaction or when its omission would detract from the fair presentation of the total remuneration received by the Directors;
2. The breakdown of the delivery to Directors of any shares, stock options or any other instrument linked to the value of the stock, detailing the number of shares or options presented in the year and the conditions for their use, the number of options exercised during the year including the number of shares affected and the exercise price, the number of options that are still pending at the end of the year, indicating their price, date and other requirements of use and any change during the year to the conditions on the use of the options that have already been granted; and
3. Information on the connection between the remuneration received by the executive Directors and the Company's results or other performance standards during the previous fiscal year.



### **TITLE III. BOARD STRUCTURE**

#### **Chapter One. Board structure**

##### **Article 26. Offices and Committees of the Board**

1. The Board of Directors, after the Appointments and Remuneration Committee has issued its report, shall appoint from among its members (i) one Chairman and, where applicable, one or more Vice-Chairs; and (ii) one Secretary and, where applicable, a Vice-Secretary.
2. The Board of Directors may form specialised committees within the Board, determine their structure, designate their members and describe the functions that each of them must assume.

The Board of Directors shall set up an Audit and Control Committee and an Appointments and Remuneration Committee, with the minimum composition and functions indicated in the Spanish Limited Liability Companies Law and the Company Bylaws.

The minutes of the Committees will be made available to all members of the Board of Directors.

##### **Article 27. Chairman of the Board**

The Board of Directors, after the Appointments and Remuneration Committee has issued its report, shall appoint a Chairman from among its members.

The Chairman is the head of the effective functioning of the Board of Directors and shall promote the independence and effective functioning of the various Board Committees.

The Chairman of the Board of Directors will be selected from the board members through a resolution adopted by a favourable vote of the absolute majority of the Directors present or represented at the meeting. However, if the Chairman has executive functions, he/she shall require the favourable vote of two thirds of the members of the Board of Directors.

In addition to the powers granted by law and the bylaws or these Regulations, the Chairman shall have the following functions:

- Calling and chairing meetings of the Board of Directors, setting the agenda for meetings, and leading the discussions and deliberations. In the event of a tie vote, the Chairman shall have a casting vote.
- Chairing the General Meetings of the Company and leading the deliberations and votes pursuant to the Law, the Company Bylaws, and the Regulations concerning General Meetings.
- Ensuring that the Directors receive sufficient information in advance to be able to discuss the items on the agenda.
- Stimulating debate and active participation by the Directors at the Board meetings.
- Submitting proposals to the Board that the Chairman deems appropriate for the Company to run smoothly and, in particular, proposals regarding how the Board and other corporate bodies function.
- Preparing and submitting to the Board of Directors a programme with dates and issues to be addressed.

- Being responsible for the leadership of the Board and its effectiveness in overseeing and checking the Company, as well as the bodies responsible for its management.
- Coordinating, together with the Appointments and Remuneration Committee, the periodic evaluation of the performance of Board and of the Committees, as well as, where appropriate, that of the Company's CEO.
- Ensuring that sufficient time for discussion is given to strategic matters.
- Deciding and reviewing refresher programmes for each Director, when circumstances require.
- Ensuring compliance with resolutions, decisions, guidelines and criteria established at the General Meeting of Shareholders and by the Board of Directors, within the scope of its respective powers.

In the absence of the Chairman, his/her functions shall be performed by the Vice-Chair and, if there are several Vice-Chairs, by the first Vice-Chair according to the corresponding numbering system. In the absence of the Chairman and Vice-Chairs, where applicable, the functions of the Chairman shall be performed by the Independent Lead Director, if any, and, failing that, by the oldest Director present at the meeting.

#### **Article 28. Independent Lead Director**

1. If the Chairman has executive Director status, the Board of Directors, with the abstention of the executive Directors and after the Appointments and Remuneration Committee has issued its report, shall appoint an Independent Lead Director from among the independent Directors. In addition, the Board of Directors may voluntarily appoint an Independent Lead Director if deemed necessary or desirable.
2. The Independent Lead Director shall be authorised to:
  - Request that the Board of Directors be convened;
  - Request the inclusion of new items on the agenda of an already convened Board meeting;
  - Coordinate and assemble the non-executive Directors;
  - Voice the concerns of the non-executive Directors;
  - Direct, where applicable, the periodic review of the Chairman of the Board of Directors;
  - Chair the Board of Directors in the absence of the Chairman and Vice-Chair, where applicable;
  - Maintain contact with investors and shareholders to ascertain their views in order to form an opinion about their concerns, particularly with respect to the corporate governance of the Company, and coordinate the Chairman's plan of succession; and
  - Other functions that the Board of Directors agrees to attribute to the Independent Lead Director to better perform his/her duties.
3. The Independent Lead Director shall be appointed indefinitely, as long as he/she maintains his/her status as independent Director.
4. The office of Independent Lead Director is compatible with the status of Chairman or member of any of the committees of the Board of Directors.

5. The Independent Lead Director shall receive remuneration or the performance of his/her duties as agreed by the Board of Directors, in accordance with the remuneration policy approved at the General Meeting.

#### **Article 29. Vice-Chair of the Board**

The Board of Directors, after the Appointments and Remuneration Committee has issued its report, may appoint one or several Vice-Chairs from among its members. If several Vice-Chairs are appointed, they shall be numbered consecutively.

In the absence of the Chairman, his/her functions shall be performed by the Vice-Chair and, if there are several Vice-Chairs, by the first Vice-Chair according to the corresponding numbering system. In the absence of the Chairman and Vice-Chairs, if any, his/her functions shall be performed by the Independent Lead Director and, in the absence of the latter, by the oldest Director present at the meeting.

#### **Article 30. Secretary of the Board**

The Board of Directors, after the Appointments and Remuneration Committee has issued its report, shall appoint a Secretary. The same procedure shall be followed to decide on his/her removal.

The office of Secretary to the Board of Directors does not have to be filled by someone with Director status.

In addition to the functions assigned according to law and the bylaws or these Regulations, the Secretary shall perform the following duties:

- Storing the documentation on the Board of Directors, either directly or through the Vice-Secretary of the Board. The documentation shall be stored at the Company's registered office.
- Recording the minutes of the sessions in the minutes ledger and attesting to its contents and the resolutions adopted.
- Ensuring that the actions of the Board of Directors comply with the applicable regulations and are in accordance with the Company Bylaws and other internal regulations. He/she will also ensure that the Board of Directors is aware of the recommendations on good governance that apply to the Company and that are part of the Code of Good Governance for listed companies.
- Assisting the Chairman so that the Directors receive the relevant information for them to perform their duties with sufficient time and in the proper format.
- Assisting the Chairman with the performance of his/her duties.

The Secretary, even if not a Director, must also comply with the provisions of Article 18 of these Regulations.

#### **Article 31. Vice-Secretary of the Board**

The Board of Directors, after the Appointments and Remuneration Committee has issued its report, shall appoint a Vice-Secretary. The same procedure shall be followed to decide on his/her removal.

The Vice-Secretary shall assist the Secretary of the Board of Directors and/or substitute him/her in the performance of his/her duties if the Secretary is absent. It is not a requirement to be a Director to be appointed Vice-Secretary of the Board.

The Vice Secretary may attend the meetings of the Board of Directors and of its committees in the absence of the Secretary or when so requested by the Chair of the Board or of the committees. Likewise, at the request of the Secretary, he/she may attend Board meetings to help the Secretary draft the minutes of the meeting.

## **Article 32. CEO**

The Board of Directors may permanently delegate some or all of its powers, except those which cannot be delegated, to one or more CEOs.

The CEO shall be responsible for the effective management of the Company's business operations and, therefore, shall be responsible for taking and establishing those decisions and plans that are not reserved for the Board and its delegated bodies.

The CEO shall draft and present appropriate proposals to the Board concerning the Company's guidelines and strategies.

The CEO shall act, in any case, in accordance with the plans and guidelines approved by the Board of Directors.

The permanent delegation of any of the Board of Directors' powers to one or more CEOs and the appointment of these CEOs requires the favourable vote of two thirds of the members of the Board of Directors to be valid but will not take effect until registered with the Commercial Registry.

A contract must be entered into between the Chief Executive Officer and the Company, which must be approved in advance by the Board by a favourable vote of two thirds of its members. The Director concerned shall refrain from participating in deliberations and from taking part in the vote. The approved contract shall be annexed to the minutes of the meeting.

## **Chapter Two. Board Committees**

### **Article 33. Executive Committee**

The Board of Directors may create an Executive Committee and permanently delegate all or part of its powers to it, except those which cannot be delegated.

The Executive Committee shall consist of a minimum of three and a maximum of eight members who must be Directors, and its Chairman and Secretary will be chosen from the Board of Directors.

The Executive Committee may appoint from among its members a Deputy Chairman who shall act as Chairman in the event of absence.

The Board of Directors shall appoint the members of the Executive Committee, ensuring that at least two of the members are non-executive directors and at least one member is an independent director. To be valid, the appointment of directors who constitute the Executive Committee shall require a vote

in favour by two thirds of the members of the Board and shall not be effective until it has been entered in the Commercial Registry.

The members of the Executive Committee shall cease to be members when they cease to be directors or when the Board so resolves.

The Executive Committee shall be called by its Chairman on his/her own initiative or when this has been requested by two of its members. The meeting shall be called by email, or any other means that allows its receipt, addressed to each of its members at least 48 hours prior to the date of the meeting, although it may be called immediately for reasons of urgency.

The meetings shall be held at the Company's registered office or at any location designated by the Chairman and indicated in the notice.

For an Executive Committee meeting to be validly constituted, the majority of its members must attend, either physically present or represented by proxy.

The absolute majority of the members of the Committee shall adopt the resolutions. In the event of a conflict of interest, the Directors concerned shall refrain from participating in the transaction to which the conflict refers. The votes of the Directors affected by such conflict and that must abstain shall be deducted for the purposes of calculating the necessary majority of votes.

In the event of a tie, the matter shall be submitted to the Board of Directors, for which the members of the Executive Committee shall request that the Board be convened pursuant to Article 32 of the Company Bylaws, unless the Board is set to meet within thirty (30) calendar days, in which case the Committee shall request that the Chair of the Board include the meeting items which ended in a tie in the agenda.

The Executive Committee, through its Chairman, shall inform the Board of the matters discussed and the decisions taken by the Committee, and all members of the Board must receive a copy of the minutes of the sessions of the Executive Committee.

All matters not expressly set forth in this article regarding the functioning of the Executive Committee shall be regulated by the Executive Committee. In addition, to the extent possible given its nature and functions, these matters will be regulated by the provisions established in the Company Bylaws and in these regulations of the Board of Directors.

#### **Article 34. Board Committees**

The Board of Directors shall set up an Audit and Control Committee and an Appointments and Remuneration Committee.

The Audit and Control Committee and the Appointments and Remuneration Committee shall have the essential function of supporting the Board of Directors in its commitments of supervision and control of the ordinary performance of the Company. Its members shall be appointed by the Board of Directors, to which they shall be accountable for the performance of their duties.

Notwithstanding the foregoing, the Board of Directors may form specialised committees within the Board, determining their makeup, appointing their members, and establishing the functions assumed by each of them.

The Committees shall report to the Board of Directors on the meetings held and their content. In this respect, the Committees shall be accountable to the Board of Directors for the performance of their functions. In addition, the Board will deliberate on the proposals and reports of each committee.

The Committees may seek external advice when they deem it necessary to perform their functions. Minutes of its resolutions shall be drawn up and made available to the members of the Board.

The Board of Directors shall appoint the members of the Committees, taking into account the knowledge, skills and experience of the directors and the duties of each committee, pursuant to current legislation. In particular, the specific number of members shall be determined by the Board of Directors, within the maximum and minimum numbers laid down in this Regulation.

Any executive Director, member of the management team or staff of the Company or its subsidiaries shall be obliged to attend the meetings of any of the Committees and to provide their cooperation and access to the information available to them when requested to do so by such Committees.

### **Article 35. Audit and Control Committee**

The Audit and Control Committee shall consist of at least three and at most six Directors, and all of them shall be exclusively non-executive Directors. The Audit and Control Committee shall comprise the number of independent Directors determined by law at any given time.

Members of the Committee shall be appointed by the Board of Directors at the proposal of the Appointments and Remuneration Committee. The members of the Audit and Control Committee shall cease to hold office when they cease to be Directors or when so resolved by the Company's Board of Directors.

All members of the Audit and Control Committee, and in particular its Chairperson, shall be appointed on the basis of their knowledge, professional experience and commitment necessary for the performance of the duties within the remit of the Audit and Control Committee. In particular, the members of the Audit and Control Committee as a whole, and especially its Chairperson, shall be appointed taking into account their knowledge and experience in accounting, auditing, sustainability and internal control systems and management of both financial and sustainability risks. In addition, all members of the Audit and Control Committee shall have the relevant knowledge in relation to the sector of activity in which the Company operates at any given time.

The Audit and Control Committee shall appoint a Chairperson from among its members, who must be an independent Director. In addition to his/her internal duties, the Chairperson shall be the spokesperson for the Committee in its dealings with the Board of Directors, as well as in the interventions that may be necessary in the course of the General Meeting. The Chairperson of the Audit and Control Committee must be replaced every four years and may be re-elected following a term of one year from their leaving such office.

The Committee may also appoint a Secretary from among its members or designate the Secretary to the Board to act in such capacity. In the absence of the Secretary of the Committee, its functions shall be exercised by the Secretary of the Board or, where applicable, its Vice-Secretary. The Committee may in turn designate a Vice-Chair, who must have independent status.

In any case, the Committee may rely on the technical assistance of the Board Secretary or Vice-Secretary at its meetings at the request of the Chairman of the Committee.

The Audit and Control Committee shall adopt its own regulations for the purpose of establishing its internal rules of procedure and operation. Notwithstanding any other functions conferred by law, its own regulations or the Board of Directors at any time, the Audit and Control Committee shall have, at minimum, the following duties:

1. Report, through its Chairperson, to the General Meeting of Shareholders, if required, on matters within the powers of the Audit and Control Committee.
2. Supervise the effectiveness of the Company's internal control, the internal audit and risk management systems, as well as discuss with the auditor any significant weaknesses, if any, in the internal control system and any notable modifications or adjustments detected by them, ensuring not to compromise their independence. To this end, the Committee may submit recommendations or proposals to the Board of Directors and the corresponding time frame for subsequent follow-up and remedy.
3. Directly supervise the internal risk management and control function and submit to the Board for approval a report on the risk management and control policy under the terms determined by the regulations applicable from time to time. This policy must outline at least: (i) the different types of risks the Company faces, including emerging, financial and sustainability risks, with a particular focus on financial or economic risks such as contingent liabilities and other off-balance sheet risks; (ii) a risk management and control model. The committee shall also monitor the level of risk deemed acceptable by the Company and the measures envisaged to mitigate, eliminate or manage any risks, should they materialise, as well as the information and internal control systems to be used to control and manage such risks.
4. Supervise, taking into account the different sources of information available, the process of preparing and presenting the required financial information and, where appropriate, the sustainability information determined by the applicable regulations, and submit recommendations or proposals to the Board of Directors.
5. Ensure that the unit which assumes the internal audit function oversees the proper functioning of the information and internal control and risk management systems, which are functionally dependent on the Chair of the Audit and Control Committee. The head of the unit that manages the internal audit function shall attend meetings of the Audit and Control Committee and submit for approval by this Committee or by the Board of Directors, the annual work plan, report directly on its implementation, including any incidents and limitations on its scope, the outcome and follow-up of its recommendations, and submit an annual activity report.
6. Regarding the information and internal control systems: (i) supervise and assess the process of preparing and integrity of financial and sustainability information, as well as financial and sustainability risk management and control systems relating to the Company and, where applicable, to the Group (including political, strategic, legal, reputational, and cybersecurity-related risks), reviewing compliance with current regulatory requirements, the proper delimitation of its scope of consolidation and the correct application of accounting standards; (ii) ensure the independence and effectiveness of the internal audit processes, proposing the election, appointment and, as the case may be, reasoned removal of the head of the internal audit unit. In this regard, the Committee shall assess the background of the persons forming part of internal audit with the aim of ensuring that they have no direct or indirect interests in the performance of their duties that may call into question the necessary independence; (iii)

approve the responsibilities, annual work plan and resources of the internal audit, ensuring that its activities primarily focus on material risks; (iv) receive regular information on its activities and verify that senior management takes into account the findings and recommendations of its reports; and (v) generally ensure that the policies and systems established for internal control are effectively implemented in practice.

7. Act as a two-way communication channel between the Board of Directors and the Company's external auditor, assessing the results of each audit. Also, with respect to the external auditor it shall: (i) submit proposals to the Board of Directors to elect, appoint, reelect and remove auditor; (ii) define the selection process pursuant to current legislation and internal procedures, as well as the terms of their contract; (iii) regularly obtain information from the auditor on the audit strategy and plans and their execution; and (iv) preserve the independence of the external auditor in the performance of their duties.
8. Review with the external auditor the significant findings and incidents arising from their work, as well as the content of the audit report, and propose, if appropriate, to the Board of Directors the adoption of all appropriate measures to seek to eliminate the causes of such issues.
9. Analyse, propose and, if appropriate, decide on any issues that may arise between the Board of Directors and the external auditor, in particular: (i) in the event of resignation of the external auditor, examine the circumstances giving rise thereto; (ii) ensure that the remuneration of the external auditor for their work does not compromise their integrity or independence; (iii) approve the procedure for authorisation of the provision by the external auditor of services other than auditing; (iv) oversee that the Company notifies the change of auditor through the Spanish Securities Market Commission and that attached to it is a statement citing any disagreements the Company may have had with the outgoing auditor and, if any, the content thereof; and (v) ensure that the Company and the external auditor comply with current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other rules on auditor independence.
10. Establish the proper relations with the external auditor to receive information on such matters as may imply threats to their independence for their examination by the Audit and Control Committee and any others relating to the audit process and, where applicable, the authorisation of services other than those prohibited, upon the terms established by current regulations, regarding the system of independence, and such other communications established in the applicable regulations. In any case, each year, the external auditors shall be required to furnish a statement of their independence with respect to the Company or entities related directly or indirectly thereto, as well as detailed and separate information on any manner of additional services of any kind provided and the related fees received from these entities by the external auditor or entities related thereto in accordance with the governing accounts audits.
11. Issue annually, prior to the issue of the accounts auditing report, a report stating an opinion as to whether the independence of the accounts auditors or auditing companies were compromised. This report shall, in any case, contain the evaluation of the provision of each and every additional service referred to in the preceding section, considered individually and as a whole, other than legal audit services in relation to the rules on independence or in accordance with the audit regulations.



12. Report on related transactions to be approved by the General Meeting of Shareholders or the Board of Directors and supervise the Company's internal procedure for transactions whose approval has been delegated.
13. Inform the Board of Directors of all matters established by law, the Company Bylaws and Board regulations beforehand, in particular regarding:
  - a) Financial information that the Company must make public periodically; and
  - b) The creation or acquisition of stakes in special-purpose vehicles or companies registered in countries or territories considered to be tax havens.

14. Oversee compliance with the Company's policies and rules on sustainability in accordance with the provisions of current regulations, as well as internal codes of conduct.

For these purposes, the Audit and Control Committee shall be specifically assigned the following minimum functions: (i) monitoring compliance with the Company's internal codes of conduct; (ii) monitoring the application of the general policy regarding the reporting of required economic information, as well as information on sustainability.

15. Obtain information on all operations involving structural or corporate changes which the Company plans to carry out for examination and the preparation of a prior report for submission to the Board of Directors on the financial terms, associated risks and accounting impact of such transactions, and in particular on the exchange ratio proposed, if any.
16. Issue reports and proposals as required under applicable regulations at any time and those requested by the Board of Directors or its Chair, and those deemed appropriate for the Committee to best perform its functions.
17. Independently evaluate the performance of the Committee and report the findings to the Board of Directors.
18. Prepare an annual report on the activities of the Audit and Control Committee and indicate, where appropriate, the extent to which the evaluation has led to significant changes in the Committee's internal organisation and procedures.
19. Propose to the Board of Directors any other matters deemed applicable in the matters within its scope of authority.

The Audit and Control Committee shall regulate its own functioning in accordance with the Spanish Limited Liability Companies Law, the Company Bylaws, these Regulations and the Audit and Control Committee Regulations.

The Audit and Control Committee shall adequately and effectively plan its activities and meetings as necessary for the performance of its functions. The Audit and Control Committee shall meet whenever so requested by at least two of its members or as decided by its Chairperson, who is responsible for calling its meetings for the performance of its functions. The call notice shall be valid provided it is sent by any means that allows acknowledgement of its receipt.

In addition, the Audit and Control Committee shall hold as many joint meetings with the Sustainability Committee as established or recommended by the applicable regulations or as suitable in order to better perform its functions.

Members of the Audit and Control Committee may delegate their participation and vote to another member of the Committee. Representation shall be conferred in writing specifically for each meeting.

The Audit and Control Committee shall be validly constituted when attended, in person or by proxy, by the majority of its members, and resolutions shall be adopted by an absolute majority of the members present or represented. The Chairperson shall have the casting vote in the event of a tie.

In the event of a conflict of interest, the affected member of the Audit and Control Committee shall refrain from participating in the deliberation and vote on resolutions or decisions in which they or a person related to them has a direct or indirect conflict of interest. The votes of the Directors affected by such conflict and that must abstain shall be deducted for the purposes of calculating the necessary majority of votes.

Any executive Director, member of the management team or staff of the Company or its subsidiaries must attend the Audit and Control Committee meetings, collaborating and providing the Committee with access to any information at their disposal, when summoned for this purpose by the Chairperson, where such participation should be limited to the specific relevant items of the agenda. Such participation shall occur at stages of the meeting other than the deliberation and voting stages.

Minutes shall be drafted of the meetings of the Committee, which shall be kept available to all members of the Board of Directors.

All matters not expressly regulated in this article regarding the functioning of the Audit and Control Committee shall be subject to the Regulations of the Audit and Control Committee established by the Committee itself. In addition, and to the extent possible given its nature and functions, these matters will be regulated by the provisions established in the Company Bylaws and in these regulations of the Board of Directors.

### **Article 36. Appointments and Remuneration Committee**

The Appointments and Remuneration Committee shall consist of at least three and at most six Directors, appointed by the Board of Directors, and all of them must be non-executive Directors. The Appointments and Remuneration Committee shall consist of the number of independent Directors determined by the Law from time to time.

The Appointments and Remuneration Committee shall appoint a Chairman from among its members, which shall in any case be an independent Director.

The Committee may also appoint a Secretary from among its members or designate the Secretary of the Board to act in such capacity. In the absence of the Secretary of the Committee, its functions shall be exercised by the Secretary of the Board or, where applicable, its Vice-Secretary. The Committee may in turn designate a Vice-Chair, who must have independent status.

In any case, the Committee may rely on the technical assistance of the Board Secretary or Vice-Secretary at its meetings at the request of the Chairman of the Committee.

The members of the Appointments and Remuneration Committee shall cease to hold office when they cease to be Directors or when so resolved by the Company's Board of Directors.

Without prejudice to the other functions attributed to it under the law, the Company Bylaws or, pursuant to these, the Regulations of the Board of Directors, the Appointments and Remuneration Committee shall have, at minimum, the following duties:

1. Evaluate the skills, knowledge and experience necessary on the Board of Directors. To this end, it shall define the functions and skills required of candidates to fill each vacancy, assessing the time and dedication required to perform their duties effectively.
2. Establish a target for representation of the under-represented gender on the Board of Directors and develop guidelines on how to achieve this target in accordance with the parity criteria established by law from time to time.
3. Submit proposals for the appointment of independent Directors to the Board of Directors through co-option or to be decided on at a General Meeting, in addition to proposals for the reelection or removal of these Directors.
4. Report on the proposed appointment of other Directors through co-option or to be decided on at a General Meeting, in addition to proposals for their reelection or removal.
5. Review and plan the succession of the Chairman of the Board and the chief executive officer of the company and, where applicable, draft proposals for the Board so that this succession occurs in an orderly and planned manner.
6. Report on proposals to appoint or remove senior officers and the basic terms of their contracts.
7. Propose to the Board which members should be part of each of the committees that have been created, in accordance with the provisions of these Regulations.
8. Propose to the Board of Directors the remuneration policy for Directors and general managers or executives who discharge senior management duties under the direct supervision of the Board of Directors, executive committees, or managing directors and the individual remuneration and other contractual conditions of the executive Directors; oversee compliance therewith.
9. Ensure the transparency of the remuneration and the inclusion in the annual report of information regarding the Directors' remuneration.
10. Propose to the Board of Directors the standard conditions for senior officers' employment contracts.
11. Check compliance with the remuneration policy set by the company.
12. Periodically review the remuneration policy applied to Directors and senior officers, as well as the remuneration systems that include shares and how they are implemented, in addition to guaranteeing that their individual remuneration is proportional to that which is paid to other directors and senior officers of the Company.
13. Ensure that any conflict of interest does not interfere with the independence of the external advice given to the Appointments and Remuneration Committee.
14. Verify the information on the Directors' and senior officers' remuneration found in various corporate documents, including the annual report on director remuneration.

15. Propose a policy to the Board of Directors for its approval, aiming to facilitate an appropriate composition of the Board of Directors and annually verify compliance with it, making reference to this policy in the Annual Corporate Governance Report.
16. Ensure compliance with the rules on corporate governance. For these purposes, the Appointments and Remuneration Committee will at least be assigned the following tasks: (i) check the enforcement of the Company's rules on corporate governance; and (ii) regularly check and review the Company's corporate governance.
17. Propose to the Board of Directors any other matters deemed applicable in the matters within its scope of authority.
18. Any other duties that are attributed by the Bylaws or these Regulations.

The Appointments and Remuneration Committee shall consult with the Chair and Chief Executive Officer of the Company, especially on matters relating to executive Directors and Senior Officers. If the Chairman is also the Chief Executive Officer, the above shall apply to the Chairman and the Managing Director(s).

Any Director may request that the Appointments and Remuneration Committee take into consideration potential candidates to fill director vacancies if he/she feels that they are suitable.

The Appointments and Remuneration Committee shall have access to the necessary information and documentation to perform its functions. The Committee may request the services of external lawyers and other independent professionals to best carry out its functions.

The Appointments and Remuneration Committee shall meet whenever requested by two of its members or when agreed by the Chairman, who shall call its meetings, for the compliance of its functions. The call notice shall be valid provided it is sent by any means that allows acknowledgement of its receipt.

Members of the Appointments and Remuneration Committee may delegate their participation and vote to another member of the Committee. Representation shall be conferred in writing specifically for each meeting.

The Appointments and Remuneration Committee shall be validly constituted when a majority of its members is present in person or by proxy, and its agreements shall be adopted by a majority of the members in attendance in person or by proxy.

In the event of a conflict of interest, the affected member of the Committee shall refrain from participating in the deliberation and vote on resolutions or decisions in which they or a person related to them has a direct or indirect conflict of interest. The votes of the Directors affected by such conflict and that must abstain shall be deducted for the purposes of calculating the necessary majority of votes.

Any executive Director, member of the management team or staff of the Company or its subsidiaries must attend the Appointments and Remuneration Committee meetings, collaborating and providing the Committee with access to any information at their disposal, when summoned for this purpose by the Chairperson, where such participation should be limited to the specific relevant items of the agenda. Such participation shall occur at stages of the meeting other than the deliberation and voting stages.

Minutes shall be drafted of the meetings of the Committee, which shall be kept available to all members of the Board of Directors.

All matters not expressly regulated in this article regarding the functioning of the Appointments and Remuneration Committee shall be regulated by the Appointments and Remuneration Committee itself, pursuant to the provisions established in the Company Bylaws and in these Regulations of the Board of Directors.

### **Article 37. Sustainability Committee**

The Sustainability Committee shall be composed of a minimum of three and a maximum of six Directors, appointed by the Board of Directors. All the members must be non-executive directors, the majority of whom must be independent.

The members of the Sustainability Committee must have the necessary knowledge, professional experience and dedication to perform their assigned duties.

The Sustainability Committee shall appoint a Chairman from among its members, which in any case must be an independent Director. The Sustainability Committee may also appoint a Secretary from among its members or designate the Secretary of the Board to act in such capacity.

The members of the Sustainability Committee shall cease to hold office when they cease to be Directors or when so resolved by the Company's Board of Directors.

Notwithstanding any other functions conferred by law or by the Board of Directors, the Sustainability Committee shall have, at minimum, the following duties:

1. Analysing, assessing and implementing the Company's policies and practices in the field of sustainable and environmental development.
2. Reporting on the possible impact that environmental and sustainable development regulations may have on the Company, with a view to adopting the appropriate decisions.
3. Analysing the indices and measurement instruments commonly accepted in international practice to assess and measure the Company's positioning in environmental and sustainable development matters, as well as making recommendations for improving the Company's positioning and following up on proposals for the incorporation of the Company into the most widely recognised international sustainability indices.
4. Proposing to the Board of Directors the definition of strategies, plans, policies and objectives in environmental, social or sustainability aspects (including sustainability risks).
5. Assessing the progress and degree of advancement of established sustainability plans and objectives, both operational and strategic, and whether new measures should be taken or previously approved objectives, plans and strategies should be modified.
6. Analysing the sustainability risk strategy and policy, and identify sustainability risks and determining the level of risk aversion in the Company, and determine the extent to which any sustainability risks are to be eliminated, mitigated or managed.
7. Verifying sustainability information prior to its review by the Audit and Control Committee.

8. Reporting and proposing to the Board of Directors any reports that, due to its area of competence, fall under its responsibility.
9. Collaborating with the other Committees of the Board of Directors in all matters within its competence.

The Sustainability Committee shall meet whenever requested by at least two of its members or when agreed by the Chairman, who shall call its meetings, for the compliance of its functions. The call notice shall be valid provided it is sent by any means that allows acknowledgement of its receipt.

In addition, the Sustainability Committee shall hold as many joint meetings with the Audit and Control Committee as established or recommended by the regulations applicable to the Company.

The Sustainability Committee shall be validly constituted when a majority of its members is present in person or by proxy, and its resolutions shall be adopted by a majority of the members in attendance in person or by proxy. The Chair shall have the casting vote in the event of a tie.

In the event of a conflict of interest, the affected member of the Sustainability Committee shall refrain from participating in the deliberation and vote on resolutions or decisions in which they or a person related to them has a direct or indirect conflict of interest. The votes of the Directors affected by such conflict and that must abstain shall be deducted for the purposes of calculating the necessary majority of votes.

The representation shall be granted in writing and specifically for each meeting and solely in favour of another member of the Committee.

Any executive Director, member of the management team or staff of the Company or its subsidiaries must attend the Sustainability Committee meetings, collaborating and providing the Committee with access to any information at their disposal, when summoned for this purpose by the Chairperson.

Likewise, the Committee may request the external services of lawyers and other independent professionals to best perform its duties.

Minutes shall be drafted of the Committee meetings, which shall remain available to all members of the Board.

All matters not expressly set forth in this article regarding the functioning of the Sustainability Committee shall be regulated by the Sustainability Committee. In addition, to the extent possible given its nature and functions, these matters will be regulated by the provisions established in the Company Bylaws and in these regulations of the Board of Directors.

#### **TITLE IV. INFORMATION POLICY AND THE COMPANY'S CORPORATE WEBSITE**

##### **Article 38. Corporate website and electronic communications**

1. The Company shall have a corporate website to publish documents and information in accordance with legal requirements, the Company Bylaws, and other internal regulations of the Company, as well as to disseminate all relevant information for those who have a direct or indirect interest in the Company and pursuant to the regulations on inside information and other relevant information contained in Spain's Securities Exchange Act.

2. The modification, deletion and transfer of the Company's corporate website may be decided by the Board of Directors.
3. Inmobiliaria Colonial's corporate website will include the documentation determined by the applicable regulations at all times, as well as the information that the Board of Directors deems appropriate to disseminate in the interest of the shareholders.
4. The Board of Directors is responsible for establishing the content of the information made available on the company website. Furthermore, it shall set up an Electronic Shareholder Forum, which may be accessed with the necessary guarantees by both individual shareholders and any voluntary associations they may form, to facilitate shareholder communications prior to General Meetings. Proposals to be presented can be published in the Forum, as a complement to the agenda published in the notice, requests for adhesion to those proposals, motions to reach the percentage sufficient to exercise a minority right as specified by law, as well as bids or petitions for voluntary representation.
5. The Board of Directors shall ensure that the information appearing on the Company's corporate website is updated constantly and immediately by the Department of Corporate Development, Management Control and Investor Relations.

**Final Provision. Entry into force and validity**

These Regulations shall become effective after being approved by the Board of Directors.

The members of the Board of Directors are required to know, comply with and enforce the provisions of these Regulations.