

## REPORT OF THE BOARD OF DIRECTORS OF TELEFÓNICA, S.A.

### REGARDING

### THE PROPOSALS FOR RE-ELECTION, RATIFICATION AND APPOINTMENT OF DIRECTORS BEING SUBMITTED TO THE SHAREHOLDERS AT THE GENERAL SHAREHOLDERS' MEETING

March 4, 2022

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The Board of Directors of Telefónica, S.A. (the “**Company**”) issues this report to provide its rationale for the proposals for re-election, ratification and appointment of Directors being submitted to the shareholders at the General Shareholders' Meeting for approval, pursuant to the provisions of Section 529 *decies* of the Companies Act (*Ley de Sociedades de Capital*).

Section 529 *decies* of the Companies Act provides as follows:

*“1. The members of the board of directors of a listed company shall be appointed by the shareholders at a shareholders' meeting or, in the case of an expected vacancy, by the board itself by co-option.*

*2. Co-option at listed companies shall be governed by the provisions of this Law, with the following exceptions:*

*a) A director appointed by the board need not necessarily be a shareholder of the company.*

*b) If the vacancy occurs after the call to shareholders' meeting and prior to the holding thereof, the board of directors may appoint a director until the holding of the next shareholders' meeting.*

*3. There shall be no appointment of alternates at listed corporations.*

*4. The proposal for appointment or re-appointment of members of the board of directors is the responsibility of the appointments and compensation committee with respect to independent directors and the board itself in other cases.*

*5. Proposals must be accompanied in all cases by an explanatory report prepared by the board that assesses the competence, experience and merits of the proposed candidate, and such report shall be attached to the minutes of the shareholders' meeting or the board meeting.*

*6. Proposals for the appointment or re-election of any non-independent director must also be preceded by a report from the appointments and compensation committee.”*

Accordingly, the Companies Act requires that the proposal for appointment or re-election of members of the Board of Directors be accompanied in any event by an explanatory report from the Board of Directors that assesses the competence, experience and merits of the candidates proposed, which will be attached to the minutes of the General Shareholders' Meeting or of the board meeting and which, in accordance with Section 518 of said Act, must be published uninterruptedly on the corporate website as from the publication of the announcement of the call to meeting.

As required by the Act, and with a view to ensuring the utmost level of transparency, this report assesses the competence, experience and merits of:

- Mr. José María Abril Pérez, proposed to be re-elected as a Director of the Company, with the classification of proprietary Director;
- Mr. Ángel Vilá Boix, proposed to be re-elected as a Director of the Company, with the classification of executive Director;
- Ms. María Luisa García Blanco, proposed to be re-elected as a Director of the Company, with the classification of independent Director;
- Mr. Francisco Javier de Paz Mancho, proposed to be re-elected as a Director of the Company, with the classification of other external Director; and
- Ms. María Rotondo Urcola, proposed for ratification of her interim appointment (co-optation) and for appointment as a Director of the Company, with the classification of independent Director;

this report also contains the rest of the information that the shareholders need to be able to cast their vote on the proposals made.

## **1. APPLICATION OF THE DIVERSITY POLICY IN RELATION TO THE BOARD OF DIRECTORS OF TELEFÓNICA, S.A. AND THE SELECTION OF DIRECTORS**

At its meeting of November 25, 2015, the Board of Directors approved a Director Selection Policy, which was updated on December 13, 2017 to include a Diversity Policy applicable to the Board of Directors, for which reason its name was changed to the Diversity Policy in relation to the Board of Directors of Telefónica, S.A. and the Selection of Directors. On December 16, 2020, the Board of Directors also approved an update of this Policy to conform it, particularly in terms of diversity, to the provisions of the Recommendations of the Good Governance Code of the Spanish National Stock Market Commission, which was last partially amended in June 2020. This policy is available to the public and can be viewed on the corporate website ([www.telefonica.com](http://www.telefonica.com)).

Such Policy seeks to ensure that the procedures for selecting Directors are based on a prior analysis of the skills required by the Board of Directors and favor a diversity of knowledge, professional training and experience, disabilities, age and gender, ensuring that such proposals are free from any implicit bias entailing any kind of discrimination, particularly by reason of gender, disability or any other personal condition, and that they

facilitate the selection of Directors in a number that allows for a balanced presence of women and men.

In this respect, the Board of Directors and the Nominating, Compensation and Corporate Governance Committee will ensure, within the scope of their respective powers, that the candidates chosen for the position of Director are persons of recognized caliber, qualifications and experience, who are willing to devote the time and effort required to perform their duties, taking special care in the selection of the persons to be appointed as independent Directors.

In this regard, all candidates for the Company's Board of Directors must be upstanding professionals whose conduct and professional career are aligned with Telefónica's Business Principles. In addition, special consideration is given to candidates for Director with training and professional experience in telecommunications, technology, consumer knowledge, ESG knowledge, marketing, accounting, auditing, risk management (both financial and non-financial), with extra value placed on international experience and the leadership of teams at multinationals.

The Diversity Policy in relation to the Board of Directors of Telefónica, S.A. and the Selection of Directors sets out the procedure for selecting the directors of the Company and establishes that the Board of Directors must perform an annual evaluation of its functioning and that of its Committees, particularly assessing the application of the various aspects of diversity set out in such Policy, as well as the performance of the Chairman of the Board of Directors, of the Company's Chief Operating Officer, and of the various Directors, paying special attention to the heads of the various Board Committees, and adopting appropriate measures for the improvement thereof.

The Board of Directors has verified that in the process of preparing and approving the proposals for re-election, ratification and appointment of Directors that it intends to submit to the shareholders at the General Shareholders' Meeting 2022, the provisions of the Diversity Policy in relation to the Board of Directors of Telefónica, S.A. and the Selection of Directors have been complied with and a suitable and rigorous procedure has been followed to ensure that the proposals formulated, as applicable, by both the Board of Directors (with respect to the proposals involving non-independent Directors, after a prior favorable report from the Nominating, Compensation and Corporate Governance Committee) and the Nominating, Compensation and Corporate Governance Committee (with respect to the proposals involving independent Directors) are in the best interest of the Company.

## **2. PROPOSALS RELATING TO THE COMPOSITION OF THE BOARD OF DIRECTORS**

### **2.1 MR. JOSÉ MARÍA ABRIL PÉREZ**

#### **Professional and biographical profile and noteworthy experience**

Born in Burgos, on March 19, 1952.

Degree in Economics from the Deusto Business University and professor at such university for nine years.

In 2002 he was appointed as General Manager of Wholesale Banking and Investments and as Member of the Steering Committee of Banco Bilbao Vizcaya Argentaria, S.A.

From 1975 to 1982 he was the Chief Financial Officer of Sociedad Anónima de Alimentación (SAAL). From then and until he joined Grupo Banco Bilbao Vizcaya Argentaria, he served as Chief Financial Officer of Sancel-Scott Iberica. In 1985 he joined Banco Bilbao as the Head of Corporate Banking Investment. Subsequently, from January to April 1993, he was Executive Coordinator of Banco Español de Crédito, S.A. In 1998 he was appointed as General Manager of the Industrial Group, and in 1999, as a member of the Management Committee of the BBV Group. He has been a board member, among other companies, of Repsol, Iberia and Corporación IBV, as well as Deputy Chairman of Bolsas y Mercados Españoles (BME). Mr. Abril is currently a Director of Artech Elkartea, S.A., and of Ibermática, S.A.

The Board of Directors of the Company considers that the training and experience of Mr. José María Abril Pérez provide him with highly valuable and useful knowledge for performing the duties thereof as a Director of the Company.

### **Suitability and merits**

The Board of Directors has assessed and considered the experience, training and professional profile of the candidate, his merits and competence to hold the position of Director, and his experience and knowledge in various industries and issues that are relevant for the Company

By virtue thereof, the Board of Directors has come to a very favorable conclusion regarding the suitability of Mr. José María Abril Pérez for holding the position, as he meets the requirements of business and professional good standing and appropriate knowledge and experience for performing the duties thereof as a Director of the Company.

### **Availability**

It has been verified that the candidate is effectively available to provide the dedication required to hold the position of Director of the Company, with the classification of proprietary Director.

### **Absence of disqualifications and conflicts**

It has also been verified that the candidate has not incurred any grounds for disqualification, prohibition or permanent conflict of interest that would prevent him from properly performing the duties thereof, or any of the circumstances contemplated in Article 12 of the Company's Regulations of the Board of Directors.

## **Class of Director**

The re-election of Mr. José María Abril Pérez is proposed at the request of the shareholder Banco Bilbao Vizcaya Argentaria, S.A., the holder, as of December 31, 2021, of 4.99% of voting rights regarding the share capital of the Company, for which reason he is classified as a proprietary Director.

## **Report of the Nominating, Compensation and Corporate Governance Committee**

The favorable report of the Nominating, Compensation and Corporate Governance Committee dated February 22, 2022 on the proposed re-election of Mr. Abril Pérez is attached as an exhibit to this report.

### **2.2 MR. ÁNGEL VILÁ BOIX**

#### **Professional and biographical profile and noteworthy experience**

Born in Barcelona, on July 29, 1964.

He graduated in Industrial Engineering from Universitat Politècnica de Catalunya in Barcelona and holds a MBA from Columbia Business School, where he studied with a Fulbright La Caixa scholarship.

Mr. Vilá is Director of VMED 02 UK Ltd. He is also member of the Advisory Boards of Telefónica España and Telefónica Tech, and a Trustee of the Telefónica Foundation.

Mr. Vilá joined Telefónica in 1997 and subsequently held the positions of Group Controller, CFO of Telefónica Internacional, Head of Corporate Development and Chief Financial and Corporate Development Officer. In 2015 he was appointed Chief Strategy and Finance Officer.

Prior to joining Telefónica, he held positions at Citigroup, McKinsey&Co, Ferrovial and Planeta.

In the financial sector, he has served on the Board of directors of Banco Bilbao Vizcaya Argentaria (BBVA) and on the Advisory Panel of Macquarie MEIF Infrastructure funds.

In the TMT sector (Technology, Media and Telecom), he was Chairman of Telefónica Contenidos, Deputy Chairman of Telco Spa (Italy) and a Board member of Endemol, Digital+, Atento, Telefonica Czech, CTC Chile, Indra SSI and Terra Lycos.

He was named Best CFO in European Telecoms in 2015 by Institutional Investor. He was named Best CFO in Spain in 2013 and 2014 and Best CFO for Telecommunications in Europe in 2014 by Thomson Reuters Extel.

The Board of Directors of the Company considers that the training and experience of Mr. Ángel Vilá Boix provide him with highly valuable and useful knowledge for performing the duties thereof as a Director of the Company.

### **Suitability and merits**

The Board of Directors has valued the fact that Mr. Ángel Vilá Boix has the knowledge, experience and professional background required to contribute to the development of the Telefónica Group in the coming years and to meet the challenges that the telecommunications sector will face.

In this regard, the Committee has evaluated, from a professional perspective, the achievements of Mr. Ángel Vilá Boix throughout his term as Chief Operating Officer, designing and executing, in a very effective way, some of the most important operations that the Telefónica Group has carried out in recent years; all of this within the framework of the current Strategic Plan of the Telefónica Group, which is allowing a true transformation and a boost in the digitization of this Group, in order to capture the maximum synergies and business opportunities.

Proof of this has been its outstanding participation in the creation of the VMED O2 Joint Venture, the sale of Telxius' telecommunications tower decision, or the award in Brazil of Oi's mobile assets together with TIM Brasil and Claro. Likewise, Mr. Ángel Vilá Boix has successfully managed the business of the Telefónica Group, as head of the different business units in Spain, Germany, Brazil, and the UK (50/50 Joint Venture Telefónica and Liberty), the Telefónica Tech and Telefonica Infra, and the Department of Technology and Information (CTIO).

And with regard to the personal level, the Board of Directors has especially valued his demonstrated tenacity, leadership and team management skills, as well as his high dedication and commitment to the Telefónica Group.

By virtue thereof, the Board of Directors has come to a very favorable conclusion regarding the suitability of Mr. Ángel Vilá Boix for holding the position, as he meets the requirements of business and professional good standing and appropriate knowledge and experience for performing the duties thereof as a Director of the Company.

### **Availability**

It has been verified that the candidate is effectively available to provide the dedication required to hold the position of Director of the Company with the classification of executive Director.

### **Absence of disqualifications and conflicts**

It has also been verified that the candidate has not incurred any grounds for disqualification, prohibition or permanent conflict of interest that would prevent him from properly performing the duties thereof, or any of the circumstances contemplated in Article 12 of the Company's Regulations of the Board of Directors.

## **Class of Director**

Mr. Ángel Vilá Boix is currently the Chief Operating Officer of Telefónica, S.A., for which reason he is classified as an executive Director.

## **Report of the Nominating, Compensation and Corporate Governance Committee**

The favorable report of the Nominating, Compensation and Corporate Governance Committee dated February 22, 2022 on the proposed re-election of Mr. Vilá Boix is attached as an exhibit to this report.

### **2.3 MS. MARÍA LUISA GARCÍA BLANCO**

#### **Professional and biographical profile and noteworthy experience**

Born in Córdoba (Spain), on October 25, 1965.

She holds a law degree from the University of Córdoba (Spain). Government lawyer. Class of 1992.

Founding Partner at law firm Salama García Blanco, SLP (Government lawyer on leave of absence since October 2013), the main practices of the firm being: administrative and constitutional law, advice and technical defense of credit institutions, civil and commercial litigation, and arbitration (Arbitrator in the Spanish Court of Arbitration, of the Madrid Court of Arbitration and in the Civil and Commercial Court of Arbitration -CIMA-; Member of the Government and Control Committee of CIMA). She is Chair of the 65YMAS.COM Expert Committee (since November 2020). Likewise, she is Member of the Advisory Board of Telefónica España.

Previously, she was Deputy Director-General of Constitutional Law and Human Rights and Government Lawyer-Head of the Constitutional Law and Human Rights Department. Agent of the Kingdom of Spain before the European Court of Human Rights. Chief Coordinator of the Spanish delegation before the various UN Committees in Geneva (2002-2013).

As Agent of the Kingdom of Spain, she has mainly performed the following activities:

- Management and coordination of the Spanish Delegation made up of representatives from the different Ministries for defense of the report by the Kingdom of Spain before the various UN Committees in nonjudicial proceedings: Committee against Torture; Universal Periodic Review of Spain by the Human Rights Council; Committee on the Rights of the Child; Human Rights Committee and Committee on the Elimination of Racial Discrimination.
- Defense of the Kingdom of Spain before the various UN Committees in individual claims and before the European Court of Human Rights in individual claims.

Likewise, and previously, Government Lawyer at the Constitutional Court (2000-2002), in the Studies and Research Bureau of the Ministry of Justice (1999-2000), at the Ministry of Agriculture, Fisheries and Food (1993-1999), in Caceres (1992-1993), being Member of the Caceres Provincial Just Compensation Panel.

Additionally, she has also carried out, among others, the following activities: Secretary of the Board of Directors of Sociedad estatal de infraestructuras agrarias del Norte (SEIASA DEL NORTE) and of its Audit and Control Committee (1999-2010); Director of Sociedad Estatal de Infraestructuras Agrarias (SEIASA) (2010-2013); Director of Sociedad Estatal de Aguas de la Cuenca del Norte (Acuanorte) (2009-2012); and of Sociedad Estatal de Aguas de las Cuencas de España (AcuaEs) (2012-2013) and coordination and cooperation activities for the promotion and defense of human rights in Uruguay (2006), Colombia (2007 and 2008), Chile (2009) and Guatemala (2010).

She holds the Cross of Honor of the Order of St. Raymond of Penyafort (2006) and is a Corresponding Member of the Royal Academy of Jurisprudence and Legislation (2014).

The Board of Directors of the Company considers that the training and experience of Ms. María Luisa García Blanco provide her with highly valuable and useful knowledge for performing the duties thereof as a Director of the Company.

### **Suitability and merits**

The Board of Directors has assessed and considered the experience, training and professional profile of the candidate, her merits and competence to hold the position of Director, and her experience and knowledge in various industries and issues that are relevant for the Company.

In particular, the Board of Directors has considered very positively her broad international experience in regulatory, administrative and constitutional law, as well as her outstanding performance in the defense of Human Rights before various agencies and institutions at both the domestic and the international level. The candidate's merits in the area of Law are proven by her status as Correspondent Member of the Royal Academy of Jurisprudence and Legislation and as a recipient of the Cross of Honor of the Order of San Raimundo de Peñafort.

By virtue thereof, the Board of Directors has come to a very favorable conclusion regarding the suitability of the candidate for holding the position, as she meets the requirements of business and professional good standing and appropriate knowledge and experience for performing the duties thereof as a Director of the Company.

Moreover, and regardless of her recognized merits and personal capacity, the appointment of Ms. María Luisa García Blanco will maintain the number of women on the Board of Directors, in line with the Company's commitment to promoting the diversity of its Board.



### **Availability**

It has been verified that the candidate is effectively available to provide the dedication required to hold the position of Director of the Company with the classification of independent Director.

### **Absence of disqualifications and conflicts**

It has also been verified that the candidate has not incurred any grounds for disqualification, prohibition or permanent conflict of interest that would prevent her from properly performing the duties thereof, or any of the circumstances contemplated in Article 12 of the Company's Regulations of the Board of Directors.

### **Class of Director**

Ms. María Luisa García Blanco has been proposed based on the personal and professional characteristics thereof, with the Nominating, Compensation and Corporate Governance Committee and the Board of Directors itself having verified and assessed that the candidate is not currently involved in any of the circumstances provided for in Section 529 duodecies.4 of the Companies Act and that she can hold the position without being influenced by relations with the Company or its Group, its significant shareholders or its officers, for which reason she can be classified as an independent Director.

Therefore, Ms. García Blanco belongs to the class of independent Director.

### **Proposal of the Nominating, Compensation and Corporate Governance Committee**

The proposal for re-election of Ms. María Luisa García Blanco as an independent Director of the Company comes from the Nominating, Compensation and Corporate Governance Committee, as appears in the report of such Committee dated February 22, 2022, which is attached as an exhibit to this report.

## **2.4 MR. FRANCISCO JAVIER DE PAZ MANCHO**

### **Professional and biographical profile and noteworthy experience**

Born in Valladolid, on July 24, 1958.

Mr. de Paz has a degree in Publicity and Information and studies in Law. He holds a Diploma in Senior Management from IESE (University of Navarra).

He is a Director of Telefônica Brasil, S.A. and Telefónica Audiovisual Digital, S.L.U. Likewise, he is member of the Advisory Boards of Telefónica de España and of Telefónica Hispanoamérica.

From July 2016 to December 2021 he was Chairman of Telefónica Ingeniería de Seguridad, S.A. From April 2018 to April 2021 he was Member of the Board of Directors of Telefónica Móviles de Argentina, S.A. From July 2020 to May 2021 he was a member of the Board of Directors of Pegaso PCS, S.A. de C.V. (Mexico).

From September 2016 to July 2020, he was Member of the Board of Directors of Telefónica Móviles México, S.A. From September 2014 to March 2016, he was Chairman of Telefónica Gestión de Servicios Compartidos, S.A.U.

From July 2006 to November 19, 2014 he was Member of the Executive Committee of the High Council of Chambers (Consejo Superior de Cámaras). From 2008 until May 10, 2018, he was a Director of Telefónica Argentina, S.A. From December 2008 to December 2012 he was Chairman of Atento Inversiones y Teleservicios, S.A. From 2004 to December 2007, he was Chairman of State-owned enterprise MERCASA. In addition, he has been Assistant to the Chairman and Head of Corporate Strategy of the Panrico Donuts Group (1996-2004), Director General of Internal Trade of the Ministry of Trade and Tourism (1993-1996), Secretary General of the Spanish Consumers Union (UCE), Chief Executive Officer of the Magazine "Revista Ciudadano" (1990-1993), and Secretary of the Young Socialists and Member of the Executive of the PSOE (1984-1993).

He has also held the following positions and responsibilities: Director of the Tunnel of Cadí (2004-2006), Chairman of the Patronal Pan y Bollería Marca (COE) (2003-2004), Director of Mutua de Accidentes de Zaragoza (MAZ) (1998-2004), Director of the Panrico Group (1998-2004), Chairman of the Observatory of Trading of the Spanish Ministry of Trade and Tourism (1994-1996), Member of the Economic and Social Board and of its permanent Commission (1991-1993 and 1996-2000), and Director of Tabacalera, S.A. (1993-1996).

The Board of Directors of the Company considers that the training and experience of Mr. Francisco Javier de Paz Mancho provide him with highly valuable and useful knowledge for performing the duties thereof as a Director of the Company.

### **Suitability and merits**

The Board of Directors has assessed and considered the experience, training and professional profile of the candidate, his merits and competence to hold the position of Director, and his experience and knowledge in various industries and issues that are relevant for the Company.

In particular, the Board of Directors has considered very positively the experience of Mr. Francisco Javier de Paz Mancho, highlighting his extensive track record in various fields and areas in the corporate and public sectors, as well as his notable capacity for team management, coordination and leadership.

By virtue thereof, the Board of Directors has come to a very favorable conclusion regarding the suitability of the candidate for holding the position, as he meets the requirements of business and professional good standing and appropriate knowledge and experience for performing the duties thereof as a Director of the Company.

### **Availability**

It has been verified that the candidate is effectively available to provide the dedication required to hold the position of Director of the Company with the classification of other external Director.

### **Absence of disqualifications and conflicts**

It has also been verified that the candidate has not incurred any grounds for disqualification, prohibition or permanent conflict of interest that would prevent him from properly performing the duties thereof, or any of the circumstances contemplated in Article 12 of the Company's Regulations of the Board of Directors.

### **Class of Director**

Mr. Francisco Javier de Paz Mancho has been proposed based on the personal and professional characteristics thereof. However, as Mr. de Paz Mancho is affected by the circumstance provided for in Section 529 *duodecies.4.i)* of the Companies Act, he cannot be considered as an independent Director because he has been a Director of the Company for an uninterrupted period exceeding 12 years (since his first interim appointment (co-option) by the Board of Directors at its meeting of December 19, 2007), for which reason he should be classified as other external Director.

### **Report of the Nominating, Compensation and Corporate Governance Committee**

The favorable report of the Nominating, Compensation and Corporate Governance Committee dated February 22, 2022 on the proposed re-election of Mr. de Paz Mancho is attached as an exhibit to this report.

## **2.5 MS. MARÍA ROTONDO URCOLA**

### **Professional and biographical profile and noteworthy experience**

Born in Madrid, on May 18, 1964.

Ms. Rotondo has a degree in Economics and Business Administration from the Complutense University of Madrid. She has received complementary training at various Institutions such as ESG Academy/Foretica, IESE, IC-A, EEC, IMD, NYU, Harvard, Boston College, among others.

Ms. Rotondo is currently Co-Director and professor in the Sustainability Program at the Instituto de Empresa (IE) SYCA, where she teaches classes on corporate governance and sustainability. She also teaches Special Operations Communication in the Master's in Investor Relations at Bolsas y Mercados (BME), has been a professor of Capital Markets at the Instituto de Consejeros y Administradores (ICA), internal trainer at Banco Santander, as well as a speaker at various forums and contributor to several publications (Fide Monedas digitales

in 2020, Gaptel, among others). She also performs mentoring activities for 10 years within various programs (Santander Supera, Mentor-She Comunidad de Madrid, TMD).

She is currently an independent Director of CACEIS Bank Spain and SANTANDER CACEIS LATAM HOLDO (since 2019), and Independent Director of Libertas 7 (since 2021). She also participates in the Advisory Board of Top Boards-Headspring (Financial Times - Instituto de Empresa) (since 2017).

Previously, she was an independent Director of Indra (2017-2020). She has also served on the Advisory Board of Instituto de Empresa (IE) "Transformation with Purpose", and of Hotelab.

Regarding her professional experience, it is worth stressing that, during her last 10 years at Banco Santander (2006-2016), she was Global Head of the Telecommunications, Media and Technology at Santander Global Banking and Markets leading important strategic operations within the telecommunications sector. Previously (1989-2006), at Santander Investment Sociedad de Valores y Bolsa, she was an Investment Analyst specializing in various sectors, particularly in the telecommunications sector, Macroeconomist, and Head of Equity Research Europe.

Among the awards received, the most noteworthy are the following: Finalist 2016 TMT Finance EMEA, Best Corporate Finance Deal (OPA Orange-Jazztel); 1999-2002 Reuters-Institutional Investor, 1 and 3 Ranked European Telecom Analyst; 2001 Footsie- Actualidad Económica, 1 Ranked analyst all sectors in Spain 2001; 2000 Institutional Investors, First Equity Research team in Spain by Institutional Investors; and 1997 Vallehermoso Award, 1 Real Estate Analyst (Ladrillo de Oro 1997).

The Board of Directors of the Company considers that the training and experience of Ms. María Rotondo Urcola provide her with highly valuable and useful knowledge for performing the duties thereof as a Director of the Company.

### **Suitability and merits**

The Board of Directors has assessed and considered the experience, training and professional profile of the candidate, her merits and competence to hold the position of Director, and her experience and knowledge in various industries and issues that are relevant for the Company.

In particular, the Board of Directors has considered very positively the experience of Ms. María Rotondo Urcola, highlighting her knowledge in the areas of capital markets, corporate governance and sustainability, her broad experience in the area of investments in the telecommunications, media and technology sectors, and her capacity to contribute to strengthening the Company's strategy in this field.

By virtue thereof, the Board of Directors has come to a very favorable conclusion regarding the suitability of the candidate for holding the position, as she meets the requirements of business and professional good standing and appropriate

knowledge and experience for performing the duties thereof as a Director of the Company.

Moreover, and regardless of her recognized merits and personal capacity, the appointment of Ms. María Rotondo Urcola will maintain the number of women on the Board of Directors, in line with the Company's commitment to promoting the diversity of its Board.

#### **Availability**

It has been verified that the candidate is effectively available to provide the dedication required to hold the position of Director of the Company with the classification of independent Director.

#### **Absence of disqualifications and conflicts**

It has also been verified that the candidate has not incurred any grounds for disqualification, prohibition or permanent conflict of interest that would prevent her from properly performing the duties thereof, or any of the circumstances contemplated in Article 12 of the Company's Regulations of the Board of Directors.

#### **Class of Director**

Ms. María Rotondo Urcola has been proposed based on the personal and professional characteristics thereof, with the Nominating, Compensation and Corporate Governance Committee and the Board of Directors itself having verified and assessed that the candidate is not currently involved in any of the circumstances provided for in Section 529 duodecies.4 of the Companies Act and that she can hold the position without being influenced by relations with the Company or its Group, its significant shareholders or its officers, for which reason she can be classified as an independent Director.

Therefore, Ms. Rotondo Urcola belongs to the class of independent Director.

#### **Proposal of the Nominating, Compensation and Corporate Governance Committee**

The proposal for ratification and appointment of Ms. María Rotondo Urcola as an independent Director of the Company comes from the Nominating, Compensation and Corporate Governance Committee, as appears in the report of such Committee dated February 22, 2022, which is attached as an exhibit to this report.

### **3. PROPOSALS FOR RE-ELECTION, RATIFICATION AND APPOINTMENT OF DIRECTORS**

For all of the foregoing reasons, the Board of Directors finds that Mr. José María Abril Pérez, Mr. Ángel Vilá Boix, Ms. María Luisa García Blanco, Mr. Francisco Javier de Paz Mancho and Ms. María Rotondo Urcola meet the requirements of good standing, suitability, caliber, competence, qualifications, training, availability, and commitment to

duties required to hold the position, and have not incurred any grounds for disqualification, prohibition or permanent conflict of interest, or any of the grounds for removal contemplated in Article 12 of the Company's Regulations of the Board of Directors.

By virtue thereof, following a favorable report or at the proposal of the Nominating, Compensation and Corporate Governance Committee, as applicable, the following proposals for re-election, ratification and appointment of Directors are made to the shareholders at the General Shareholders' Meeting of the Company:

*“IV.1 To re-elect Mr. José María Abril Pérez as a Director for the bylaw-mandated term of four years, following a favorable report from the Nominating, Compensation and Corporate Governance Committee, with the classification of proprietary Director.*

*IV.2 To re-elect Mr. Ángel Vilá Boix as a Director for the bylaw-mandated term of four years, following a favorable report from the Nominating, Compensation and Corporate Governance Committee, with the classification of executive Director.*

*IV.3 To re-elect Ms. María Luisa García Blanco as a Director for the bylaw-mandated term of four years, following a proposal from the Nominating, Compensation and Corporate Governance Committee, with the classification of independent Director.*

*IV.4 To re-elect Mr. Francisco Javier de Paz Mancho as a Director for the bylaw-mandated term of four years, following a favorable report from the Nominating, Compensation and Corporate Governance Committee, with the classification of other external Director.*

*IV.5 To ratify the interim appointment (co-option) of Ms. María Rotondo Urcola as a Director, approved by the Board of Directors at its meeting held on September 29, 2021, and to appoint her as a Director, for the bylaw-mandated term of four years, following a proposal from the Nominating, Compensation and Corporate Governance Committee, with the classification of independent Director.*

*In addition, the ratification of any interim appointments of Directors that the Board of Directors might approve from the call to the General Meeting to the time immediately prior to the holding thereof will be proposed to the shareholders at the General Shareholders' Meeting.”*

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Madrid, March 4, 2022

**REPORT OF THE NOMINATING, COMPENSATION AND CORPORATE  
GOVERNANCE COMMITTEE OF TELEFÓNICA, S.A.**

**REGARDING**

**THE PROPOSALS FOR RE-ELECTION, RATIFICATION AND APPOINTMENT OF  
DIRECTORS TO BE SUBMITTED TO THE SHAREHOLDERS' MEETING**

**February 22, 2022**

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Article 529 of the Capital Companies Law establishes that proposals for the re-election, ratification and appointment of the members of the Board of Directors must be accompanied by an explanatory report from the Board that assesses the competence, experience and merits of the candidate proposed; and will also be preceded, in the case of proposals for the re-election, ratification and appointment of any non-independent Director, by a report from the appointments and compensation committee.

In addition, article 10.2 of the Regulations of the Board of Directors of Telefónica, S.A. (the "**Company**") establishes that proposals for the appointment, re-election and ratification of Directors submitted by the Board of Directors for consideration at the Shareholders' Meeting, and the resolutions appointing Directors adopted by the Board of Directors itself pursuant to the co-option powers attributed by law thereto, must be preceded by a corresponding report of the Nominating, Compensation and Corporate Governance Committee and, in the case of independent Directors, by a corresponding proposal.

In accordance with such article of the Board Regulations, in the case of re-election or ratification, the report or proposal from the Nominating, Compensation and Corporate Governance Committee will contain an evaluation of the work and effective dedication to the position during the last period of time in which the proposed Director held the position.

Lastly, article 10.4 of the Regulations of the Board of Directors establishes that the outcome of the preliminary analysis of the skills required by the Board of Directors shall be set out in the explanatory report or proposal of the Nominating, Compensation and Corporate Governance Committee, to be published upon the call of the Shareholders' Meeting that is to ratify the appointment or reappointment of each Director.

In compliance with the above requirements, the Nominating, Compensation and Corporate Governance Committee has approved this global report on the proposals for re-election, ratification and appointment of Directors that, following a report from or at the proposal of the Nominating, Compensation and Corporate Governance Committee, are going to be submitted to the Company's upcoming 2022 Shareholders' Meeting, for the purposes of generally explaining the context of such proposals and setting out the prior analysis of the skills required by the Board of Directors.

## **1. APPLICATION OF THE DIVERSITY POLICY IN RELATION TO THE BOARD OF DIRECTORS OF TELEFÓNICA, S.A. AND TO THE SELECTION OF DIRECTORS**

At its meeting of November 25, 2015, the Board of Directors approved a Director Selection Policy, which was updated on December 13, 2017 to include a Diversity Policy applicable to the Board of Directors, for which reason its name was changed to the Diversity Policy in relation to the Board of Directors of Telefonica, S.A. and the Selection of Directors. On December 16, 2020, the Board of Directors also approved an update of this Policy to conform it, particularly in terms of diversity, to the provisions of the Recommendations of the Code of Good Governance of the Spanish National Securities Market Commission, the last partial reform of which took place in June 2020. This policy is public and can be consulted on the corporate website ([www.telefonica.com](http://www.telefonica.com)).

Such Policy seeks to ensure that the procedures for selecting Directors are based on a prior analysis of the skills required by the Board of Directors and favor a diversity of knowledge, professional training and experience, disabilities, age and gender, ensuring that such proposals are free from any implicit bias entailing any kind of discrimination, particularly by reason of gender, disability or any other personal condition, and that they facilitate the selection of Directors in a number that allows for a balanced presence of women and men.

In this respect, the Board of Directors and the Nominating, Compensation and Corporate Governance Committee will ensure, within the scope of their respective powers, that the candidates chosen for the position of Director are persons of recognized caliber, competence and experience, who are willing to devote the time and effort required to perform their duties, taking special care in the selection of the persons to be appointed as Independent Directors.

In this regard, all candidates for the Company's Board of Directors must be upstanding professionals whose conduct and professional career are aligned with Telefonica's Business Principles. In addition, special consideration is given to candidates for Director with training and professional experience in telecommunications, technology, consumer knowledge, ESG knowledge, marketing, accounting, auditing, risk management (both financial and non-financial), with extra value placed on international experience and the leadership of teams at multinationals.

The Diversity Policy in relation to the Board of Directors of Telefonica, S.A. and the Selection of Directors sets out the procedure for selecting the directors of the Company and establishes that the Board of Directors must perform an annual evaluation of its functioning and that of its Committees, particularly valuing the application, in the composition and skills of the Board, of the various aspects of diversity set out in such Policy, as well as the performance of the Chairman of the Board of Directors, of the Company's Chief Executive Officer, and of the various Directors, paying special attention to the heads of the various Board Committees, and adopting appropriate measures for the improvement thereof.

The Nominating, Compensation and Corporate Governance Committee has verified that in the process of preparing and approving the proposals for re-election, ratification and appointment of Directors that it intends to submit to the 2022 General Shareholders'



Meeting, the provisions of the Diversity Policy in relation to the Board of Directors of Telefonica, S.A. and the Selection of Directors have been complied with and a suitable and rigorous procedure has been followed to ensure that the proposals formulated, as applicable, by both the Board of Directors (with respect to proposals affecting non-independent Directors, following a favorable report from the Nominating, Compensation and Corporate Governance Committee) and the Nominating, Compensation and Corporate Governance Committee (with respect to the proposals affecting independent Directors) are in the best interest of the Company.

## **2. PROPOSALS RELATING TO THE COMPOSITION OF THE BOARD OF DIRECTORS**

The proposals for re-election, ratification and appointment of Directors that will be submitted at the upcoming General Shareholders' Meeting, for which reports (for the non-independent Directors) and proposals (regarding the Independent Directors) have been prepared by the Nominating, Compensation and Corporate Governance Committee, are as follows:

- Re-election of the Director Mr. José María Abril Pérez as a proprietary Director for a new four-year period.
- Re-election of the Director Mr. Ángel Vilá Boix as an executive Director for a new four-year period.
- Re-election of the Director Ms. María Luisa García Blanco as an independent Director for a new four-year period.
- Re-election of the Director Mr. Francisco Javier de Paz Mancho as other external Director for a new four-year period.
- Ratification of the interim appointment (co-option) and appointment of Ms. María Rotondo Urcola as an independent Director for a new four-year period.

## **3. ANALYSIS OF THE COMPOSITION OF THE BOARD OF DIRECTORS AND SKILLS REQUIRED BY THIS BODY**

### **3.1 The Board of Directors**

Pursuant to the provisions of the Law and the Bylaws, the Board of Directors is the highest managing and representative body of the Company and is therefore empowered to perform, within the scope of the corporate purpose defined in the Bylaws, any acts or legal transactions of administration and disposition, by any legal means, except for those reserved by the Law or the Bylaws to the sole jurisdiction of the shareholders at a General Shareholders' Meeting.

Notwithstanding the foregoing, the Board of Directors is basically configured as a supervisory and control body that entrusts the ordinary management of the Company's business to the executive bodies and the management team.

The Board of Directors is currently composed of fifteen Directors, of whom two are executive directors and the rest non-executive directors. Of the non-executive Directors, nine are considered independent Directors, which means that the majority of the Board of Directors is made up of Independent Directors. In addition, there are five women sitting on the Board of Directors, in keeping with the Company's commitment to promoting diversity on its Board.

### **3.2 Evaluation of the Board of Directors, its Committees and its members**

On an annual basis, all of the Company's Directors evaluate the operation of Telefonica, S.A.'s Board of Directors, of its Committees and of the General Shareholders' Meeting. Every three years, this evaluation is also performed with the assistance of an external consultant, the independence of which is verified by the Nominating, Compensation and Corporate Governance Committee.

For the evaluation of the Board of Directors corresponding to the fiscal year 2017, the Company was assisted by the external advisor Villafane & Asociados Consultores; the evaluations corresponding to the fiscal years 2018 and 2019 were carried out internally by the Company, without the support of an external advisor; for the evaluation corresponding to the fiscal year 2020, the Board of Directors, at the proposal of the Nominating, Compensation and Corporate Governance Committee, was assisted by the consulting firm Egon Zehnder, as external advisor; and the evaluation corresponding to fiscal year 2021 has been performed internally by the Company, without the support of an external advisor.

This evaluation process has consisted of the completion by each of the Directors of the corresponding evaluation questionnaire. The questionnaire contained a wide range of questions, grouped into the following sections: i) the composition, operation and skills of the Board of Directors, expressly including the suitability of the performance and contribution of each Director, the Chairman, the lead independent Director and the Secretary of the Board of Directors; ii) the composition, operation and skills of the Board Committees, expressly including the suitability of the performance and contribution of the Committee Chairs and Secretary; iii) rights and duties of the Directors; iv) General Shareholders' Meeting and stakeholders; and v) suggestions and comments.

Upon the conclusion of this process, the Nominating, Compensation and Corporate Governance Committee, at its meeting held on January 25, 2022, reviewed and analyzed the results of the evaluation, concluding that, in general, the aspects relating to the Board of Directors, Committees and Shareholders' Meeting had been highly regarded and were considered optimal and suitable overall.

However, as a result of the evaluation, and in order to continue improving the operation of the Company's corporate governance system, certain areas were identified for optimization, in light of which and after a detailed examination and analysis of the results achieved, the Board of Directors, upon a proposal of the Nominating, Compensation and Corporate Governance Committee, established, at its meeting on January 26, 2022, an Action Plan for the implementation of the suggestions and recommendations deemed appropriate in order to optimize the operation of the Company's corporate governance system.

### **3.3 Overall rationale**

In reviewing or preparing, as appropriate, the proposals for re-election, ratification and appointment, the Nominating, Compensation and Corporate Governance Committee has taken into account all of the above aspects, as well as the suitability of the Directors' professional profiles to the scope of the Company's business and its international nature, and the skills required by the Board of Directors to be able to effectively perform its supervisory and control functions.

In this respect, the professional experience, training and profile of the Directors whose re-election, ratification and appointment is submitted to the shareholders for approval at the General Shareholders' Meeting evidences in all cases their merits and skills to hold the position of Director, and their experience and knowledge in industries and matters that are diverse and relevant for the Company, which ensures the quality of debate within the Board of Directors.

The Nominating, Compensation and Corporate Governance Committee has particularly evaluated (i) the contribution of the Directors whose re-election, ratification and appointment is proposed to the sound functioning of the Board of Directors and to the effective performance of its supervisory and control duties, (ii) the proposals for re-election, ratification and appointment of Directors by the shareholders at the General Shareholders' Meeting, which, moreover, lead to maintaining a majority of independent Directors and to maintaining the number of women on the Board, and (iii) the fulfillment by all of the Directors of the requirements of good standing, suitability, caliber, competence, qualifications, training, availability and commitment to the duties required to hold the position, and the fact that none of them are subject to any ground for disqualification, prohibition or permanent conflict of interest or any of the grounds for removal contemplated in Article 12 of the Company's Regulations of the Board of Directors.

In any event, the Nominating, Compensation and Corporate Governance Committee has verified that the proposals for re-election, ratification and appointment of Directors relate to persons of recognized caliber, competence and experience, who are willing to devote the time and effort required to perform their duties, taking special care in the selection of the persons to be appointed as Independent Directors.

All Directors whose re-election, ratification and appointment is proposed are also upstanding professionals whose conduct and professional career are aligned with Telefonica's Business Principles.

Following the detailed analysis of the skills required by the Board of Directors, considering the shareholder structure of the Company, the diversity of knowledge, experience, age and gender, and the resulting composition of the Board of Directors, the Nominating, Compensation and Corporate Governance Committee considers that the proposals for re-election, ratification and appointment of Directors to be submitted to the shareholders at the General Shareholders' Meeting are suitable and in the best interest of the Company.

#### **4. PROPOSALS OF THE NOMINATING, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE REGARDING THE RE-ELECTION, RATIFICATION AND APPOINTMENT OF INDEPENDENT DIRECTORS**

In accordance with article 529 decies.4 of the Capital Companies Law, with article 10.2 of the Regulations of the Board of Directors and with the Diversity Policy in relation to the Board of Directors of Telefonica, S.A. and the Selection of Directors, proposals for re-election, ratification and appointment of Independent Directors must come from the Nominating, Compensation and Corporate Governance Committee.

In this respect, it is stated for the record that the Nominating, Compensation and Corporate Governance Committee of the Company makes the following proposal for re-election, ratification and appointment of Independent Directors:

- The Nominating, Compensation and Corporate Governance Committee proposes the re-election of Ms. María Luisa García Blanco and the ratification of the appointment by co-option and appointment of Ms. María Rotondo Urcola, as Independent Directors, both for the bylaw-mandated term of four years.

With respect to this proposal, the Nominating, Compensation and Corporate Governance Committee has evaluated in detail the professional and personal profiles of the candidates, the fulfillment of the requirements of business and professional good standing, that their knowledge, competences and experience are suitable to perform their duties as Directors of the Company and that they have the capacity to properly devote themselves to discharging their office and to effectively contribute to the governance bodies of the Company so that they may perform their duties with the highest standards of quality and efficiency.

##### **4.1. MS. MARÍA LUISA GARCÍA BLANCO**

###### **Professional and biographical profile and noteworthy experience**

Born in Córdoba (Spain), on October 25, 1965.

She holds a law degree from the University of Córdoba (Spain). Government lawyer. Class of 1992.

Founding Partner at law firm Salama García Blanco, SLP (Government lawyer on leave of absence since October 2013), the main practices of the firm being: administrative and constitutional law, advice and technical defense of credit institutions, civil and commercial litigation, and arbitration (Arbitrator in the Spanish Court of Arbitration, of the Madrid Court of Arbitration and in the Civil and Commercial Court of Arbitration -CIMA-; Member of the Government and Control Committee of CIMA). She is Chair of the 65YMAS.COM Expert Committee (since November 2020). Likewise, she is Member of the Advisory Board of Telefónica España.

Previously, she was Deputy Director-General of Constitutional Law and Human Rights and Government Lawyer-Head of the Constitutional Law and Human Rights Department. Agent of the Kingdom of Spain before the European Court of Human

Rights. Chief Coordinator of the Spanish delegation before the various UN Committees in Geneva (2002-2013).

As Agent of the Kingdom of Spain, she has mainly performed the following activities:

- Management and coordination of the Spanish Delegation made up of representatives from the different Ministries for defense of the report by the Kingdom of Spain before the various UN Committees in nonjudicial proceedings: Committee against Torture; Universal Periodic Review of Spain by the Human Rights Council; Committee on the Rights of the Child; Human Rights Committee and Committee on the Elimination of Racial Discrimination.
- Defense of the Kingdom of Spain before the various UN Committees in individual claims and before the European Court of Human Rights in individual claims.

Likewise, and previously, Government Lawyer at the Constitutional Court (2000-2002), in the Studies and Research Bureau of the Ministry of Justice (1999-2000), at the Ministry of Agriculture, Fisheries and Food (1993-1999), in Caceres (1992-1993), being Member of the Caceres Provincial Just Compensation Panel.

Additionally, she has also carried out, among others, the following activities: Secretary of the Board of Directors of Sociedad estatal de infraestructuras agrarias del Norte (SEIASA DEL NORTE) and of its Audit and Control Committee (1999-2010); Director of Sociedad Estatal de Infraestructuras Agrarias (SEIASA) (2010-2013); Director of Sociedad Estatal de Aguas de la Cuenca del Norte (Acuanorte) (2009-2012); and of Sociedad Estatal de Aguas de las Cuencas de España (AcuaEs) (2012-2013) and coordination and cooperation activities for the promotion and defense of human rights in Uruguay (2006), Colombia (2007 and 2008), Chile (2009) and Guatemala (2010).

She holds the Cross of Honor of the Order of St. Raymond of Penyafort (2006) and is a Corresponding Member of the Royal Academy of Jurisprudence and Legislation (2014).

The Nominating, Compensation and Corporate Governance Committee finds that the training and experience of Ms. María Luisa García Blanco gives her highly valuable and useful knowledge for her performance as a Director of the Company.

### **Suitability and merits**

The Nominating, Compensation and Corporate Governance Committee has assessed and considered the experience, training and professional profile of the candidate, her merits and competence to hold the position of Director, and her experience and knowledge in the various industries and issues that are relevant for the Company.

In particular, the Nominating, Compensation and Corporate Governance Committee has taken a very positive view of her extensive international experience

in regulatory, administrative and constitutional law, and her notable work in defense of human rights before various organizations and institutions, at both domestic and international level. The candidate's merits in the field of law are illustrated by her status as a Corresponding Member of the Royal Academy of Jurisprudence and Legislation and her receipt of the Cross of Honor of the Order of St. Raymond of Penyafort.

By virtue thereof, the Nominating, Compensation and Corporate Governance Committee has come to a very favorable conclusion regarding the suitability of the candidate for holding the position, meeting the requirements of business and professional good standing and appropriate knowledge and experience for performing her duties as a Director of the Company.

Moreover, and regardless of her recognized merits and personal capacity, the re-election of Ms. María Luisa García Blanco will maintain the number of women on the Board of Directors, in line with the Company's commitment to promoting the diversity of its Board.

#### **Availability**

It has been verified that the candidate is effectively available to provide the dedication required to hold the position of Director of the Company, with the classification of Independent Director.

#### **Absence of disqualifications and conflicts**

It has also been verified that the candidate has not incurred any grounds for disqualification, prohibition or permanent conflict of interest that would prevent the candidate from properly performing her duties, or any of the circumstances contemplated in article 12 of the Company's Regulations of the Board of Directors.

#### **Class of Director**

Ms. María Luisa García Blanco has been proposed based on her personal and professional characteristics, with the Nominating, Compensation and Corporate Governance Committee having verified that the candidate is not currently involved in any of the circumstances provided for in article 529 duodecies.4 of the Capital Companies Law and that the candidate can hold the position without being influenced by relations with the Company or its Group, its significant shareholders or its officers, for which reason the candidate can be classified as an Independent Director.

Therefore, Ms. Garcia Blanco belongs to the class of Independent Director.

In addition, the Nominating, Compensation and Corporate Governance Committee places on record its approval to release the candidate Ms. María Luisa García Blanco from compliance with the requirement set forth in article 30 of the Bylaws regarding the holding for more than three years in advance of a number of shares of the Company representing a par value of at least 3,000 euros in order to be appointed as a Director of the Company.

#### **4.2. MS. MARÍA ROTONDO URCOLA**

##### **Professional and biographical profile and noteworthy experience**

Born in Madrid, on May 18, 1964.

Ms. Rotondo has a degree in Economics and Business Administration from the Complutense University of Madrid. She has received complementary training at various Institutions such as ESG Academy/Foretica, IESE, IC-A, EEC, IMD, NYU, Harvard, Boston College, among others.

Ms. Rotondo is currently Co-Director and professor in the Sustainability Program at the Instituto de Empresa (IE) SYCA, where she teaches classes on corporate governance and sustainability. She also teaches Special Operations Communication in the Master's in Investor Relations at Bolsas y Mercados (BME), has been a professor of Capital Markets at the Instituto de Consejeros y Administradores (ICA), internal trainer at Banco Santander, as well as a speaker at various forums and contributor to several publications (Fide Monedas digitales in 2020, Gaptel, among others). She also performs mentoring activities for 10 years within various programs (Santander Supera, Mentor-She Comunidad de Madrid, TMD).

She is currently an independent Director of CACEIS Bank Spain and SANTANDER CACEIS LATAM HOLDO (since 2019), and Independent Director of Libertas 7 (since 2021). She also participates in the Advisory Board of Top Boards-Headspring (Financial Times - Instituto de Empresa) (since 2017).

Previously, she was an independent Director of Indra (2017-2020). She has also served on the Advisory Board of Instituto de Empresa (IE) "Transformation with Purpose", and of Hotelab.

Regarding her professional experience, it is worth stressing that, during her last 10 years at Banco Santander (2006-2016), she was Global Head of the Telecommunications, Media and Technology at Santander Global Banking and Markets leading important strategic operations within the telecommunications sector. Previously (1989-2006), at Santander Investment Sociedad de Valores y Bolsa, she was an Investment Analyst specializing in various sectors, particularly in the telecommunications sector, Macroeconomist, and Head of Equity Research Europe.

Among the awards received, the most noteworthy are the following: Finalist 2016 TMT Finance EMEA, Best Corporate Finance Deal (OPA Orange-Jazztel); 1999-2002 Reuters-Institutional Investor, 1 and 3 Ranked European Telecom Analyst; 2001 Fotsie- Actualidad Económica, 1 Ranked analyst all sectors in Spain 2001; 2000 Institutional Investors, First Equity Research team in Spain by Institutional Investors; and 1997 Vallehermoso Award, 1 Real Estate Analyst (Ladrillo de Oro 1997).

The Nominating, Compensation and Corporate Governance Committee finds that the training and experience of Ms. María Rotondo Urcola gives her highly valuable and useful knowledge for her performance as a Director of the Company.

### **Suitability and merits**

The Nominating, Compensation and Corporate Governance Committee has assessed and considered the experience, training and professional profile of the candidate, her merits and competence to hold the position of Director, and her experience and knowledge in the various industries and issues that are relevant for the Company.

In particular, the Nominating, Compensation and Corporate Governance Committee has considered very positively the experience of Ms. María Rotondo Urcola, highlighting her knowledge in the fields of capital markets, corporate governance and sustainability, her broad experience in investments in the telecommunications, media and technology sectors and her ability to contribute to strengthening the Company's strategy in this area.

By virtue thereof, the Nominating, Compensation and Corporate Governance Committee has come to a very favorable conclusion regarding the suitability of the candidate for holding the position, meeting the requirements of business and professional good standing and appropriate knowledge and experience for performing her duties as a Director of the Company.

Moreover, and regardless of her recognized merits and personal capacity, the ratification and appointment of Ms. María Rotondo Urcola will maintain the number of women on the Board of Directors, in line with the Company's commitment to promoting the diversity of its Board.

### **Availability**

It has been verified that the candidate is effectively available to provide the dedication required to hold the position of Director of the Company, with the classification of Independent Director.

### **Absence of disqualifications and conflicts**

It has also been verified that the candidate has not incurred any grounds for disqualification, prohibition or permanent conflict of interest that would prevent the candidate from properly performing her duties, or any of the circumstances contemplated in article 12 of the Company's Regulations of the Board of Directors.

### **Class of Director**

Ms. María Rotondo Urcola has been proposed based on her personal and professional characteristics, with the Nominating, Compensation and Corporate Governance Committee having verified that the candidate is not currently involved in any of the circumstances provided for in article 529 duodecies.4 of the Capital Companies Law and that the candidate can hold the position without being



influenced by relations with the Company or its Group, its significant shareholders or its officers, for which reason the candidate can be classified as an Independent Director.

Therefore, Ms. Rotondo belongs to the class of Independent Director.

In addition, the Nominating, Compensation and Corporate Governance Committee places on record its approval to release the candidate Ms. María Rotondo Urcoła from compliance with the requirement set forth in article 30 of the Bylaws regarding the holding for more than three years in advance of a number of shares of the Company representing a par value of at least 3,000 euros in order to be appointed as a Director of the Company.

## **5. REPORTS OF THE NOMINATING, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE ON THE PROPOSALS FOR RE-ELECTION OF NON-INDEPENDENT DIRECTORS**

In accordance with article 529 decies.6 of the Capital Companies Law, with article 10.2 of the Regulations of the Board of Directors and with the Diversity Policy in relation to the Board of Directors of Telefonica, S.A. and the Selection of Directors, proposals for re-election of non-independent Directors must be preceded by the corresponding report from the Nominating, Compensation and Corporate Governance Committee.

For these purposes, the Nominating, Compensation and Corporate Governance Committee issues the following report on the proposals for re-election, for a new four-year period, of the Directors Mr. José María Abril Pérez, with the classification of proprietary Director, Mr. Ángel Vilá Boix, with the classification of executive Director, and Mr. Francisco Javier de Paz Mancho, with the classification of other external Director.

### **5.1. MR. JOSÉ MARÍA ABRIL PÉREZ**

#### **Evaluation of Mr. José María Abril Pérez's performance**

The Nominating, Compensation and Corporate Governance Committee has analyzed the quality of work as Director and the contribution of Mr. José María Abril Pérez to the Board of Directors since his first appointment by co-option at the Board meeting held on July 25, 2007 and particularly during his latest term in office, after his re-election at the General Shareholders' Meeting held on June 8, 2018.

It has also taken into account the dedication of Mr. José María Abril Pérez to holding the position of Director of the Company, as well as his knowledge, skills and experience, which in the opinion of this Nominating, Compensation and Corporate Governance Committee allow him to properly perform his duties.

As a result of all of the foregoing, the Nominating, Compensation and Corporate Governance Committee has concluded that Mr. Abril has quite satisfactorily performed his duties as Director, contributing to the corporate bodies of the Company having a balanced composition that is suitable to the needs thereof, and providing significant cooperation for them to be able to perform their duties with the quality, professionalism and dedication required for the full effectiveness thereof.

## **Evaluation of the conditions required to hold the position**

The Nominating, Compensation and Corporate Governance Committee has also assessed the conditions necessary for holding the position of Director of the Company by Mr. José María Abril Pérez, including those relating to his status, training, professional experience and suitability, upon the terms set out below.

- **Class of Director**

Mr. José María Abril Pérez is re-elected at the proposal of Banco Bilbao Vizcaya Argentaria, S.A., owner of a holding, as of December 31, 2021, of 4.99% of voting rights in the share capital of the Company and, therefore, is classified as a proprietary Director.

- **Training and professional experience**

Born in Burgos, on March 19, 1952.

Degree in Economics from the Deusto Business University and professor at such university for nine years.

In 2002 he was appointed as General Manager of Wholesale Banking and Investments and as Member of the Steering Committee of Banco Bilbao Vizcaya Argentaria, S.A.

From 1975 to 1982 he was the Chief Financial Officer of Sociedad Anónima de Alimentación (SAAL). From then and until he joined Grupo Banco Bilbao Vizcaya Argentaria, he served as Chief Financial Officer of Sancel-Scott Iberica. In 1985 he joined Banco Bilbao as the Head of Corporate Banking Investment. Subsequently, from January to April 1993, he was Executive Coordinator of Banco Español de Crédito, S.A. In 1998 he was appointed as General Manager of the Industrial Group, and in 1999, as a member of the Management Committee of the BBV Group. He has been a board member, among other companies, of Repsol, Iberia and Corporación IBV, as well as Deputy Chairman of Bolsas y Mercados Españoles (BME). Mr. Abril is currently a Director of Arteché Lantegi Elkartea, S.A., and of Ibermática, S.A.

The Nominating, Compensation and Corporate Governance Committee finds that the training and experience of Mr. José María Abril Pérez gives him highly valuable and useful knowledge for his performance as a Director of the Company.

- **Suitability**

The Nominating, Compensation and Corporate Governance Committee has verified and confirmed the suitability of Mr. José María Abril Pérez to hold the position, as he meets the requirements of business and professional good standing and appropriate knowledge and experience for performing his duties as a Director of the Company.

- **Conclusion**

As a result of all of the foregoing, based on the performance of the candidate and his personal and professional qualifications, the Nominating, Compensation and Corporate Governance Committee finds that Mr. José María Abril Pérez has sufficient knowledge and experience to hold the position of Director and meets the suitability requirements applicable thereto, for which reason it has resolved to submit a favorable report thereon to the Board of Directors to propose to the shareholders at the Company's General Shareholders' Meeting his re-election as Director for the bylaw-mandated four-year period with the classification of proprietary Director.

## 5.2. **MR. ÁNGEL VILÁ BOIX**

### **Evaluation of Mr. Ángel Vilá Boix's performance**

The Nominating, Compensation and Corporate Governance Committee has analyzed the quality of work as Director and the contribution of Mr. Ángel Vilá Boix to the Board of Directors since his first appointment by co-option at the Board meeting held on July 26, 2017 and particularly during his latest term in office, after the ratification of his appointment by the General Shareholders' Meeting held on June 8, 2018.

It has also taken into account the dedication of Mr. Ángel Vilá Boix to holding the position of Director of the Company, as well as his knowledge, skills and experience, which in the opinion of this Nominating, Compensation and Corporate Governance Committee allow him to properly perform his duties.

As a result of all of the foregoing, the Nominating, Compensation and Corporate Governance Committee has concluded that Mr. Vilá Boix has performed his duties as CEO superbly, contributing to the corporate bodies of the Company having engaged in their activities in a coordinated and effective manner, performing their duties with the quality, professionalism and dedication required for the full effectiveness thereof.

### **Evaluation of the conditions required to hold the position**

The Nominating, Compensation and Corporate Governance Committee has also assessed the conditions necessary for holding the position of Director of the Company by Mr. Ángel Vilá Boix, including those relating to his status, training, professional experience and suitability, upon the terms set out below.

- **Class of Director**

Mr. Ángel Vilá Boix is currently the Chief Operating Officer of the Company and is therefore classified as an executive Director.

- **Training and professional experience**

Born in Barcelona, on July 29, 1964.

He graduated in Industrial Engineering from Universitat Politècnica de Catalunya in Barcelona and holds a MBA from Columbia Business School, where he studied with a Fulbright La Caixa scholarship.

Mr. Vilá is Director of VMED 02 UK Ltd. He is also member of the Advisory Boards of Telefónica España and Telefónica Tech, and a Trustee of the Telefónica Foundation.

Mr. Vilá joined Telefónica in 1997 and subsequently held the positions of Group Controller, CFO of Telefónica Internacional, Head of Corporate Development and Chief Financial and Corporate Development Officer. In 2015 he was appointed Chief Strategy and Finance Officer.

Prior to joining Telefónica, he held positions at Citigroup, McKinsey&Co, Ferrovial and Planeta.

In the financial sector, he has served on the Board of directors of Banco Bilbao Vizcaya Argentaria (BBVA) and on the Advisory Panel of Macquarie MEIF Infrastructure funds.

In the TMT sector (Technology, Media and Telecom), he was Chairman of Telefónica Contenidos, Deputy Chairman of Telco Spa (Italy) and a Board member of Endemol, Digital+, Atento, Telefonica Czech, CTC Chile, Indra SSI and Terra Lycos.

He was named Best CFO in European Telecoms in 2015 by Institutional Investor. He was named Best CFO in Spain in 2013 and 2014 and Best CFO for Telecommunications in Europe in 2014 by Thomson Reuters Extel.

The Nominating, Compensation and Corporate Governance Committee finds that the training and experience of Mr. Ángel Vilá Boix gives him highly valuable and useful knowledge for his performance as a Director of the Company.

- **Suitability**

The Nominating, Compensation and Corporate Governance Committee has verified and confirmed the suitability of Mr. Ángel Vilá Boix to hold the position, as he meets the requirements of business and professional good standing, and appropriate knowledge and experience for performing his duties as a Director of the Company.

In this regard, the Committee has evaluated, from a professional perspective, the achievements of Mr. Ángel Vilá Boix throughout his term as Chief Operating Officer, designing and executing, in a very effective way, some of the most important operations that the Telefónica Group has carried out in recent years; all of this within the framework of the current Strategic Plan of the Telefónica Group, which is allowing a true transformation and a boost in the digitization of this Group, in order to capture the maximum synergies and business opportunities.

Proof of this has been its outstanding participation in the creation of the VMED O2 Joint Venture, the sale of Telxius' telecommunications tower decision, or the award in Brazil of Oi's mobile assets together with TIM Brasil and Claro. Likewise, Mr. Ángel Vilá Boix has successfully managed the business of the Telefónica Group, as head of the different business units in Spain, Germany, Brazil, and the UK (50/50 Joint Venture Telefónica and Liberty), the Telefónica Tech and Telefonica Infra, and the Department of Technology and Information (CTIO).

And with regard to the personal level, the Committee has especially valued his demonstrated tenacity, leadership and team management skills, as well as his high dedication and commitment to the Telefónica Group.

- **Conclusion**

As a result of all of the foregoing, based on the performance of the candidate and his personal and professional qualifications, the Nominating, Compensation and Corporate Governance Committee finds that Mr. Ángel Vilá Boix has sufficient knowledge and experience to hold the position of Director and meets the suitability requirements applicable thereto, all in view of his position as Chief Operating Officer of the Company, for which reason it has resolved to submit a favorable report thereon to the Board of Directors to propose to the shareholders at the Company's General Shareholders' Meeting his re-election as Director for the bylaw-mandated four-year period with the classification of executive Director.

### **5.3. MR. FRANCISCO JAVIER DE PAZ MANCHO**

#### **Evaluation of the performance of Mr. Francisco Javier de Paz Mancho**

The Nominating, Compensation and Corporate Governance Committee has analyzed the quality of work as Director and the contribution of Mr. Francisco Javier de Paz Mancho to the Board of Directors since his first appointment by co-option at the Board meeting held on December 19, 2007 and particularly during his latest term in office, after his re-election at the General Shareholders' Meeting held on June 8, 2018.

It has also taken into account the dedication of Mr. Francisco Javier de Paz Mancho to holding the position of Director of the Company, as well as his knowledge, skills and experience, which in the opinion of this Nominating, Compensation and Corporate Governance Committee allow him to properly perform his duties.

As a result of all of the foregoing, the Nominating, Compensation and Corporate Governance Committee has concluded that Mr. de Paz has quite satisfactorily performed his duties as Director, contributing to the corporate bodies of the Company having a balanced composition that is suitable to the needs thereof, and providing significant cooperation for them to be able to perform their duties with the quality, professionalism and dedication required for the full effectiveness thereof.

## **Evaluation of the conditions required to hold the position**

The Nominating, Compensation and Corporate Governance Committee has also assessed the conditions necessary for holding the position of Director of the Company by Mr. Francisco Javier de Paz Mancho, including those relating to his status, training, professional experience and suitability, upon the terms set out below.

- **Class of Director**

Mr. Francisco Javier de Paz Mancho has been proposed based on his personal and professional characteristics. However, since Mr. de Paz is subject to the circumstance provided for in article 529 duodecies.4.) of the Capital Companies Law, he cannot be considered an independent director since he has been a Company Director for a continuous period of more than 12 years (since his first appointment by co-option at the Board meeting held on December 19, 2007), for which reason he is classified as other external Director.

- **Training and professional experience**

Born in Valladolid, on July 24, 1958.

Mr. de Paz has a degree in Publicity and Information and studies in Law. He holds a Diploma in Senior Management from IESE (University of Navarra).

He is a Director of Telefónica Brasil, S.A. and Telefónica Audiovisual Digital, S.L.U. Likewise, he is member of the Advisory Boards of Telefónica de España and of Telefónica Hispanoamérica.

From July 2016 to December 2021 he was Chairman of Telefónica Ingeniería de Seguridad, S.A. From April 2018 to April 2021 he was Member of the Board of Directors of Telefónica Móviles de Argentina, S.A. From July 2020 to May 2021 he was a member of the Board of Directors of Pegaso PCS, S.A. de C.V. (Mexico).

From September 2016 to July 2020, he was Member of the Board of Directors of Telefónica Móviles México, S.A. From September 2014 to March 2016, he was Chairman of Telefónica Gestión de Servicios Compartidos, S.A.U.

From July 2006 to November 19, 2014 he was Member of the Executive Committee of the High Council of Chambers (Consejo Superior de Cámaras). From 2008 until May 10, 2018, he was a Director of Telefónica Argentina, S.A. From December 2008 to December 2012 he was Chairman of Atento Inversiones y Teleservicios, S.A. From 2004 to December 2007, he was Chairman of State-owned enterprise MERCASA. In addition, he has been Assistant to the Chairman and Head of Corporate Strategy of the Panrico Donuts Group (1996-2004), Director General of Internal Trade of the Ministry of Trade and Tourism (1993-1996), Secretary General of the Spanish

Consumers Union (UCE), Chief Executive Officer of the Magazine “Revista Ciudadano” (1990-1993), and Secretary of the Young Socialists and Member of the Executive of the PSOE (1984-1993).

He has also held the following positions and responsibilities: Director of the Tunnel of Cadí (2004-2006), Chairman of the Patronal Pan y Bollería Marca (COE) (2003-2004), Director of Mutua de Accidentes de Zaragoza (MAZ) (1998-2004), Director of the Panrico Group (1998-2004), Chairman of the Observatory of Trading of the Spanish Ministry of Trade and Tourism (1994-1996), Member of the Economic and Social Board and of its permanent Commission (1991-1993 and 1996-2000), and Director of Tabacalera, S.A. (1993-1996).

The Nominating, Compensation and Corporate Governance Committee finds that the training and experience of Mr. Francisco Javier de Paz Mancho gives him highly valuable and useful knowledge for his performance as a Director of the Company.

- **Suitability**

The Nominating, Compensation and Corporate Governance Committee has verified and confirmed the suitability of Mr. Francisco Javier de Paz Mancho to hold the position, as he meets the requirements of business and professional respectability and appropriate knowledge and experience for performing his duties as a Director of the Company.

- **Conclusion**

As a result of all of the foregoing, based on the performance of the candidate and his personal and professional qualifications, the Nominating, Compensation and Corporate Governance Committee finds that Mr. Francisco Javier de Paz Mancho has sufficient knowledge and experience to hold the position of Director and meets the suitability requirements applicable thereto, for which reason it has resolved to submit a favorable report thereon to the Board of Directors to propose to the shareholders at the Company's General Shareholders' Meeting his re-election as a Director for the bylaw-mandated four-year period with the classification of other non-executive Director.

## **6. CONCLUSION**

As a result of all the foregoing, having regard to the shareholder structure of the Company, to the skills that its corporate bodies currently have, to the current and projected structure, size and composition of the Board of Directors, and to the personal and professional qualities of the candidates, the Nominating, Compensation and Corporate Governance Committee considers that the proposals for re-election, ratification and appointment of Directors to be submitted at the next General Shareholders' Meeting are suitable and in the best interest of the Company.

Madrid, February 22, 2022