

Report on the Operation of the Nominating, Compensation and Corporate Governance Committee for fiscal year 2023

Telefónica, S.A.

Fiscal Year 2023

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Report on the Operation of the Nominating, Compensation and Corporate Governance Committee for fiscal year 2023

February 20, 2024

1. Introduction.

This Report on the Operation of the Committee for fiscal year 2023 has been prepared pursuant to the provisions of Recommendation 6 of the Good Governance Code of Listed Companies, of Section 11 of Technical Guide 1/2019 of the Spanish National Securities Market Commission (*Comisión Nacional de Mercados de Valores*) on Nomination and Remuneration Committees, and of Article 7 of the Regulations of the Nominating, Compensation and Corporate Governance Committee of Telefónica, S.A. (hereinafter, the “**Company**”).

2. Background and regulation of the Committee.

The Nominating, Compensation and Corporate Governance Committee was created as the Selection and Remuneration Committee in 1997 by the Board of Directors of Telefónica, S.A., in order to analyze and examine issues relating to the proposed appointments and removals of Directors and Senior Executive Officers of the Telefónica Group, and its remuneration system.

Also, as a result of the amendment made to the Regulations of the Company’s Board of Directors to adapt them to the Olivencia Report, on July 22, 1998 the Committee changed its name to the Appointments and Remuneration Committee, as well as changing its powers and duties.

Similarly, and pursuant to the resolution adopted by the Board of Directors at its meeting of June 26, 2002, the Committee was renamed the Nominating and Compensation and Corporate Governance Committee and was assigned new duties in the area of Good Corporate Governance practices and recommendations. The subsequent amendment of the Regulations of the Board of Directors pursuant to a resolution of the Board at its meeting of November 28, 2007 introduced a technical improvement to the name of the Committee, which became the Nominating, Compensation and Corporate Governance Committee.

After the resolution of the shareholders at the General Shareholders’ Meeting of the Company held on May 31, 2013, the rules applicable to this Committee were set forth in Article 40 of the By-Laws, having previously only been included in the Regulations of the Board of Directors.

After the resolution of the shareholders at the General Shareholders’ Meeting held on June 12, 2015 pursuant to which the By-Laws and the Regulations for the General Shareholders’ Meeting of the Company were amended, at its meeting of November 25, 2015 the Board of Directors approved the corresponding amendment of its Regulations primarily in order to adapt their content to the By-Laws and the Regulations for the General Shareholders’ Meeting, and with particular regard to the Nominating, Compensation and Corporate Governance Committee, to adapt them to Section 529 *quindecies* of Law 31/2014 of December 3 amending the Companies Act to improve corporate governance and to Recommendations 48 and 50 of the Good Governance Code published by the Spanish National Securities Market Commission in February 2015.

Furthermore, and in order to comply with the recommendations of Technical Guide 1/2019 on Nomination and Remuneration Committees, upon a proposal from the Nominating, Compensation and Corporate Governance Committee, the Board of Directors approved the Regulations of the Nominating, Compensation and Corporate Governance Committee of Telefónica, S.A. at its meeting held on June 26, 2019.

In addition, after the amendment of the Code of Good Governance in June 2020, the Board of Directors, at its meeting held on December 16, 2020, resolved to conform the Regulations of the Board of Directors to the new recommendations of the Code of Good Governance, and in coordination therewith to conform the Regulations of the Nominating, Compensation and Corporate Governance Committee, after a favorable report of the Nominating, Compensation and Corporate Governance Committee. The amendment clarified some of the powers of the Nominating, Compensation and Corporate Governance Committee and regulated certain aspects relating to the composition thereof.

The Nominating, Compensation and Corporate Governance Committee of Telefónica, S.A. is regulated by Article 40 of the Company's By-Laws and by Article 23 of the Regulations of the Board of Directors.

All of the above-mentioned Telefónica, S.A. internal regulations (By-Laws, Regulations of the Board of Directors and Regulations of the Nominating, Compensation and Corporate Governance Committee) are available to the public on the Company's corporate website (<https://www.telefonica.com/en/shareholders-investors/corporate-governance/corporate-bylaws-and-regulations>).

[3. Composition and participation of each of the Committee members.](#)

As regards its composition and pursuant to the provisions of Article 40 of the Company's By-Laws, Article 23 of the Regulations of the Board of Directors, and Article 1 of the Regulations of the Nominating, Compensation and Corporate Governance Committee, the Committee will consist of the number of Directors that the Board of Directors determines from time to time, which shall in no case be less than three, to be appointed by the Board of Directors. All members thereof must be External or Non-Executive Directors and the majority of them must be Independent Directors.

The members of the Nominating, Compensation and Corporate Governance Committee shall be appointed on the basis of ensuring that they have as a whole the knowledge, skills and experience appropriate to the functions they are called upon to perform.

The Chairman of the Nominating, Compensation and Corporate Governance Committee, who shall in all events be an independent Director, shall be appointed from among its members. The Lead Independent Director (*Consejero Independiente Coordinador*) must also be a member of the Committee.

Pursuant to Article 2 of the Regulations of the Nominating, Compensation and Corporate Governance Committee, the Board of Directors shall endeavor to ensure that the Members

of the Nominating, Compensation and Corporate Governance Committee generally have the knowledge, aptitudes and experience appropriate for the duties they are called upon to perform, and particularly in the following areas: (a) corporate governance; (b) strategic analysis and evaluation of human resources; (c) selection of Directors and Officers, including an evaluation of the suitability requirements that may apply pursuant to the rules applicable to the Company; (d) performance of duties by Senior Management; and (e) design of compensation policies and plans for Directors and Senior Executive Officers; endeavoring to also favor diversity of gender and other standards of diversity of its members. The Board of Directors shall also endeavor to ensure that the Chairman of the Committee has prior experience at companies similar in size or complexity as a member of the Nominating and Compensation Committee or as an executive Director or member of Senior Management.

All of the aforementioned standards as to the composition, expertise and training of the Nominating, Compensation and Corporate Governance Committee are intended to secure the utmost independence for the Committee.

The composition of the Nominating, Compensation and Corporate Governance Committee as of December 31, 2023 was as follows (with no change through the date of this Report):



[Mr. José Javier Echenique Landiribar](#)

Chairman of the Nominating, Compensation and Corporate Governance Committee

Class: independent

Date of first appointment: May 4, 2017 (Member) and December 18, 2019 (Chairman)



[Mr. Francisco Javier de Paz Mancho](#)

Member of the Nominating, Compensation and Corporate Governance Committee

Class: other external

Date of first appointment: April 8, 2016



[Ms. María Luisa García Blanco](#)

Member of the Nominating, Compensation and Corporate Governance Committee

Class: independent

Date of first appointment: December 18, 2019



Mr. Peter Löscher

Member of the Nominating, Compensation and Corporate Governance Committee

Class: independent

Date of first appointment: April 17, 2020



MS. Verónica Pascual Boé¹

Member of the Nominating, Compensation and Corporate Governance Committee

Class: independent

Date of first appointment: December 13, 2023

It should also be noted that on December 18, 2019, the Chairman of the Committee, Mr. José Javier Echenique Landiribar, was appointed as Lead Independent Director (*Consejero Independiente Coordinador*), to replace Mr. Francisco Javier de Paz Mancho, by resolution of the Board of Directors.

The professional profiles of the Members comprising the Nominating, Compensation and Corporate Governance Committee are available to the public on the corporate website of Telefónica, S.A.

The Secretary of the Nominating, Compensation and Corporate Governance Committee is Mr. Pablo de Carvajal González, General Counsel and Global Director of Regulatory Affairs of Telefónica, S.A.

The Committee met on twelve (12) occasions during fiscal year 2023, with all meetings held in mixed format (i.e., both in person and remotely -through Microsoft Teams-).

The attendance rate of each of the Committee's members at the meetings held during fiscal year 2023 is shown below:

¹ On December 13, 2023, Ms. Verónica Pascual Boé was appointed as a member of the Nominating, Compensation and Corporate Governance Committee, replacing Mr. Peter Erskine, who resigned from the Board of Directors and its Committees.

Director	Meetings attended
Mr. José Javier Echenique Landiribar	12/12
Mr. Peter Löscher	12/12
Mr. Peter Erskine ²	11/12
Ms. María Luisa García Blanco	12/12
Mr. Francisco Javier de Paz Mancho	12/12

Note 1: The table shows the Directors who personally attended the meetings of the Nominating, Compensation and Corporate Governance Committee, either in person or telematically. Directors attending by proxy are not counted for these purposes.

4. Functions and duties of the Committee.

The duties and functions assigned to the Nominating, Compensation and Corporate Governance are set out in Article 40 of the Company's By-Laws and described in greater detail in Article 23 of the Regulations of the Board of Directors and in Article 4 of the Regulations of the Nominating, Compensation and Corporate Governance Committee.

Without prejudice to any other tasks that the Board of Directors may assign thereto, the primary duty of the Nominating, Compensation and Corporate Governance Committee shall be to support the Board of Directors in its supervisory duties. Specifically, it shall have at least the following powers and duties:

- 1) To evaluate the skills, knowledge and experience necessary within the Board of Directors. For such purposes, it shall determine the functions and aptitudes needed in the candidates who must fill each vacancy and shall evaluate the time and dedication required for them to effectively carry out their tasks, and shall ensure that the non-executive Directors have a sufficient availability of time to properly perform their duties.
- 2) To establish a goal for representation by the less represented gender on the Board of Directors and prepare guidance on how to reach this objective.
- 3) To submit proposed appointments of independent Directors to the Board of Directors for their appointment on an interim basis to fill a vacancy or for submission of such proposals to a decision by the shareholders at the General Shareholders' Meeting, as well as proposals for re-election or removal of such Directors by the shareholders at the General Shareholders' Meeting.
- 4) To report on the proposed appointments of the other Directors of the Company for their appointment on an interim basis to fill a vacancy or for submission of such proposals to a decision by the shareholders at the General Shareholders' Meeting, as well as

² As of the date of this report, Mr. Peter Erskine has ceased to be a member of the Nominating, Compensation and Corporate Governance Committee, being replaced by Ms. Verónica Pascual Boé, who does not appear in the table as she was appointed as a member of the Committee on December 13, 2023 and therefore did not attend any meetings during fiscal year 2023.

proposals for the re-election or removal thereof by the shareholders at the General Shareholders' Meeting.

- 5) To also report on proposals for the appointment and removal of the Secretary and any Deputy Secretary of the Board of Directors of the Company, as well as proposals for the appointment, re-election and removal of Directors from the subsidiaries thereof.
- 6) To report on the proposals for appointment and removal of Senior Executive Officers of the Company and of its subsidiaries.
- 7) To report on the proposals for appointment of the members of the Executive Commission and of the other Committees of the Board of Directors, as well as of the respective Secretary and, if applicable, the respective Deputy Secretary.
- 8) To propose to the Board of Directors the appointment of the Lead Independent Director from among the Independent Directors.
- 9) Together with the Chairman of the Board of Directors, to organize and coordinate a periodic evaluation of the Board of Directors and its Committees, including the performance and contribution of each Director and the evaluation of the performance of the Chairman of the Board of Directors under the direction of the Lead Independent Director pursuant to the provisions of the Regulations of the Board of Directors.
- 10) To report on the periodic evaluation of the performance of the Chairman of the Board of Directors.
- 11) To examine or organize the succession of the Chairman of the Board of Directors and, if applicable, to make proposals to the Board of Directors so that such succession occurs in an orderly and planned manner.
- 12) To propose to the Board of Directors, within the framework established in the By-Laws, the compensation for the Directors and review it periodically to ensure that it is in keeping with the tasks performed by them, as provided in Article 33 of the Regulations of the Board of Directors.
- 13) To propose to the Board of Directors, within the framework established in the By-Laws, the extent and amount of the compensation, rights and remuneration of a financial nature, of the Chairman of the Board of Directors, of the Executive Directors and the senior executive officers of the Company, as well as the basic terms of their contracts, for purposes of contractual implementation thereof.
- 14) To confirm compliance with and to periodically review the compensation policy applied to the Directors and senior executive officers, including share-based compensation systems and the application thereof.
- 15) To prepare and propose to the Board of Directors an annual report regarding the Director compensation policy.
- 16) To verify the information regarding the compensation of the Directors and senior executive officers set forth in the various corporate documents, including the annual report on the Director compensation policy.
- 17) To supervise compliance with the Company's internal corporate governance policies and rules, as well as the Company's internal codes of conduct in force from time to

time, while also endeavoring to ensure that the corporate culture is aligned with its purpose and values.

- 18) To periodically evaluate and review the Company's corporate governance system, such that it fulfils the mission of promoting the corporate interest and takes due account of the legitimate interests of the other stakeholders.
- 19) To supervise the implementation of the general policy regarding the communication of economic/financial, non-financial and corporate information and communication with shareholders and investors, proxy advisers and other stakeholders, and to monitor the manner in which the Company communicates and engages with small and medium-sized shareholders, all as regards aspects within the purview of the Committee.
- 20) To endeavor to ensure that any conflicts of interest do not adversely affect the independence of external advice provided to the Committee.
- 21) To exercise such other powers and perform such other duties as are assigned to the Nominating, Compensation and Corporate Governance Committee in the Regulations of the Board of Directors.

Section 6 of this Report describes the most significant activities carried out by the Committee during fiscal year 2023 in relation to the above-described duties and tasks.

5. Meetings of the Committee and attendees at meetings.

Pursuant to the provisions of Article 23 of the Regulations of the Board of Directors and of Article 3 of the Regulations of the Nominating, Compensation and Corporate Governance Committee, the Committee shall meet at least once every quarter and as often as appropriate, when called by its Chairman.

In addition to the meetings provided for in the annual schedule, the Nominating, Compensation and Corporate Governance Committee shall meet whenever the Board of Directors of the Company or the Chairman of the Board of Directors requests the issuance of a report or the making of a proposal within the scope of their powers and duties, provided that, in the opinion of the Chairman of the Committee, it is appropriate for the proper implementation of its duties.

Attendance at formal meetings of the Committee is preceded by sufficient dedication of its Members to analyze and assess the information received.

Additionally, as stated, the Committee has a Secretary and is provided with the necessary assistance for planning meetings and agendas, drafting documents and minutes of meetings, and compiling and distributing information, among other tasks.

In order to provide for adequate planning to ensure that the intended objectives are effectively fulfilled, the Committee approved its Annual Work Program for 2023 at its meeting held on December 13, 2022.

Meetings are planned by the Chairman of the Committee and communicated to the Secretary, so that its Members receive the documentation sufficiently in advance. All of the foregoing must have regard to the fact that Members of the Committee play a primarily supervisory and advisory role and should not become involved in executive or management duties, which are within the purview of Management.

In particular, the Nominating, Compensation and Corporate Governance Committee shall consult the Chairman of the Board of Directors when dealing with matters regarding the executive Directors and Senior Executive Officers.

Pursuant to its Annual Work Program for 2023, during fiscal year 2023 the Nominating, Compensation and Corporate Governance Committee held a total of twelve (12) meetings, which took place on the following dates:

- January 24, 2023
- February 21, 2023
- March 28, 2023
- April 25, 2023
- May 30, 2023
- June 16, 2023
- June 27, 2023
- July 25, 2023
- September 26, 2023
- October 24, 2023
- November 28, 2023
- December 12, 2023

These meetings lasted for an average of approximately 2 to 2.5 hours each, with the Members dedicating an appropriate number of hours to the study and analysis of the matters to be addressed. The Members also held working or informational meetings when so required.

Attendance is monitored at the commencement of each meeting and recorded in the corresponding Minutes. During 2023, all Members of the Committee attended or were represented at all of its sessions.

Furthermore, in addition to its members, various members of the Telefónica Group's management team attend meetings of the Nominating, Compensation and Corporate Governance Committee when appropriate, with duties to support and assist the Members of the Committee on the matters being analyzed at each meeting. Specifically, when invited by the Chairman of the Committee and whenever considered necessary, Committee meetings are attended by Ms. Marta Machicot Arbizu, Chief People Officer of Telefónica, S.A., and Mr. Guillermo Pérez de Ciriza Pérez de Laborda, Global Head of Total Reward & Executive Compensation.

Moreover, in relation to the preparation of the Agenda for the meetings, it should be noted that a preparatory meeting is held areas involved in order to propose and analyze the matters and issues to be addressed at each meeting, taking as a guide the aforementioned Annual Work Program, the Meetings Schedule, and the suggestions of the Directors who

comprise the Committee, thereby supporting the Chairman of the Committee in the preparation of the Agenda for and the Call to each meeting.

The various matters submitted for deliberation and, where appropriate, decision-making, are addressed in due detail at all meetings of the Nominating, Compensation and Corporate Governance Committee. The Members thereof actively participate in the various debates and discussions, stating their opinions when they deem it appropriate.

The deliberations of the Committee and the resolutions and decisions that it adopts are recorded in the corresponding Minutes of each meeting.

As regards the rules governing the composition and the adoption of resolutions by the Nominating, Compensation and Corporate Governance Committee, a quorum for the Committee shall be validly established with the attendance, in person or by proxy, of at least a majority of the Members thereof; and the Committee adopts resolutions by an absolute majority of those present in person or by proxy at the meeting. In the event of a tie, the Chairman casts the tie-breaking vote.

It should also be noted that, as a general principle, all documentation relating to the items on the Agenda for the meetings is sent sufficiently in advance to the Directors and is also made available through the corresponding IT application. All of the foregoing allows the Directors to view the information and documentation presented in a timely and appropriate manner.

Finally, and as stated, relations between the Nominating, Compensation and Corporate Governance Committee and the Company's Board of Directors are based on the principle of full transparency. In this regard, the Chairman of the Committee reports to the Board of Directors at each of its monthly meetings on the main issues discussed and the activities and work performed by the Committee, making the relevant documentation available to the Board of Directors so that it is made aware of such actions for the exercise of its powers, and, when necessary, proposes to the Company's Board of Directors that any appropriate resolutions be adopted.

6. Issues examined by the Committee during 2023.

Among the issues that the Committee examined at its meetings held in 2023, some concern its established duties and others relate to the interest they garner in light of the powers assigned to the Committee.

In the examination and debate of the issues addressed by this Committee during fiscal year 2023, the speakers accompanied their statements with presentations and/or reports, with the following main issues having been analyzed, discussed and reviewed:

1. Proposals and/or reports on appointments relating to the Board and its Committees and to the Boards of Subsidiaries.

In accordance with the powers assigned thereto, the Committee has proposed or reported favorably, as applicable, on the proposals to appoint Directors of Telefónica,

S.A. that were submitted to the Board of Directors. In general, the proposals were based on a prior analysis of the skills required by the Company's Board of Directors and on favoring 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 allow for the attainment of a balanced presence of women and men; all of the foregoing pursuant to the provisions of the Policy on Diversity in relation to the Board of Directors of Telefónica, S.A. and Selection of Directors. For such purpose, the reputation, competence, experience, professional merit and willingness of candidates to devote the time and effort required for the effective performance of their roles were taken into consideration, taking into account their personal and professional characteristics.

At its meeting held on December 12, 2023, the Committee reported favorably to the Board of Directors on the voluntary resignation of Mr. Peter Erskine and Mr. Juan Ignacio Cirac Sasturain from their positions as Directors of Telefónica, S.A. and, consequently, from all of their positions on the Board of Directors and the Committees of said Board. Consequently, and in order to fill the vacancies of Mr. Peter Erskine and Mr. Juan Ignacio Cirac Sasturain, the Committee proposed to the Board of Directors the interim appointment (cooptation) of Ms. Solange Sobral Targa and Mr. Alejandro Reynal Ample as Independent Directors.

At this same meeting, and in order to simplify and adapt the organizational structure of the Committees of the Board of Directors to the current composition of this management body of the Company, and to strengthen the Board of Directors' function of strategic definition and supervision, the Committee also proposed to the Board: i) the elimination of the Strategy and Innovation Committee, and ii) the integration of the Regulation and Institutional Affairs Committee and the Sustainability and Quality Committee, which now constitute a single Committee, called the Sustainability and Regulation Committee.

At this same meeting, the Committee also reported favorably to the Board of Directors on the following proposals:

- (i) The appointment of the Independent Director Ms. Claudia Sender Ramírez as a Member of the Executive Commission.
- (ii) The appointment of the Independent Director Ms. María Luisa García Blanco as a Member of the Audit and Control Committee.
- (iii) The appointment of the Independent Director Member Ms. Verónica Pascual Boé as a Member of the Nominating, Compensation and Corporate Governance Committee.
- (iv) The appointment of the Other External Director Mr. Javier de Paz Mancho, the Proprietary Director Mr. José María Abril Pérez, the Independent Director Ms. María Luisa García Blanco, the Independent Director Ms. Carmen García de Andrés, the Independent Director Ms. María Rotondo Urcola, and Independent Director Ms. Solange Sobral Targa as Members of the new Sustainability and Regulation Committee

In addition, over the course of its meetings the Committee has reported on various proposals for appointment of Directors at decision-making bodies of Subsidiaries or Affiliates of the Telefónica Group.

2. Proposed appointments related to Senior Executive Officers and the organizational structure of the Telefónica Group.

The Committee also analyzed and made a favorable report on proposals related to the appointment of Senior Executive Officers of the Company and of its Subsidiaries, analyzing the proposed appointments and the suitability and professionalism of the candidates, together with their curricula and their career within and outside the Company.

The Committee also analyzed changes to the organizational structure of the Telefónica Group, as well as other workforce-related issues such as diversity and various policies applicable to Officers and employees.

3. Remuneration regime for the Directors, Senior Executive Officers and Employees of the Telefónica Group.

With respect to the remuneration regime for Directors and Senior Executive Officers, at its various meetings the Committee reviewed the current remuneration of the Board of Directors as well as the remuneration of the Company's Senior Executive Officers and other issues relating to the remuneration regime thereof.

4. Telefónica, S.A. Share Plans.

Furthermore, the Committee reviewed and analyzed the proposal for 2023 made by the Human Resources Directorate of Telefónica, S.A. regarding Telefónica's 2018-2023 Long-Term Incentive Plan for Officers of the Group and the Executive Directors of Telefónica, which was approved by the shareholders at the General Shareholders' Meeting of the Company held on June 8, 2018. This Plan has a total duration of five years and is divided into three separate cycles of three years each (i.e., with delivery of the respective shares in each cycle once three years have passed from the commencement of each cycle). In relation to the third and last cycle (2020-2023) that began on January 1, 2020 and ended on December 31, 2022, the Nominating, Compensation and Corporate Governance Committee analyzed and reported favorably, at its meeting of February 21, 2023, on the proposal relating to the delivery of shares corresponding to such third and final cycle, which took place on April 1, 2023.

5. Amendment of the Regulations of the Board of Directors.

At its meeting of December 12, 2023, the Committee analyzed and proposed to the Board an amendment to the Regulations of the Board of Directors of Telefónica, S.A., consisting of:

- (i) to simplify and adapt the organizational structure of the Board of Directors' Committees to the current composition of the Company's management body, reducing the number of Committees to two;

- (ii) to strengthen the strategic definition and oversight function of the Company's Board of Directors, eliminating the Strategy and Innovation Committee to ensure that all deliberations and discussions about the Company's strategy take place among the full Board of Directors, in a more diverse context and with a greater plurality of viewpoints, in line with international best corporate governance practices; and
- (iii) improve the systematization of the distribution of skills among the Committees, broadening the functions of the current Sustainability and Quality Committee to include regulatory matters, which is increasingly linked to the Company's sustainability strategy, and clarifying the way in which it should exercise its duties in the areas shared with the Audit and Control Committee (in relation to sustainability risks and non-financial information) and with the Nominating, Compensation and Corporate Governance Committee (in relation to the sustainability-linked non-financial indicators of the variable remuneration of Directors and Senior Executive Officers).

6. Other issues analyzed:

➤ [Process of Evaluation of the Board, its Committees and the General Meeting](#)

Within the framework of the overall evaluation of the Board, its Committees and the General Meeting, carried out with the assistance of the consulting firm Egon Zehnder (EZ), as external advisor, the Directors comprising this Committee have evaluated its operation, particularly with regard to its composition, documentation, calls to meeting, frequency and duration, conduct of meetings and functions and means.

The results of the report issued by the consulting firm Egon Zehnder show the proper operation of the Committee, which has been communicated to the Board of Directors. However, work will continue on those aspects that have been identified, such as those related to making documentation available, whenever possible, further in advance.

➤ [Annual Corporate Governance Report.](#)

The Committee reviewed and reported favorably on the content of the Annual Corporate Governance Report of Telefónica, S.A. for fiscal year 2022, which was subsequently approved by the Company's Board of Directors and then by the shareholders at the General Shareholders' Meeting, as a part of the Management Report.

Pursuant to the provisions of the Regulations of the Board of Directors, the Committee also verified the category of each of the Directors of the Company.

➤ [Annual Report on Remuneration of Directors.](#)

The Committee also analyzed and reported favorably on the Report on the Remuneration of Directors for 2022, which was then approved by the Company's Board of Directors and later in a consultative vote of the shareholders at the General Shareholders' Meeting.

➤ [Report on the Remuneration of Directors.](#)

The Committee also analyzed and reported favorably on the Directors' Remuneration Policy of Telefónica, S.A. for 2023-2026, which was subject to approval of the Company's Board of Directors, and later by the shareholders at the General Shareholders' Meeting.

Finally, as set forth in Article 5 of the Regulations of the Nominating, Compensation and Corporate Governance Committee, the Nominating, Compensation and Corporate Governance Committee has the resources necessary for the Members of the Committee to obtain external advice on legal and other issues as required. In this regard, it is stated for the record that the Committee has hired external advisors to assist it in the performance of its duties.

7. Information on the practical guides regarding Nominating and Compensation Committees followed by the Committee.

The Nominating, Compensation and Corporate Governance Committee of Telefónica, S.A. follows Technical Guide 1/2019 on Nomination and Remuneration Committees approved by the Spanish National Securities Market Commission (CNMV) on February 20, 2019.

8. Significant deviations from procedures adopted or improprieties that have been communicated in writing to the Board.

It is hereby stated for the record that there are no significant deviations from procedures adopted or improprieties that have been communicated in writing to the Board of Directors on matters within the purview of the Committee.

9. Conclusions and forecasts for fiscal year 2024.

As reflected above, over the course of fiscal year 2023 the Nominating, Compensation and Corporate Governance Committee has analyzed the main issues and aspects within its purview, regularly reporting to the Company's Board of Directors on the most significant issues.

In fiscal year 2024, this Committee expects to continue with the review and supervision of all matters within its purview, and particularly to analyze and examine the issues relating to Corporate Governance, remuneration policy and the organizational structure of the Senior Executive Officers of the Telefónica Group.

In this regard, the Committee has established an Activity Plan for 2024, which sets out on a monthly basis all the activities that the Committee must perform during the fiscal year, planning the actions thereof in its various fields of activity.

10. Date of preparation and approval of the Report.

This Report was prepared by the Nominating, Compensation and Corporate Governance Committee on February 20, 2024, and approved by the Board of Directors of Telefónica, S.A. on February 21, 2024.



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