

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

### REGARDING

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

March 8, 2024

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The Board of Directors of Telefónica, S.A. (the “**Company**”) issues this report to justify the proposals for re-election, ratification and appointment of Directors, which are submitted to the shareholders at the General Shareholders' Meeting for approval, pursuant to the provisions of Section 529 *decies* of the Companies Act.

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 the same Act, must be published uninterruptedly on the corporate website as from the publication of the announcement of the call to meeting.

As required by law, and in the interest of transparency, this report evaluates the competence, experience and merits of:

- Mr. Isidro Fainé Casas, proposed to be re-elected as a Director of the Company, with the classification of Proprietary Director;
- Mr. José Javier Echenique Landiribar, proposed to be re-elected as a Director of the Company, with the classification of Independent Director;
- Mr. Peter Löscher, proposed to be re-elected as a Director of the Company, with the classification of Independent Director;
- Ms. Verónica María Pascual Boé, proposed to be re-elected as a Director of the Company, with the classification of Independent Director;
- Ms. Claudia Sender Ramírez, proposed to be re-elected as a Director of the Company, with the classification of Independent Director;
- Ms. Solange Sobral Targa, proposed to be re-elected as a Director of the Company, with the classification of Independent Director; and
- Mr. Alejandro Reynal Ample, proposed to be ratified and appointed as a Director of the Company, with the classification of Independent Director.

this report also contains the other information necessary for shareholders to be able to 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 therein a Diversity Policy applicable to the Board of Directors, and, consequently, changed its name to that of 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 adapt it, particularly in the area of diversity, to the provisions of the Recommendations of the Good Governance Code of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*), the last amendment of which occurred in June 2020. This policy is public and can be viewed on the corporate website (<https://www.telefonica.com/en/shareholders-investors/corporate-governance/policies/>).

This Policy is intended to ensure that the Director selection procedures are based on a prior analysis of the skills required by the Board of Directors and that they favor a diversity of expertise, professional training and experience, age, disability and gender therein, without any implicit bias that could entail any discrimination, particularly on the grounds of gender, disability or any other personal condition, and that facilitates the selection of Directors in a number that allows for the attainment of 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 connection therewith, all candidates for Director of the Company must be professionals of integrity, whose professional conduct and background are aligned with Telefónica's Responsible Business Principles. Likewise, as candidates for Director, special consideration is given to individuals with training and professional experience in telecommunications, technology, consumer knowledge, ESG knowledge, marketing, accounting, auditing, risk management (both financial and non-financial), and international experience and leadership of multinational teams are valued.

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 evaluating the application in the composition and powers of the Board of Directors 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 Board of Directors has verified that in the process of preparing and approving the proposals for re-election and for ratification and appointment of Directors that it intends to submit to the shareholders at the 2024 General Shareholders' Meeting, the provisions of the Diversity Policy in relation to the Board of Directors of Telefónica, S.A. have been complied with and a suitable and rigorous procedure has been followed to ensure that the proposals formulated by both the Board of Directors (with respect to proposals affecting non-independent Directors, following a favorable report of 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**

### **2.1 MR. ISIDRO FAINÉ CASAS**

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

Born in 1942 in Manresa (Barcelona).

He holds a Doctorate in Economics from the University of Barcelona, an International Senior Managers Program certificate in Business Administration from Harvard University, and a Diploma in Senior Management from the IESE Business School. He is a member of the Royal Academy of Economic and Financial Sciences and of the Royal European Academy of Doctorate Holders.

Mr. Fainé began his professional banking career as Investment Manager for Banco Atlántico in 1964, later becoming General Manager of Banco de Asunción in Paraguay in 1969. He returned to Barcelona to hold management positions at various financial entities: Head of Personnel at Banca Riva y García (1973), Director and General Manager of Banca Jover (1974) and General Manager of Banco Unión (1978). In 1982, he joined la Caixa as Deputy Executive General

Manager, subsequently taking on various positions of responsibility. In April 1991, he was appointed Deputy Executive Managing Director and in 1999 rose to General Manager of the bank, before becoming Chairman from June 2007 to June 2014. He was the Chairman of CaixaBank since 2011 until his resignation as a member of the Board of Directors in 2016. He was also a Director of Suez, S.A. from October 2014 to October 2020.

He is currently the Chairman of the Board of Trustees and of the Executive Commission of Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"; Chairman of the Board of Directors and of the Executive Committee of Criteria Caixa, S.A.U. Chairman of the Board of Directors of Inmo Criteria Caixa, S.A.U. and Caixa Capital Risc SGEIC, S.A.; Chairman of the Board of Trustees of the "la Caixa" Research Institute Foundation; Honorary Chairman of Naturgy Energy Group, S.A. and Special Advisor to the Board of "The Bank of East Asia". He is also the Chairman of the Spanish Confederation of Savings Banks (*Confederación Española de Cajas de Ahorros*) (CECA), of the Spanish Savings Bank Foundation (*Fundación de las Cajas de Ahorros*) (Funcas) and of the World Savings Bank Institute (WSBI), Vice-Chairman of the European Savings Banks Group (ESBG) and Chairman of the Social and Philanthropic Committee of WSBI-ESBG. He is also Chairman of the Spanish Confederation of Executives (CEDE), and the Spanish Chapter of the Club of Rome. He is also the Deputy Chairman of the Spanish Royal Academy of Economic and Financial Sciences and founder of the *Círculo Financiero*, and a member of the boards of trustees of several well-known private and public institutions.

The Board of Directors of the Company considers that Mr. Isidro Fainé Casas' training and experience 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, the candidate's merits and competence to hold the position of Director, and the experience and knowledge thereof in the 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. Isidro Fainé Casas for holding the position, meeting 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 the candidate from properly performing the duties thereof, or any of the instances contemplated in Article 12 of the Regulations of the Board of Directors of the Company.

## **Class of Director**

Mr. Isidro Fainé Casas has been proposed at the request of the shareholder Criteria Caixa, S.A.U., holder of 2.58% of the share capital of the Company.

Therefore, Mr. Fainé belongs to the class of Proprietary Director.

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

The favorable report of the Nominating, Compensation and Corporate Governance Committee dated March 7, 2024, on the proposal for re-election of Mr. Fainé Casas, is attached to this report as an exhibit.

### **2.2 MR. JOSÉ JAVIER ECHENIQUE LANDIRÍBAR**

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

Born in 1951 in Isaba (Navarra).

Degree in Economic and Actuarial Sciences from the Basque Country University (UPV), and Professor of Social Security Quantitative Techniques of the Economic Sciences School of Bilbao, UPV, for several years.

He has been a Board Member and General Director of Allianz-Ercos, and General Director of BBVA Group (responsible for wholesale business: Global Investment Banking, Global Corporate Banking, Corporate Banking, Management Banking, Local Loan Bank, Asset Management, Europe Banking, Insurance and Social Security, EBusiness, and Real Estate and Industrial Group). He has also been a member of the Board of Directors of Banco de Sabadell, S.A. (Vice-Chairman), Repsol, S.A., ACS Servicios, Comunicaciones y Energía, S.L., Banco Guipuzcoano, S.A. (Chairman), Grupo Empresarial ENCE, S.A., Sevillana de Electricidad, S.A., Hidroeléctrica del Cantábrico, Metrovacesa and Abertis Infraestructuras, S.A.

He is currently a member of the Board of Directors of Telefónica Audiovisual Digital, S.L.U., ACS Actividades de Construcción y Servicios, S.A., Dragados, S.L. and Calcinor, S.L. He is also an Advisory Board Member of the Deusto Business School and the McKinsey Advisory Council and is a member of the Advisory Board of Telefónica de España.

The Board of Directors of the Company considers that the training and experience of Mr. José Javier Echenique Landiribar provides the candidate 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, the candidate's merits and competence to hold the position of Director, and the experience and knowledge thereof in the various industries and issues that are relevant for the Company.

In particular, the Board has taken a very positive view of the experience of Mr. José Javier Echenique Landiribar, highlighting the candidate's extensive professional track record in the banking, financial and corporate fields, as well as the ability thereof to contribute quite positively to the Company's strategy.

By virtue thereof, the Board of Directors 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 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 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 the duties thereof, or any of the instances contemplated in Article 12 of the Regulations of the Board of Directors of the Company.

### **Class of Director**

Mr. José Javier Echenique Landiribar 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 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 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, Mr. Echenique belongs to the class of Independent Director.

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

The proposal for re-election of Mr. José Javier Echenique Landiribar 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 March 7, 2024, which is attached as an exhibit to this report.

## **2.3 MR. PETER LÖSCHER**

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

Born in 1957 in Villach (Austria).

He has degrees in Economics from the Vienna University of Economics and Business from the Chinese University of Hong Kong. He received his MBA from Vienna University of Economics and completed the Advanced Management Program (AMP) at Harvard Business School. He is an Honorary Professor at Tongji University (Shanghai), and holds an Honorary Doctorate of Engineering from Michigan State University and a Doctor Honoris Causa from the Slovak University of Engineering in Bratislava.

He is a former Chairman of the Board of Directors of Sulzer AG and former Chairman of the Supervisory Board of OMV AG, Austria. From March 2014 to

March 2016 he was CEO of Renova Management AG, Switzerland. Former President and CEO of Siemens AG. He was previously the President of Global Human Health, a member of the Executive Board of Merck & Co., Inc., the CEO of GE Healthcare Bio-Sciences and member of GE's Corporate Executive Council, and the COO and member of the Board of Amersham Plc. He held senior leadership positions in Aventis and Hoechst. He was also the Chairman of the Board of Trustees of the Siemens Foundation.

He is currently the Chairman of the Supervisory Board of Telefónica Deutschland Holding AG, member of the Supervisory Board of Royal Philips, a Director of Thyssen-Bornemisza Group AG (Switzerland), an Independent Director of CaixaBank, S.A. and a non-executive member of the Board of Directors of Doha Venture Capital LLC, Qatar. He is also a Member Emeritus of the Advisory Board of the Economic Development Board of Singapore, and a Member of the International Advisory Council of Bocconi University. He also holds the Grand Decoration of Honor in Gold of the Republic of Austria, the Order of Friendship of the Russian Federation and is Knight Commander of the Order of Civil Merit of Spain.

The Board of Directors of the Company considers that Mr. Peter Löscher's training and experience provide him with highly valuable and useful knowledge for the performance thereby 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, the candidate's merits and competence to hold the position of Director, and the experience and knowledge thereof in the various industries and issues that are relevant for the Company.

In particular, the Board has taken a very positive view of Mr. Peter Löscher's experience, highlighting the candidate's highly-recognized, prestigious professional track record in the private sector, where the candidate has held various posts and positions in different countries.

By virtue thereof, the Board of Directors 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 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 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 the duties thereof, or any of the instances contemplated in Article 12 of the Regulations of the Board of Directors of the Company.

## **Class of Director**

Mr. Peter Löscher 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 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 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, Mr. Löscher belongs to the class of Independent Director.

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

The proposal for re-election of Mr. Peter Löscher 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 March 7, 2024, which is attached as an exhibit to this report.

### **2.4 MS. VERÓNICA MARÍA PASCUAL BOÉ**

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

Born in 1979 in Barcelona.

She has a degree in Aeronautical Engineering from the Polytechnic University of Madrid. She has a Master in Business Administration (MBA) from the Collège des Ingénieurs de Paris and an Executive Master in Positive Leadership and Strategy (EXMPLS) from IE Business School. She also has several postgraduate qualifications from INSEAD, Stanford, and Harvard Business School.

She has led a group of companies involved in digital transformation headed by ASTI Mobile Robotics Group, with affiliates in Spain, France, Germany, and the United States, for 18 years. Since August 2021, ASTI Mobile Robotics Group has been integrated into ABB Robotics and Ms. Pascual moved to the position of Global Manager of Robótica Móvil Autónoma until January 2023.

She began her professional career at the international level in the Strategic Human Resources Department of the multinational industrial group Bouygues. In 2004, she joined the family firm ASTI, and held different positions in the Management of this company. At the end of 2006, she was appointed General Manager and in 2008 she concluded the acquisition of the company. She has previously held various positions, including: Promoter and Founder of Burgos Digital Innovation Hub, through ASTI of DIHBU (2018); President of the Industry Working Group 4.0 of the Castile and Leon Government (2016-2018); President of the Industry Committee 4.0 and Vice President of Talent Development of AMETIC (2016-2018); Member of the Advisory Council of the Quality Agency of the University System (2015-2016); Member of the Advisory Council of EAE Business School (2015-2016); Member of the Governing Council of APD Castile and Leon (2014-2015) and Member of the Board of Directors of Empresa Familiar Castile and Leon (2001-2013).

She is the Chair of the ASTI Technology and Talent Foundation, the Vice President of Endeavor Spain and a Director of the companies GAM, Marsi Bionics and



Viscofan S.A. She currently leads her family office, ALBP Corp. She is also a Director of Telefónica Audiovisual Digital and a member of the Advisory Board of Telefónica Tech.

The Board of Directors of the Company considers that Ms. Verónica María Pascual Boé's training and experience provide the candidate 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, the merits and competence thereof to hold the position of Director, and the candidate's experience and knowledge in the various industries and issues that are relevant for the Company.

In particular, the Board has taken a very positive view of Ms. Verónica María Pascual Boé's experience, highlighting the candidate's knowledge and the professional track record in the Industrial, Technological, Entrepreneurship, Innovation and Educational areas.

By virtue thereof, the Board of Directors 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 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 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 the duties thereof, or any of the instances contemplated in Article 12 of the Regulations of the Board of Directors of the Company.

### **Class of Director**

Ms. Verónica María Pascual Boé 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 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 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. Pascual belongs to the class of Independent Director.

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

The proposal for re-election of Ms. Verónica María Pascual Boé 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 March 7, 2024, which is attached as an exhibit to this report.

### **2.5 MS. CLAUDIA SENDER RAMÍREZ**

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

Born in 1974 in São Paulo (Brazil).

She has a degree in Chemical Engineering from the Polytechnic School of the University of São Paulo, and an MBA from Harvard Business School in Boston.

She has held various positions in the following companies, among others: (i) Director of Metalúrgica Gerdau, S.A. (2021-2023); (ii) Director of Yduqs University, formerly Estácio (2019-2021); (iii) Latam Airlines Group: Vice President, Chief Customer Officer (2017-2019), CEO of LATAM Brazil (2013-2017), Vice President LATAM Brazil (2011-2013); (iv) Whirlpool, S.A.: Vice President of Marketing (2009-2011), Divisional Director of Marketing (2007-2009), and Manager of Strategic Planning (2005-2007); and (v) Bain & Company Brasil: Consultant specializing in Strategy (1998-2005).

She is currently a Director of Holcim Ltd (since 2019); Director of Gerdau, S.A. (since 2019); Director of Embraer, Empresa Brasileira de Aeronáutica, S.A. (since 2021); and Director of several NGOs, including Amigos do Bem (since 2017), a Brazilian NGO dedicated to the eradication of poverty in the Northwest of Brazil, Albert Einstein Israeli Hospital and Ensina Brazil. She is also a member of the Advisory Boards of Telefónica Tech and of Telefónica Hispanoamérica.

The Board of Directors of the Company considers that Ms. Claudia Sender Ramírez's training and experience provide the candidate 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, the merits and competence thereof to hold the position of Director, and the candidate's experience and knowledge in the various industries and issues that are relevant for the Company.

In particular, the Board has taken a very positive view of Ms. Claudia Sender Ramírez's experience, especially highlighting the candidate's knowledge and the professional track record in the Industrial, Financial, Services and Commercial Marketing areas, as well as the candidate's ability to contribute very positively to customer loyalty-building and retention and to the transformation of the businesses with a view to addressing new challenges.

By virtue thereof, the Board of Directors has come to a very favorable conclusion regarding the suitability of Ms. Claudia Sender Ramírez for holding the position, meeting 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 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 the duties thereof, or any of the instances contemplated in Article 12 of the Regulations of the Board of Directors of the Company.

## **Class of Director**

Ms. Claudia Sender Ramírez 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 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 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. Sender belongs to the class of Independent Director.

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

The proposal for re-election of Ms. Claudia Sender Ramírez 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 March 7, 2024, which is attached as an exhibit to this report.

## **2.6 MS. SOLANGE SOBRAL TARGA**

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

Born in 1972 in São Paulo (Brazil).

She has a degree in Computer Sciences from Universidade Federal de São Carlos (Brazil) and has pursued a Master's degree in Computer Sciences from Universidade Estadual de Campinas (Brazil).

She has significant experience in digital business development and multidisciplinary team leadership, and currently acts as a digital transformation agent for particularly valuable brands worldwide.

She is currently Partner and Executive Vice President of CI&T, responsible for its expansion in EMEA and actively participating in the acquisition and integration of Somo, a leading agency delivering digital products and solutions for major global brands. She has been a member of several Boards of Directors since 2021, and is an Independent Director of Unidas and Director of Telefónica Brasil, S.A. (VIVO). She is also a member of the Diversity and Inclusion Committee of Banco Itaú.

The Board of Directors of the Company considers that Ms. Solange Sobral Targa's training and experience provide the candidate 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, the merits and competence thereof to hold the position of Director, and the candidate's experience and knowledge in the various industries and issues that are relevant for the Company.

In particular, the Board of Directors has taken a very positive view of the experience of Ms. Solange Sobral Targa, especially highlighting the candidate's professional track record, as well as the knowledge and experience thereof in the Telecommunications sector, in the Finance area, and in particular the candidate's extensive track record in Digital Transformation and Marketing.

By virtue thereof, the Board of Directors 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 the duties thereof as a Director of the Company.

In addition, independently of her recognized personal merits and abilities, the ratification and appointment of Ms. Solange Sobral Targa ensures the ratification of the increase in the number of women sitting on the Board of Directors, which evidences the Company's commitment to promoting diversity on the 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 the duties thereof, or any of the instances contemplated in Article 12 of the Regulations of the Board of Directors of the Company.

### **Class of Director**

Ms. Solange Sobral Targa 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 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 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. Sobral belongs to the class of Independent Director.

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

The proposal for ratification and appointment of Ms. Solange Sobral Targa 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 March 7, 2024, which is attached as an exhibit to this report.

### **2.7 MR. ALEJANDRO REYNAL AMPLE**

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

Born in 1973 in Valencia.

He has a bachelor's and master's degree in Mechanical Engineering from Georgia Institute of Technology. He subsequently completed an MBA at the Harvard Business School.

He started his career by holding various strategic positions at Telefónica and The Coca-Cola Company. He has worked in the United States, Europe, Latin America and the Caribbean. He has a proven track record and thrives on business transformation in multi-million-dollar companies. He was the President and CEO of Apple Leisure Group (ALG), a luxury resort management and leisure travel group with more than 38,000 employees in 14 countries owned by Hyatt Hotels Corporation, and he actively participated in its acquisition in August 2021. Prior to ALG, he spent 8 years as the CEO of Atento, a customer relationship management services and business process outsourcing company. At Atento, he led the strategic transition from Telefónica to Bain Capital in 2012 and in 2014 he successfully led the company through an IPO at the New York Stock Exchange.

He is currently the President and CEO of Four Seasons, which he joined in 2022 following an extensive international career in global travel and hospitality, business services and telecommunications.

The Board of Directors of the Company considers that D. Alejandro Reynal Ample's training and experience provide the candidate 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, the candidate's merits and competence to hold the position of Director, and the experience and knowledge thereof in the various industries and issues that are relevant for the Company.

In particular, the Board of Directors has taken a very positive view of the experience of Mr. Alejandro Reynal Ample, especially highlighting the candidate's knowledge and experience in strategic management and definition at multinationals and in the retail services sector, as well as the candidate's ability to very positively contribute to business transformations to meet new challenges, taking advantage of new opportunities for growth, expansion and innovation, in a context of international companies and globalized markets.

By virtue thereof, the Board of Directors has come to a very favorable conclusion regarding the suitability of Mr. Alejandro Reynal Ample for holding the position, meeting 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 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 the duties thereof, or any of the instances contemplated in Article 12 of the Regulations of the Board of Directors of the Company.

### **Class of Director**

Mr. Alejandro Reynal Ample 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 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 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, Mr. Reynal belongs to the class of Independent Director.

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

The proposal for re-election of Mr. Alejandro Reynal Ample 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 March 7, 2024, 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. Isidro Fainé Casas, Mr. José Javier Echenique Landiríbar, Mr. Peter Löscher, Ms. Verónica María Pascual Boé, Ms. Claudia Sender Ramírez, Ms. Solange Sobral Targa and Mr. Alejandro Reynal Ample 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 instances contemplated in Article 12 of the Regulations of the Board of Directors of the Company.

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 the 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. Isidro Fainé Casas 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. José Javier Echenique Landiribar 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.3 To re-elect Mr. Peter Löscher 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 Ms. Verónica María Pascual Boé 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.5 To re-elect Ms. Claudia Sender Ramírez 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.6 To ratify the appointment by co-option of Ms. Solange Sobral Targa as a Director, as resolved by the Board of Directors at its meeting held on December 13, 2023, and to appoint her as 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.7 To ratify the appointment by co-option of Mr. Alejandro Reynal Ample as a Director, as resolved by the Board of Directors at its meeting held on December 13, 2023, and to appoint him 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, a proposal will be made to the shareholders at the General Shareholders’ Meeting to ratify the interim appointments of Director, if applicable, made by the Board of Directors from the call to General Shareholders’ Meeting to the time immediately prior to the holding of the meeting.”*

\* \* \*

Madrid, March 8, 2024



**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 AT THE GENERAL  
SHAREHOLDERS' MEETING**

**March 7, 2024**

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Section 529 *decies* of the Companies Act (*Ley de Sociedades de Capital*) 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 Nominating 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 General 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 Regulations of the Board, 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 report or proposal of the Nominating, Compensation and Corporate Governance Committee, to be published upon the call to the General Shareholders' Meeting at which the shareholders are to ratify the appointment or re-election 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 the re-election, ratification and appointment of Directors that, following a report from or at the proposal of the Nominating, Compensation and Corporate Governance Committee, as appropriate, are going to be submitted to the shareholders at the Company's upcoming 2024 General 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 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 therein a Diversity Policy applicable to the Board of Directors, and, consequently, changed its name to that of 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 adapt it, particularly in the area of diversity, to the provisions of the Recommendations of the Good Governance Code of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*), the last amendment of which occurred in June 2020. This policy is public and can be viewed on the corporate website (<https://www.telefonica.com/en/shareholders-investors/corporate-governance/policies/>).

This Policy is intended to ensure that the Director selection procedures are based on a prior analysis of the skills required by the Board of Directors and that they favor a diversity of expertise, professional training and experience, age, disability and gender therein, without any implicit bias that could entail any discrimination, particularly on the grounds of gender, disability or any other personal condition, and that facilitates the selection of Directors in a number that allows for the attainment of 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 connection therewith, all candidates for Director of the Company must be professionals of integrity, whose professional conduct and background are aligned with Telefónica's Responsible Business Principles. Likewise, as candidates for Director, special consideration is given to individuals with training and professional experience in telecommunications, technology, consumer knowledge, ESG knowledge, marketing, accounting, auditing, risk management (both financial and non-financial), and international experience and leadership of multinational teams are valued.

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 evaluating the application in the composition and powers of the Board of Directors 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 Board of Directors has verified that in the process of preparing and approving the proposals for re-election and for ratification and appointment of Directors that it intends to submit to the shareholders at the 2024 General Shareholders' Meeting, the provisions of the Diversity Policy in relation to the Board of Directors of Telefónica, S.A. have been complied with and a suitable and rigorous procedure has been followed to ensure that the proposals formulated by both the Board of Directors (with respect to proposals

affecting non-Independent Directors, following a favorable report of 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 to the shareholders at the next General Shareholders' Meeting, reported upon (as regards the non-Independent Directors) and proposed (as regards the Independent Directors) by the Nominating, Compensation and Corporate Governance Committee, are as follows:

- Re-election, for a new period of four years, of the Director Mr. Isidro Fainé Casas, with the classification of Proprietary Director.
- Re-election, for a new period of four years, of the Director Mr. José Javier Echenique Landiribar, with the classification of Independent Director.
- Re-election, for a new period of four years, of the Director Mr. Peter Löscher, with the classification of Independent Director.
- Re-election, for a new period of four years, of the Director Ms. Verónica María Pascual Boé, with the classification of Independent Director.
- Re-election, for a new period of four years, of the Director Ms. Claudia Sender Ramírez, with the classification of Independent Director.
- Ratification of the appointment by cooption and appointment, for a period of four years, of the Director Ms. Solange Sobral Targa, with the classification of Independent Director.
- Ratification of the appointment by cooption and appointment, for a period of four years, of the Director Mr. Alejandro Reynal Ample, with the classification of Independent Director.

## **3. ANALYSIS OF THE COMPOSITION OF THE BOARD OF DIRECTORS AND THE SKILLS REQUIRED BY SUCH 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, ten are considered Independent Directors, which means that the broad majority of the Board of Directors is made up of Independent Directors. In addition,

in 2023 the number of women sitting on the Board of Directors increased to six Directors (40%), in keeping with the Company's commitment to promoting the diversity of its Board and with best practices in this area.

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

Each year, all of the Company's Directors evaluate the operation of the Board of Directors of Telefónica, S.A., of its Committees, and of the General Shareholders' Meeting. There is also an evaluation every three years with the help of an external consultant, the independence of which is verified by the Nominating, Compensation and Corporate Governance Committee.

The evaluations for fiscal years 2021 and 2022 were performed internally by the Company, without the support of an external advisor. For the evaluation corresponding to fiscal year 2023, the Board of Directors, upon a proposal of the Nominating, Compensation and Corporate Governance Committee, had the support of the consulting firm Egon Zehnder as external advisor.

This evaluation process consisted of the completion by each of the Directors of the corresponding evaluation surveys, as well as the performance by the aforementioned consulting firm of individual interviews with each of them in order to assess and learn the opinions of the Directors on the issues and aspects covered by the evaluation.

The aforementioned surveys contained a broad range of questions, grouped into the following five sections: (i) Structure and composition of the Board of Directors; (ii) Operation of the Board of Directors; (iii) Rights and duties of the Directors, expressly including the adequacy of the performance and contribution of the Directors to the Board of Directors, including the Executive Directors; (iv) Committees of the Board of Directors, including questions relating to the composition and operation of each of the Committees and the performance and contribution of their respective Chairs; and (v) Shareholders and Stakeholders.

Once this process was completed, the consulting firm Egon Zehnder issued the corresponding results report, which was submitted to the Nominating, Compensation and Corporate Governance Committee for review and analysis. The Nominating, Compensation and Corporate Governance Committee, at its meeting held on February 20, 2024, reviewed and analyzed the results of said evaluation, concluding that the Directors had generally expressed a high level of satisfaction with the operation of the Board of Directors and its Committees, while pointing out aspects that could be optimized. This Report on the results of the 2023 evaluation was also presented itself to the Company's Board of Directors at its meeting held on February 21, 2024 and made available to all the Directors.

Following a detailed examination and analysis of the results achieved, the Company's Board of Directors, upon a proposal of the Nominating, Compensation and Corporate Governance Committee, has established an Action Plan to implement the suggestions and recommendations deemed appropriate in order to optimize the operation of the Company's corporate governance system.

### **3.3 Global justification**

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 duties of supervision and control.

In this respect, the professional 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 their competence 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 decision-making and 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 operation of the Board of Directors and to the effective performance of its duties of supervision, control and strategic definition, (ii) the proposals for the re-election, ratification and appointment of Directors by the shareholders at the General Shareholders' Meeting, which, moreover, lead to strengthening the majority of Independent Directors and to the broad presence of women on the Board (40%), 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 grounds for cessation of office contemplated in Article 12 of the Regulations of the Board of Directors of the Company.

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 of the Directors whose re-election, ratification and appointment are proposed are also professionals of integrity, whose professional conduct and background are aligned with Telefónica's Responsible 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 the 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 Section 529 *decies.4* of the Companies Act, 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 Telefónica, S.A. and the Selection of Directors, proposals for the 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 proposals for the re-election, ratification and appointment of Independent Directors:

- The re-election of Mr. José Javier Echenique Landiribar, Mr. Peter Löscher, Ms. Verónica María Pascual Boé and Ms. Claudia Sender Ramírez for the bylaw-mandated term of four years, with the classification of Independent Directors.
- The ratification of the appointment by co-option of Ms. Solange Sobral Targa and of Mr. Alejandro Reynal Ample, and their appointment as Directors, for the bylaw-mandated term of four years, with the classification of Independent Directors.

With respect to these proposals, 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 MR. JOSÉ JAVIER ECHENIQUE LANDIRÍBAR**

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

Born in 1951 in Isaba (Navarra).

Degree in Economic and Actuarial Sciences from the Basque Country University (UPV), and Professor of Social Security Quantitative Techniques of the Economic Sciences School of Bilbao, UPV, for several years.

He has been a Board Member and General Director of Allianz-Ercos, and General Director of BBVA Group (responsible for wholesale business: Global Investment Banking, Global Corporate Banking, Corporate Banking, Management Banking, Local Loan Bank, Asset Management, Europe Banking, Insurance and Social Security, EBusiness, and Real Estate and Industrial Group). He has also been a member of the Board of Directors of Banco de Sabadell, S.A. (Vice-Chairman), Repsol, S.A., ACS Servicios, Comunicaciones y Energía, S.L., Banco Guipuzcoano, S.A. (Chairman), Grupo Empresarial ENCE, S.A., Sevillana de Electricidad, S.A., Hidroeléctrica del Cantábrico, Metrovacesa and Abertis Infraestructuras, S.A.

He is currently a member of the Board of Directors of Telefónica Audiovisual Digital, S.L.U., ACS Actividades de Construcción y Servicios, S.A., Dragados, S.L. and Calcinor, S.L. He is also an Advisory Board Member of the Deusto Business School and the McKinsey Advisory Council and is a member of the Advisory Board of Telefónica de España.

The Nominating, Compensation and Corporate Governance Committee finds that the training and experience of Mr. José Javier Echenique Landiribar gives the candidate quite valuable and useful knowledge for performing the duties thereof 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, the merits and competence thereof to hold the position of Director, and the candidate's 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 Mr. José Javier Echenique Landiribar, highlighting the candidate's extensive professional track record in the banking, financial and

corporate fields, as well as the ability thereof to contribute quite positively to the Company's strategy.

By virtue thereof, the Nominating, Compensation and Corporate Governance Committee has come to a very favorable conclusion regarding the suitability of the candidate to hold the position, meeting the requirements of business and professional respectability 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 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 the duties thereof, or any of the instances contemplated in Article 12 of the Regulations of the Board of Directors of the Company.

### **Class of Director**

Mr. José Javier Echenique Landiribar 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 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 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, Mr. Echenique belongs to the class of Independent Director.

## **4.2 MR. PETER LÖSCHER**

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

Born in 1957 in Villach (Austria).

He has degrees in Economics from the Vienna University of Economics and Business from the Chinese University of Hong Kong. He received his MBA from Vienna University of Economics, and completed the Advanced Management Program (AMP) at Harvard Business School. He is an Honorary Professor at Tongji University Shanghai, and holds an Honorary Doctorate of Engineering from Michigan State University and a Doctor Honoris Causa from the Slovak University of Engineering in Bratislava.

He is a former Chairman of the Board of Directors of Sulzer AG and former Chairman of the Supervisory Board of OMV AG, Austria. From March 2014 to March 2016 he was CEO of Renova Management AG, Switzerland. Former President and CEO of Siemens AG. He was previously the President of Global Human Health, a member of the Executive Board of Merck & Co., Inc., the CEO of GE Healthcare Bio-Sciences and a member of GE's Corporate Executive Council, and the COO and member of the Board of Amersham Plc. He held senior leadership positions in Aventis and Hoechst. He was also the Chairman of the Board of Trustees of the Siemens Foundation.

He is currently the Chairman of the Supervisory Board of Telefónica Deutschland Holding AG, a member of the Supervisory Board of Royal Philips, a Director of Thyssen-Bornemisza Group AG (Switzerland), an Independent Director of CaixaBank, S.A. and a non-executive member of the Board of Directors of Doha Venture Capital LLC, Qatar. He is also a Member Emeritus of the Advisory Board of the Economic Development Board of Singapore, and a Member of the International Advisory Council of Bocconi University. He also holds the Grand Decoration of Honor in Gold of the Republic of Austria, the Order of Friendship of the Russian Federation and is Knight Commander of the Order of Civil Merit of Spain.

The Company's Nominating, Compensation and Corporate Governance Committee finds that the training and experience of Mr. Peter Löscher provides the candidate with highly valuable and useful knowledge for the performance thereby as 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, the merits and competence thereof to hold the position of Director, and the experience and knowledge thereof 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 Mr. Peter Löscher, highlighting the candidate's highly-recognized, prestigious professional track record in the private sector, where the candidate has held various posts and positions in different countries.

By virtue thereof, the Nominating, Compensation and Corporate Governance Committee has come to a very favorable conclusion regarding the suitability of the candidate to hold the position, meeting the requirements of business and professional respectability 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 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 the duties thereof, or any of the instances contemplated in Article 12 of the Regulations of the Board of Directors of the Company.

### **Class of Director**

Mr. Peter Löscher 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 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 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, Mr. Löscher belongs to the class of Independent Director.

### **4.3 MS. VERÓNICA MARÍA PASCUAL BOÉ**

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

Born in 1979 in Barcelona.

She has a degree in Aeronautical Engineering from the Polytechnic University of Madrid. She has a Master in Business Administration (MBA) from the Collège des Ingénieurs de Paris and an Executive Master in Positive Leadership and Strategy (EXMPLS) from IE Business School. She also has several postgraduate qualifications from INSEAD, Stanford, and Harvard Business School.

She has led a group of companies involved in digital transformation headed by ASTI Mobile Robotics Group, with affiliates in Spain, France, Germany, and the United States, for 18 years. Since August 2021, ASTI Mobile Robotics Group has been integrated into ABB Robotics and Ms. Pascual moved to the position of Global Manager of Robótica Móvil Autónoma until January 2023.

She began her professional career at the international level in the Strategic Human Resources Department of the multinational industrial group Bouygues. In 2004, she joined the family firm ASTI, and held different positions in the Management of this company. At the end of 2006, she was appointed General Manager and in 2008 she concluded the acquisition of the company. She has previously held various positions, including: Promoter and Founder of Burgos Digital Innovation Hub, through ASTI of DIHBU (2018); President of the Industry Working Group 4.0 of the Castile and Leon Government (2016-2018); President of the Industry Committee 4.0 and Vice President of Talent Development of AMETIC (2016-2018); Member of the Advisory Council of the Quality Agency of the University System (2015-2016); Member of the Advisory Council of EAE Business School (2015-2016); Member of the Governing Council of APD Castile and Leon (2014-2015) and Member of the Board of Directors of Empresa Familiar Castile and Leon (2001-2013).

She is the Chair of the ASTI Technology and Talent Foundation, the Vice President of Endeavor Spain and a Director of the companies GAM, Marsi Bionics and Viscopfan S.A. She currently leads her family office, ALBP Corp. She is also a Director of Telefónica Audiovisual Digital and a member of the Advisory Board of Telefónica Tech.

The Nominating, Compensation and Corporate Governance Committee finds that the training and experience of Ms. Verónica María Pascual Boé gives the candidate quite valuable and useful knowledge for the performance thereby 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, the merits and competence thereof to hold the position of Director, and the candidate's 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 the experience of Ms. Verónica María Pascual Boé, especially highlighting the candidate's knowledge and the professional track record in the Industrial, Technological, Entrepreneurship, Innovation and Educational areas.

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



In addition, independently of her recognized personal merits and abilities, the re-election of Ms. Verónica María Pascual Boé entails strengthening the broad presence of women (40%) on the Board of Directors, in line with the Company's commitment to promoting the diversity of its Board and to best practices in this area.

### **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 the duties thereof, or any of the instances contemplated in Article 12 of the Regulations of the Board of Directors of the Company.

### **Class of Director**

Ms. Verónica María Pascual Boé 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 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 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. Pascual belongs to the class of Independent Director.

## **4.4 MS. CLAUDIA SENDER RAMÍREZ**

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

Born in 1974 in São Paulo (Brazil).

She has a degree in Chemical Engineering from the Polytechnic School of the University of São Paulo, and an MBA from Harvard Business School in Boston.

She has held various positions in the following companies, among others: (i) Director of Metalúrgica Gerdau, S.A. (2021-2023); (ii) Director of Yduqs University, formerly Estácio (2019-2021); (iii) Latam Airlines Group: Vice President, Chief Customer Officer (2017-2019), CEO of LATAM Brazil (2013-2017), Vice President LATAM Brazil (2011-2013); (iv) Whirlpool, S.A.: Vice President of Marketing (2009-2011), Divisional Director of Marketing (2007-2009), and Manager of Strategic Planning (2005-2007); and (v) Bain & Company Brasil: Consultant specializing in Strategy (1998-2005).

She is currently a Director of Holcim Ltd (since 2019); Director of Gerdau, S.A. (since 2019); Director of Embraer, Empresa Brasileira de Aeronáutica, S.A. (since 2021); and Director of several NGOs, including Amigos do Bem (since 2017), a Brazilian NGO dedicated to the eradication of poverty in the Northwest of Brazil, Albert Einstein Israeli Hospital and Ensina Brazil. She is also a member of the Advisory Boards of Telefónica Tech and of Telefónica Hispanoamérica.

The Company's Nominating, Compensation and Corporate Governance Committee finds that the training and experience of Ms. Claudia Sender Ramírez gives the candidate quite valuable and useful knowledge for the performance thereby 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, the merits and competence thereof to hold the position of Director, and the candidate's 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 experience of Ms. Claudia Sender Ramírez, especially highlighting the candidate's knowledge and the professional track record in the Industrial, Financial, Services and Commercial Marketing areas, as well as the ability thereof to contribute very positively to customer loyalty-building and retention and to the transformation of the businesses with a view to addressing new challenges.

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

In addition, independently of her recognized personal merits and abilities, the re-election of Ms. Claudia Sender Ramírez entails strengthening the broad presence of women (40%) on the Board of Directors, in line with the Company's commitment to promoting the diversity of its Board and to best practices in this area.

## **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 the duties thereof, or any of the instances contemplated in Article 12 of the Regulations of the Board of Directors of the Company.

## **Class of Director**

Ms. Claudia Sender Ramírez 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 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 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. Sender belongs to the class of Independent Director.

## **4.5 MS. SOLANGE SOBRAL TARGA**

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

Born in 1972 in São Paulo (Brazil).

She has a degree in Computer Sciences from Universidade Federal de São Carlos (Brazil) and has pursued a Master's degree in Computer Sciences from Universidade Estadual de Campinas (Brazil).

She has significant experience in digital business development and multidisciplinary team leadership, and currently acts as a digital transformation agent for particularly valuable brands worldwide.

She is currently Partner and Executive Vice President of CI&T, responsible for its expansion in EMEA and actively participating in the acquisition and integration of Somo, a leading agency delivering digital products and solutions for major global brands. She has been a member of several Boards of Directors since 2021 and is an Independent Director of Unidas and Director of Telefónica Brasil, S.A. (VIVO). She is also a member of the Diversity and Inclusion Committee of Banco Itaú.

The Company's Nominating, Compensation and Corporate Governance Committee finds that the training and experience of Ms. Solange Sobral Targa provide the candidate with very valuable and useful knowledge for performing the duties thereof 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, the merits and competence thereof to hold the position of Director, and the candidate's 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 the experience of Ms. Solange Sobral Targa, especially highlighting the professional track record thereof, as well as the candidate's knowledge and experience in the Telecommunications sector, in the Finance area, and in particular the candidate's extensive track record in Digital Transformation and Marketing.

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

In addition, independently of her recognized personal merits and abilities, the re-ratification and appointment of Ms. Solange Sobral Targa entails strengthening the broad presence of women (40%) on the Board of Directors, in line with the Company's commitment to promoting the diversity of its Board and to best practices in this area.

### **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 the duties thereof, or any of the instances contemplated in Article 12 of the Regulations of the Board of Directors of the Company.

## **Class of Director**

Ms. Solange Sobral Targa 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 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 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. Sobral belongs to the class of Independent Director.

## **4.6 MR. ALEJANDRO REYNAL AMPLE**

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

Born in 1973 in Valencia.

He has a bachelor's and master's degree in Mechanical Engineering from Georgia Institute of Technology. He subsequently completed an MBA at the Harvard Business School.

He started his career by holding various strategic positions at Telefónica and The Coca-Cola Company. He has worked in the United States, Europe, Latin America and the Caribbean. He has a proven track record and thrives on business transformation in multi-million-dollar companies. He was the President and CEO of Apple Leisure Group (ALG), a luxury resort management and leisure travel group with more than 38,000 employees in 14 countries owned by Hyatt Hotels Corporation, and he actively participated in its acquisition in August 2021. Prior to ALG, he spent 8 years as the CEO of Atento, a customer relationship management services and business process outsourcing company. At Atento, he led the strategic transition from Telefónica to Bain Capital in 2012 and in 2014 he successfully led the company through an IPO at the New York Stock Exchange.

He is currently the President and CEO of Four Seasons, which he joined in 2022 following an extensive international career in global travel and hospitality, business services and telecommunications.

The Company's Nominating, Compensation and Corporate Governance Committee finds that the training and experience of Mr. Alejandro Reynal Ample provides the candidate with highly valuable and useful knowledge for the performance thereby 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, the merits and competence thereof to hold the position of Director, and the experience and knowledge thereof 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 the experience of Mr. Alejandro Reynal Ample, especially highlighting the candidate's knowledge and experience in strategic management and definition at multinationals and in the retail services sector, as well as the candidate's ability to very positively contribute to business transformations to meet new challenges, taking advantage of new opportunities for growth, expansion and innovation, in a context of international companies and globalized markets.

By virtue thereof, the Nominating, Compensation and Corporate Governance Committee has come to a very favorable conclusion regarding the suitability of Mr. Alejandro Reynal

Ample to hold the position, meeting the requirements of business and professional respectability 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 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 the duties thereof, or any of the instances contemplated in Article 12 of the Regulations of the Board of Directors of the Company.

### **Class of Director**

Mr. Alejandro Reynal Ample 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 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 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, Mr. Reynal belongs to the class of Independent Director.

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

In accordance with Section 529 *decies.6* of the Companies Act, 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 Telefónica, S.A. and the Selection of Directors, proposals for ratification 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 proposal for re-election, for a new period of four years, of the Director Mr. Isidro Fainé Casas, with the classification of Proprietary Director.

### **5.1 MR. ISIDRO FAINÉ CASAS**

#### **Evaluation of Mr. Isidro Fainé Casas' performance**

The Nominating, Compensation and Corporate Governance Committee has analyzed the quality of work as Director and the contribution of Mr. Isidro Fainé Casas to the Board of Directors since the candidate's first appointment in January 1994 and, particularly, in the candidate's last period in office (after the re-election thereof at the General Shareholders' Meeting held on June 12, 2020).

It has also taken into account the dedication of Mr. Isidro Fainé Casas to holding the position of Director of the Company, as well as the knowledge, skills and experience thereof, which in the opinion of this Nominating, Compensation and Corporate Governance Committee allow the candidate to properly perform the duties thereof.

As a result of all of the foregoing, the Nominating, Compensation and Corporate Governance Committee has concluded that Mr. Fainé has quite satisfactorily performed the duties thereof as a 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. Isidro Fainé Casas, including those relating to the status, training, professional experience and suitability thereof, upon the terms set out below.

### **Appointment and classification**

Mr. Isidro Fainé Casas has been proposed at the request of the shareholder Criteria Caixa, S.A.U., holder of 2.58% of the share capital of the Company.

Therefore, Mr. Fainé belongs to the class of Proprietary Director.

### **Training and professional experience**

Born in 1942 in Manresa (Barcelona).

He holds a Doctorate in Economics from the University of Barcelona, an International Senior Managers Program certificate in Business Administration from Harvard University, and a Diploma in Senior Management from the IESE Business School. He is a member of the Royal Academy of Economic and Financial Sciences and of the Royal European Academy of Doctorate Holders.

Mr. Fainé began his professional banking career as Investment Manager for Banco Atlántico in 1964, later becoming General Manager of Banco de Asunción in Paraguay in 1969. He returned to Barcelona to hold management positions at various financial entities: Head of Personnel at Banca Riva y García (1973), Director and General Manager of Banca Jover (1974) and General Manager of Banco Unión (1978). In 1982, he joined la Caixa as Deputy Executive General Manager, subsequently taking on various positions of responsibility. In April 1991, he was appointed Deputy Executive Managing Director and in 1999 rose to General Manager of the bank, before becoming Chairman from June 2007 to June 2014. He was the Chairman of CaixaBank since 2011 until his resignation as a member of the Board of Directors in 2016. He was also a Director of Suez, S.A. from October 2014 to October 2020.

He is currently the Chairman of the Board of Trustees and of the Executive Committee of Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"; Chairman of the Board of Directors and of the Executive Committee of Criteria Caixa, S.A.U.; Chairman of the Board of Directors of Inmo Criteria Caixa, S.A.U. and of Caixa Capital Risc SGEIC, S.A. Chairman of the Board of Trustees of the "la Caixa" Research Institute Foundation; Honorary Chairman of Naturgy Energy Group, S.A. and Special Advisor to the Board of The Bank of East Asia. He is also the Chairman of the Spanish Confederation of Savings Banks (*Confederación Española de Cajas de Ahorros*) (CECA), of the Spanish Savings Bank Foundation (*Fundación de las Cajas de Ahorros*) (Funcas) and of the World Savings Bank Institute (WSBI), Vice-Chairman of the European Savings Banks Group (ESBG) and Chairman of the Social and Philanthropic Committee of WSBI-ESBG. He is also Chairman of the Spanish Confederation of Executives (CEDE), and the Spanish Chapter of the Club of Rome. He is also the Deputy Chairman of the Spanish Royal Academy of Economic and

Financial Sciences and founder of the Círculo Financiero and a member of the boards of trustees of several well-known private and public institutions.

**Suitability**

The Nominating, Compensation and Corporate Governance Committee has verified and confirmed the suitability of Mr. Isidro Fainé Casas to hold the position, meeting the requirements of business and professional respectability and appropriate knowledge and experience for performing the duties thereof as a Director of the Company.

**Conclusion**

As a result of all of the foregoing, based on the performance of the candidate and the personal and professional qualifications thereof, the Nominating, Compensation and Corporate Governance Committee finds that Mr. Isidro Fainé Casas 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 the re-election thereof as a Director for the bylaw-mandated four-year period with the classification of Proprietary 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 require, 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 the 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, March 7, 2024