

ANNUAL REPORT ON REMUNERATION OF DIRECTORS

Included in the Chapter 5
of the 2025 Consolidated Management Report
on Telefónica, S.A. and its Group of Companies





Directors' Remuneration Report

5.1. Annual Remuneration Report

5.2. Statistical Annex Annual Remuneration Report

5.1. Annual Remuneration Report



Introduction to the Report

This section 5.1, and section 5.2 constitute the Annual Report on Remuneration of the Directors, which must be prepared and submitted to a vote of the General Shareholders' Meeting on a consultative basis. In accordance with the provisions of Act 5 of April 12, 2021, amending the redrafted text of the Corporate Enterprises Act, this report forms part of the Company's Management Report. This Report will remain accessible on the websites of the Company and the Spanish National Securities Market Commission (CNMV) for the legally stipulated term.

This report is essentially composed of two sections:

- First, a summary of the Directors' Remuneration Policy (the Remuneration Policy) applicable in 2026 is described:
 - From January 1 until approval by the General Shareholders' Meeting of the new Policy, the Directors' Remuneration Policy approved at the General Shareholders' Meeting of the Company held on March 31, 2023, with 92.66% of the votes cast, will apply (this Policy can be accessed at the following link: <https://www.telefonica.com/en/wp-content/uploads/sites/5/2021/10/remunerations-policy-directors-telefonica.pdf>).
 - From the General Shareholders' Meeting until December 31, the new Directors' Remuneration Policy will apply, where appropriate, approved by said Meeting to be held in 2026.
- Second, it contains the description of how the Directors' Remuneration Policy has been applied during the 2025 fiscal year.

Below is the context on which certain decisions have been made, related to the Remuneration Policy and its application, and which have been considered by the

Nominating, Remuneration, and Corporate Governance Committee (NCCGC) and by the Board of Directors of the Company.

New leadership

On January 18, 2025, the Board of Directors agreed to appoint Mr. Marc Thomas Murtra Millar as Executive Director by co-option and Executive Chairman of the Board of Directors of the Company in replacement of Mr. José María Álvarez-Pallete López. In addition, on March 6, 2025, he agreed to the appointment of Mr. Emilio Gayo Rodríguez, as Executive Director by co-option and Chief Operating Officer (C.O.O.) replacing Mr. Ángel Vilá Boix. These appointments were subsequently ratified by Telefónica's General Shareholders' Meeting, held on 10 April 2025.

Strategic plan 2026-2030: *Transform & Grow*

In 2025, under the new direction, a new plan has been established for the next five years: the *Transform & Grow* strategic Plan, with the aim of driving growth and creating long-term value, as well as strengthening leadership in the Telefónica Group's main markets – Spain, Germany, the United Kingdom and Brazil – and accelerating technological, operational and commercial evolution.

With this new Plan, Telefónica is transforming to grow with the mission to deliver the best digital experience to its customers and the vision to become a global, European-leading operator, with cost-effective scale.

Transform & Grow is a growth plan that is committed to the efficiency and simplification of the group and its operations, and is structured around six strategic pillars: delivering a world-class customer experience, expanding the B2C offering, scaling the B2B business, developing technology capabilities, simplifying the operating model and developing talent.

New Directors' Remuneration Policy in 2026

Following the holding of each year's General Shareholders' Meeting, the NCCGC carries out a reflection process on the adequacy of the Directors' Remuneration Policy to Telefónica's new strategic objectives and the interests of its stakeholders.

As part of its commitment to active listening to shareholders, the NCCGC maintains a constant and transparent dialogue with shareholders to know, among other aspects, their opinion on the remuneration policy and test possible changes that may be appropriate.

The reflection process has taken into account the results of the votes on the Annual Report on Remuneration of the Directors in the last two (2) years and those relating to the Remuneration Policy of the Directors approved on 31 March 2023.

As a result of this process, the NCCGC has proposed to the Board of Directors a new Directors' Remuneration Policy with the following characteristics:

	Fixed Remuneration (RF)		Short-Term Variable Remuneration (STVR)		Long-Term Variable Remuneration (LTVR)	
Amount (in thousands of euros)	Executive Chairman: • 1,923 €	Chief Operating Officer: • 1,450 €	Executive Chairman: • Target: 180% RF • Max: 233.1% RF	Chief Operating Officer: • Target: 150% RF • Max: 194.25% RF annuities.	Executive Chairman:: • Target: 200% RF • Max: 240% RF	Chief Operating Officer:: • Target: 180% RF • Max: 216% RF
Objectives			• EBITDA (22.5%). • Operating Income (22.5%). • Free Cash Flow (10%). • EBITDAaL-Capex (OpCFaL) (20%). • NPS (15%). • Reduction of GHG emissions(5%). • Women in management positions (5%). The maximum payout % for each goal is 125%, except Free Cash Flow and EBITDAaL-Capex (OpCFaL) which can reach 140%.		• Relative TSR (50%). • Free Cash Flow (50%). The maximum payout % for each goal is 100%, except Free Cash Flow which can reach 140%.	
Basic Features			• In cash • All targets are quantitative, 80% of which are financial. • Malus and clawback clauses.		• In shares. • 3-year performance period. • Shares subject to a minimum retention period of two (2) years. • Maximum LTVR below that set out in the Policy.	

In addition, Executive Directors are beneficiaries of certain remuneration in kind, contributions to pension plan for Telefónica's employees or contributions to the executives pension plan.

Application of the Executive Director Remuneration Policy in 2025

First, with regard to this Report, it should be considered that the detail of the remuneration of both the current Executive Chairman and Chief Operating Officer, as well as that of their predecessors for the period during which they remained with the Company in 2025. In the sections corresponding to fiscal year 2026, the information is limited to the current Executive Chairman and the Chief Operating Officer.

The remuneration system applicable in 2025 to Mr Marc Thomas Murtra Millar, as Executive Chairman, and Mr Emilio Gayo Rodríguez, as Chief Operating officer, has been as provided in the Directors' Remuneration Policy of Telefónica approved by the General Shareholders Meeting held on March 31, 2023.

The main characteristics of the remuneration of the Executive Directors corresponding to 2025 are summarized below:

- **Fixed components of remuneration:** (Fixed Remuneration, Remuneration in Kind and Pension Schemes): in annualized terms, unchanged from previous years, subject to minor differences in the valuation of Remuneration in Kind and and the reduction in the Fixed Remuneration of the current Chief Operating Officer compared to his predecessor in the position, being 9.375% lower.

The previous Executive Directors (Mr José María Álvarez-Pallete López and Mr Ángel Vilá Boix) received the proportional part of the fixed components of their remuneration package corresponding to the period in which they remained in the Company.

- **Short-Term Variable Remuneration:** the metrics and relative weights established for 2025 were Free Cash Flow (30%), Operating Revenue (25%), EBITDA (25%) and non-financial objectives - ESG (20%).

The weighted payment coefficient has amounted to 77% of the maximum amount. The Company reached the target level in its financial targets. On ESG targets, GHG reduction and female management targets were exceeded, while the NPS target remained slightly below target.

- **Long-Term Variable Remuneration:** the performance period of the Third Cycle (2023-2025) of the Long-Term Incentive Plan approved by the 2021 General Shareholders' Meeting ended on December 31, 2025. 50% of the incentive was subject to the Relative TSR, 40% to the Free Cash Flow generated in each of the years of the performance period and 10% to the Neutralization of CO2 Emissions Scopes 1+2.

During the 2023-2025 period, Telefónica's TSR reached approximately 29.5%, reflecting a positive value creation in the three-year cycle. However, this performance was below the median of the comparison group, resulting in a 0% payout for the relative TSR target. With regard to the Free Cash Flow objective, the three-year average is achieved, allowing the Company to continue with the reduction of debt and improve financial flexibility. In addition, the CO2 emissions reduction goal has been achieved, in line with the commitments made by the Company in terms of carbon emissions. Thus, the weighted payment coefficient of the Long-Term Variable Remuneration has reached 50%.

It should be noted that the Executive Chairman has not participated in this Third Cycle (2023-2025) and, therefore, has not accrued any amount for this concept. The Chief Operating Officer, for his part, has been a beneficiary since the start of the cycle due to his position as an executive at the Telefónica Group.

- **Severance pay:** In accordance with the new contract of the Executive Chairman, and following the good governance code, a severance payment of two (2) years of remuneration has been established in the event of termination due to the company's unilateral decision. In the case of the Chief Executive Officer, Mr Emilio Gayo Rodríguez, the terms of his previous contract remain unchanged, providing for severance pay up to four years' remuneration for termination due to the Company's unilateral decision.



5.1.1. Remuneration Policy Principles

Telefónica's remuneration strategy has as its main axis to attract, retain and motivate the Company's professionals, so that it can meet its strategic objectives within the highly competitive and globalized framework in which it carries out its activity, establishing the measures and practices that are most appropriate for this purpose.

Considering the above, the principles of the Remuneration Policy are as follows:

Value creation	The Policy is aligned with the commitment to growth, efficiency and long-term sustainable value creation for Telefónica's stakeholders.
Pay for Performance	A significant part of the total remuneration of Executive Directors is variable in nature and its receipt is linked to the achievement of financial, business, value creation and non-financial objectives, including ESG (Environmental, Social and Governance) objectives. These predetermined, specific and quantifiable objectives are aligned with the Company's Strategic Plan.
Compliance	Variable remuneration is not guaranteed and is sufficiently flexible so that this component may not be payable.
Competitiveness	The remuneration package, both in terms of its structure and its overall amount, must be competitive with respect to other comparable companies at an international level.
Corporate Governance	When determining the remuneration of Directors, the Company considers the evolution of regulations, best practices, recommendations and national and international trends regarding the remuneration of directors of listed companies.
Fair Pay	Professional worth, capabilities, experience, responsibility assumed and results achieved are adequately remunerated. The principles and criteria for action of the Policy applicable to Executive Directors are aligned with those of other Employees, incorporating the elements included in the remuneration package of Telefónica's executive group.
Equal pay	The Policy is consistent with Telefónica's inclusive culture, where there is a commitment to incorporate the management of diversity and inclusion as a key element and guarantees non-discrimination on grounds of gender, age, origin, sexual orientation and identity, religion, or race when applying remuneration practices and policies.
Suitability	The amounts set have been established considering the qualifications, dedication and responsibility of the Directors, and due loyalty and connection to the Company, without compromising the independence of non-Executive Directors.
Transparency	The level of transparency in remuneration matters is in line with best practices in corporate governance with the aim of generating trust among stakeholders, including shareholders and investors.



5.1.2. Our remuneration practices

Executive Directors

- Link between remuneration and Company performance (*pay for performance*).
- The weight of the financial metrics to which Variable Pay is linked represents at least 80%.
- Remuneration is aligned with stakeholders, so that variable remuneration is linked to both financial and return objectives for shareholders and non-financial objectives, including ESG (Environmental, Social and Governance) objectives.
- Long-Term Incentive Plans (i) have a minimum performance period of three (3) years; (ii) are paid primarily in shares; (iii) are linked to metrics aligned with Telefónica's long-term strategic objectives; and (iv) are subject to the obligation to hold 100% of the shares delivered over a two (2)-year period, which will increase to three (3) years if the commitment to permanently hold shares for a value equivalent to two (2) times the fixed remuneration is not met.
- Executive Directors do not receive the fixed remuneration established for the remaining Directors for their membership of the Board of Directors and/or the Delegated Commission, or for their membership of other management bodies of subsidiaries and investees of the Group.
- Specific and uniform reduction (malus) and recovery (clawback) clauses have been established, which apply to any element of variable remuneration.
- The quality of long-term performance and any associated risks are considered as part of the variable pay assessment process.
- Recurring external advice is sought in order to consider market practices as an additional element to be taken into account in the decision-making process on the design of the Policy.
- The payment of any variable remuneration is not guaranteed, nor are salary increases. The possibility of granting extraordinary remuneration is not provided for.

Non-Executive Directors

- Remuneration is paid in accordance with the responsibilities and functions assumed by each Director for their membership on the Board of Directors and/or the Committees of the Board, but without compromising their independence.
- They do not participate in remuneration formulas or systems linked to Company's performance or personal performance.
- They do not receive their remuneration through the delivery of shares, stock options, or remuneration rights linked to the value thereof.
- They do not participate in long-term savings systems such as pension plans, retirement systems, or any other welfare systems.



5.1.3. Telefónica Remuneration Policy applicable in 2026

As detailed in the Introduction to the Report, from January 1, 2026 to the date on which the Ordinary General Shareholders' Meeting is held in 2026, the Remuneration Policy approved by the General Shareholders' Meeting on March 31, 2023, with 92.66% of the votes cast, will apply. This Policy can be accessed on the corporate website:

<https://www.telefonica.com/en/wp-content/uploads/sites/5/2021/10/remunerations-policy-directors-telefonica.pdf>

During the rest of 2026, the new Remuneration Policy that will remain in force until December 31, 2029 will apply, in the event it is approved by the Ordinary General Shareholders' Meeting of 2026, without prejudice to the adaptations or updates that, where appropriate, the Board of Directors carries out in accordance with the provisions thereof, and the modifications that may be approved at any time by the General Shareholders' Meeting of Telefónica.



5.1.4. Remuneration of Executive Directors in 2026

- Fixed remuneration: the amount remains unchanged since 2016 for the Executive Chairman. In the case of the Chief Operating Officer, the amount is reduced by 9.375% compared to the fixed remuneration of the former Chief Operating Officer.

Executive Directors do not receive the fixed remuneration established for other Directors for their membership of the Board of Directors and/or the Executive Commission.

- Variable remuneration:
 - Significant weight with respect to total remuneration (79% for the Executive Chairman and 77% for the Chief Operating Officer). The ratio of variable remuneration to total maximum remuneration (fixed remuneration + maximum amount of short-term variable remuneration + maximum level of long-term variable remuneration) may not exceed 85%.
 - Metrics and achievement levels aligned with the new 2026-2030 Strategic Plan of the Company (*Transform & Grow* plan) and the main axes of Telefónica's strategy.
 - The maximum value of the allocated shares to the Third Cycle (2026-2028) of the Long-Term Incentive Plan 2024-2028 is below the maximum limit established in the Remuneration Policy.
- Severance Pay due to unilateral decision of the Company:
 - For the Executive Chairman, it has been reduced to two (2) years of remuneration. In the case of the Chief Operating Officer, the conditions of his previous contract remain unchanged, providing for severance pay up to four years' remuneration for termination due to the Company's unilateral decision.

As indicated above, as of the date of formulation of this Report, the Executive Directors of Telefónica, S.A. are Mr Marc Thomas Murtra Millar, Executive Chairman, and Mr Emilio Gayo Rodríguez, Chief Operating Officer (C.O.O.).

Pay for performance and pay mix

The remuneration system of Telefónica's Executive Directors is characterized by its competitiveness and high standards. Variable remuneration, designed to encourage the achievement of the Company's objectives, both in the short term and in the long term, is one of the fundamental pillars of this system.

The strategic ambition contained in the Transform & Grow Strategic plan guides Variable Compensation in both the Short and Long term:

What is it pursuing

How it is measure

MISSION:

To offer the best digital experience to our customers

Better customer experience

NPS

VISION:

To be a world-class European operator with a profitable scale

Leadership in the sector

TSR

Profitable growth

Revenues
EBITDA

Financial discipline

FCF

EBITDAaL -
CAPEX (OpCFaL)

In this regard, the KPIs included in variable remuneration are aligned with the strategic pillars set out above. In addition, KPIs linked to major sustainability initiatives are also included. In addition, KPIs linked to key sustainability initiatives are also included, which continue to be a strategic pillar for the Company, and we remain fully confident and enthusiastic about their ability to generate sustainable value for our business and all our stakeholders. In recent years, we have managed to integrate them deeply into our DNA, making them natural drivers of decision-making and the evolution of our corporate culture.

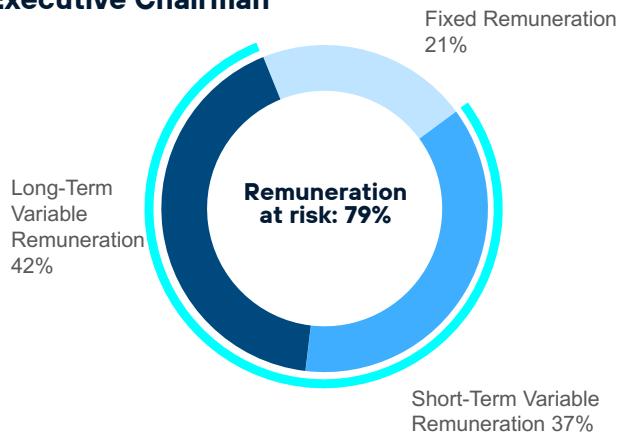
All objectives are predetermined, concrete, quantifiable, set and strictly evaluated by the NCCGC, which also tracks them, to ensure their alignment with Telefónica's social interests.

From the point of view of the remuneration mix, the remuneration package of the Executive Directors is leveraged mainly in variable remuneration, so that most of the total remuneration is received only if the objectives established in the short and long term variable remuneration are met. This remuneration structure is consistent with the pay for performance principle.

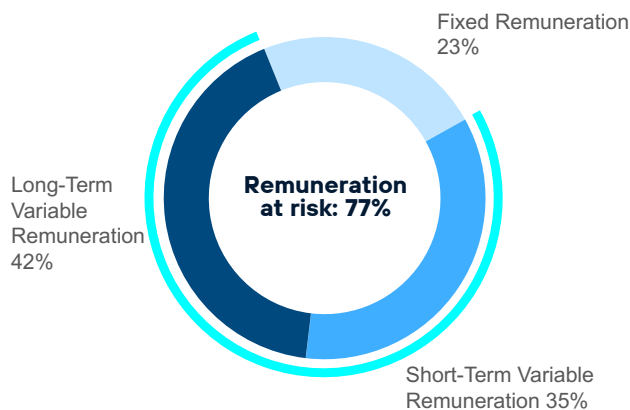
Consequently, the Executive Directors may not receive any amount as variable remuneration in the event that the minimum performance thresholds are not reached. The percentage of short- and long-term variable pay is significant relative to total pay.

Below is the remuneration mix of Telefónica's Executive Directors in accordance with a scenario of meeting target objectives*:

Executive Chairman



Chief Operating Officer



* The graph did not take into account remuneration in kind contributions to long-term savings systems.

Comparison Group

When establishing the remuneration package in 2026, the NCCGC carries out a periodic review of the remuneration of the Directors. As part of this process, remuneration analyses of external competitiveness are carried out and the remuneration policy of the executives and employees of the organization is also considered.

To carry out external competitiveness analyses, under the framework established in the Remuneration Policy, it is expected to propose a reference market established based on a series of objective criteria, as outlined below:

1. Sufficient number of companies to obtain statistically reliable and robust results.

2. Size (revenue, asset volume, market capitalization, and number of employees) and complexity of the business. For each of the selected companies, the dimension data for each of the mentioned variables must fall within predetermined ranges.

3. Geographic distribution: Only companies included in the Stoxx All Europe 100, Ibex-35, and European companies in the telecommunications sector have been considered.

4. Geographical scope: Companies with international presence.

5. Sectoral distribution: Multi sectoral sample with a homogeneous distribution, avoiding overrepresentation of sectors very different from Telefónica.

Considering these criteria, the comparison group would consist of 19 European companies with an international presence. The most represented geographies will be those where Telefónica's presence in terms of business is highest. Consequently, the country that will contribute the most companies to the comparison group will be Spain. In addition, it will ensure that the telecommunications sector has the highest relative weight within the group.

Considering this comparison group, the Chief Operating officer's total remuneration in a target goal setting would be around the median of the comparison group.

Components of the remuneration package in 2026:

The elements that make up the remuneration package of the Executive Directors for the performance of their executive duties are similar to those of the fiscal year 2025:

A. FIXED REMUNERATION

Purpose:

To reward the performance of their executive duties according to the level of responsibility, leadership and performance within the organization.

Amount:

Executive Chairman (Dr. Marc Thomas Murtra Millar):

- € 1,923,100 (no changes since 2016).

Chief Operating Officer (Mr. Emilio Gayo Rodríguez):

• €1,450,000

Functioning:

The annual gross fixed remuneration is paid on a monthly basis in cash. This remuneration is set by the Board of Directors at the proposal of the NCCGC and may be adjusted every year depending on the criteria approved from time to time by the NCCGC. However, the maximum increase in fixed remuneration during the term of the Remuneration Policy may not exceed, in general, 10% annualised of the gross annual salary, except in exceptional circumstances that must be duly justified and explained in the Annual Report on Directors' Remuneration.

B. SHORT-TERM VARIABLE REMUNERATION**Purpose:**

To reward the performance of a combination of financial, operational, business and non-financial objectives, including ESG objectives, that are predetermined, specific, measurable and aligned with Telefónica's strategic objectives.

Amount:

	Target Amount (% of FR)	Maximum Target (% of FR)	Δ vs 2025
Executive Chairman (Dr. Marc Thomas Murtra Millar)	180%	233.1%	No variation
Chief Operating Officer (Mr. Emilio Gayo Rodríguez)	150%	194.25%	No variation*

*Target Variable Short-Term Remuneration of the Chief Operating Officer is prorated from the date of appointment.

The Maximum Amount in 2026 will be 129.5% of the Target Amount, i.e. 233.10% of the FR for the Executive Chairman and 194.25% of the FR for the Chief Operating Officer. This Maximum Amount could be reached in the event of over-achievement of the Free Cash Flow and EBITDAaL-Capex (OpCFaL) target, provided that the EBITDA target is also met, as in the previous policy.

Non-financial targets will have a maximum combined weighting of 20% in the STVR.

Functioning:

For FY2026, the NCCGC has reviewed the objectives, metrics and performance scales to be applied in order to ensure the Company's strategy fulfilment.

As a result, based on the NCCGC's proposal, the Board has approved the incorporation of new metrics selected

from the Transform & Grow Plan. These indicators will quantitatively measure Telefónica's aforementioned strategic priorities.

For the purpose of calculating the payment coefficient obtained for each level of objective performance, a performance scale is determined for each metric, which includes a minimum threshold below which no incentive is paid. In the case of 100% objective performance, the Target Amount Short-Term Variable Remuneration will be paid and, in case of maximum objective performance the Maximum Amount Short-Term Variable Remuneration will be received.

The following provides more detail on the performance scales of each of the objectives and how to reach the aforementioned maximum:

	Metrics	Weight (%)	Pay levels (% over target)			Weighted Maximum Payment %
			Minimum	Target	Maximum	
Profitable growth (45%)	EBITDA	22.5%	50%	100%	125%	28.125%
	Operating Revenue	22.5%	50%	100%	125%	28.125%
Financial discipline (30%)	Free Cash Flow	10%	50%	100%	140%	14.00%
	EBITDAaL - Capex (OpCFaL)	20%	50%	100%	140%	28.00%
Customer experience(15%)	NPS	15%	50%	100%	125%	18.75%
ESG (10%)	Gender Equality - % of Women in Executive Positions	5%	50%	100%	125%	6.25%
	Climate Change - GHG Emissions	5%	50%	100%	125%	6.25%
100%						129.50%

In order to calculate the amount of the Short-Term Variable Remuneration, the NCCGC firstly considers the level of achievement and weighting of each objectives on an individual basis and then the overall level of achievement of the objectives as a whole. For such purpose, it applies the internal objective assessment rules and procedures set out by the Company for its executives. When conducting this assessment, the NCCGC is supported by the Audit and Control Committee, which provides information about the results audited by the company's external auditor (PRICEWATERHOUSECOOPERS AUDITORES, S.L.) and by the internal audit. The Committee also considers any associated risk for both setting the objectives and assessing their performance thereof.

In this respect, any positive or negative economic effects caused by extraordinary events that could distort the findings of the assessment are disregarded and the long-term quality of the results and any associated risk are considered in the proposed Short-Term Variable Remuneration.

In general, the Short-Term Variable Remuneration is fully paid in cash providing the targets set for this purpose have been achieved. However, in accordance with the Remuneration Policy, Short-Term Variable Remuneration may also include the delivery of shares, share options or remuneration rights linked to the value of the share, provided that the objectives established for this purpose are met.

This remuneration will not be paid until the NCCGC and the Audit and Supervisory Committee have carried out the actions described above in the first quarter of the following year, in line with recommendation 59 of the CNMV's Good Governance Code for listed companies.

C. LONG-TERM VARIABLE REMUNERATION

Purpose:

To increase the Executive Directors' and management team's commitment to the company and its strategy, linking their remuneration to creating value for the shareholders and sustainable strategic objective performance, so that they are in line with the best remuneration practices. In turn, by means of its Long-Term Incentive Plan, the company also aims at offering a competitive remuneration package that contributes to retaining the managers who hold key positions in the organization.

Long-Term Variable Remuneration may be settled in cash and/or include the delivery of shares, share options or remuneration rights linked to the value of the share, provided that the objectives established for this purpose are met.

Description of granted Long-Term Variable Remuneration incentives in effect in 2026:

The cycles in effect in 2026 derived from long-term incentive plans are as follows:

	Performance period	Number of granted shares for achieving 100% of objective (Value of shares allocated as % Fixed Remuneration)	
		Executive Chairman (Dr. Marc Thomas Murtra Millar)	Chief Operating Officer (Mr. Emilio Gayo Rodríguez)
Long-Term Incentive Plan 2024-2028 approved by the 2024 General Shareholders' Meeting			
First cycle	2024-2026	-	326,000
Second Cycle	2025-2027	916,000 (200%)	622,000 (180%)
Third Cycle	2026-2028	1,068,656 (200%)	725,181 (180%)

The number of shares allocated in each of the cycles is significantly lower than the maximum limit established in the Remuneration Policy as well as the limit established

in the General Shareholders' Meeting that approved the Plan.

Operation of the 2024-2028 Long-Term Incentive Plan:

The 2024 General Shareholders' Meeting approved the Long-Term Incentive Plan 2024-2028 consisting of the delivery of Telefónica, S.A. shares to Telefónica Group Executives, including Telefónica, S.A. Executive Directors who, complying with the requirements established for such purpose, are invited to participate in the Plan.

The Plan has a total duration of five (5) years and is divided into three (3) cycles, independent of each other, of three (3) years each (First cycle 2024-2026, Second cycle 2025-2027 and Third cycle 2026-2028).

The number of shares to be delivered at the end of each of the cycles will depend on the number of shares allocated and the degree of achievement of the Plan's objectives.

The details of the First Cycle (2024-2026) and the Second Cycle (2025-2027) of the Long-Term Incentive Plan 2024-2028 are described in the Directors' Remuneration Report corresponding to the year 2023 and 2024, respectively.

The metrics that have been established for the Third Cycle (2026-2028) of the Long-Term Incentive Plan are as follows:

	Metrics	Weight (%)	Company Outcome	Incentive to be accrued(%)
Leadership in the sector (50%)	Relative TSR	50%	75th percentile or higher	100%
			Median	30%
			Below median	0%
Financial discipline (50%)	Free Cash Flow ¹	50%	115% achievement	140%
			100% achievement	100%
			92% achievement	50%
			Below 92% achievement	0%

¹In addition to 115% achievement, it will be necessary to meet 100% of the Free Cash Flow objective in each of the fiscal years of the (2026-2028 period).

Relative TSR (50%)

Definition: Share profitability taking into account the sum of the cumulative variation of Telefónica's share value, plus the dividends and other similar items received by shareholders during the cycle in question..

Determination of the level of achievement: The evolution of TSR from Telefónica's shares is measured from the beginning of the cycle (2026) until the end of such cycle (2028), in relation to the TSR from other companies pertaining to the telecommunication sector, weighted depending on their relevance to Telefónica S.A. that, for the purpose of the Plan, will be used as the comparison group. The companies included in the comparison group are the following: BT Group, Deutsche Telekom, Orange, Vodafone Group, Liberty Global, Telecom Italy, America Movil, Koninklijke KPN, Telenor and Telia Sonera.

The number of companies in the comparison group has been reduced compared to previous cycles. In this regard, companies that do not compete in the same markets as Telefónica and other companies with a high probability of being subject to a takeover bid have been excluded.

Performance Scale: The number of shares to be delivered associated with the performance of this objective will be between 15% of the number of target theoretical shares granted, in the case the evolution of the TSR of Telefónica S.A.'s shares is, at least, the median of the Comparison Group (below this threshold no incentive will be payable) and 50% if the evolution is in the third or higher quartile of the comparison group. The results between the median and the third quartile, the incentive level will be calculated by linear interpolation. will be payable) and 50% if the evolution is in the third or higher quartile of the comparison group. The results between the median and the third quartile, the incentive level will be calculated by linear interpolation.

Free Cash Flow (50%)

Definition: Free cash flow generation (FCF).

Determining the level of achievement: The level of FCF generated by the Telefónica Group is measured during each year, in comparison with the target approved by the Board of Directors, following the approval of the aforementioned Transform & Grow Plan (announced to the markets on 4 November 2025), considering the final level of FCF performance, the average of the annual partial results obtained and approved by the NCCGC.

Performance scale:

The performance scale for the Third Cycle will be as follows:

- i. Minimum threshold of 92% compliance, below which no incentive is paid and whose compliance implies the delivery of 25% of the theoretical target shares granted.
- ii. Target level of 100% compliance, which entails the delivery of 50% of the theoretical target shares granted.
- iii. Maximum level of 115% compliance, which would entail the delivery of an additional 20% to the granted target theoretical shares, and which will be applicable provided that 100% of the Free Cash Flow objective is met in each of the fiscal years that make up this Third Cycle (2026-2028), thus ensuring continuity in the generation of cash while incentivizing overachievement.

The NCCGC conducts an assessment of the objectives on an annual basis and, once each cycle has ended, the level of performance is determined. When conducting this assessment, the NCCGC is supported by the Audit and Control Committee, which provides information on the results audited by the external auditor and the Company's internal auditor, which will have been analysed first by the Audit and Control Committee itself. The NCCGC also considers any associated risk for both setting the objectives and assessing their achievement.

When determining the objective performance level, any positive or negative economic effects caused by extraordinary events that may distort the findings of the assessment are disregarded and the long-term quality of the results are considered in the proposed Long-Term Variable Remuneration.

In any case, 100% of the shares settled within the scope of the Plan to the Executive Directors are subject to a retention period of two (2) years, which will be increased to three (3) years in case the shareholding commitment is not fulfilled.

Implications of a Change in Control in Long-Term Variable Remuneration:

In the event of a change of control in Telefónica, the cycles that are in progress in 2026 will be subject to early settlement on a proportional basis, delivering to the participants, when applicable, the shares, or in their cash equivalent amount, considering for these purposes the closing price of the last trading session of the month immediately preceding the date on which the change of control occurs.

The incentive to be paid is pro-rated for the time elapsed since the start date of the relevant cycle, and adjusted according to the achievement of objectives on the date of the change of control.

On the other hand, in the event of termination of the Executive Director due to the Company's unilateral decision in accordance with the provisions of the general conditions applicable to Long-Term Incentive

Plans, the equivalent cash settlement of the cycles that may correspond shall be made.

D. LONG-TERM SAVINGS SCHEMES

The long-term saving system for Executive Directors replicates that applicable to Telefónica employees and executives, which consists of contributions (i) to a pension plan or similar instrument and to a collective life insurance policy in the unit link modality (to channel the excess contribution over the financial and tax limits applicable to pension plans) as well as (ii) to the Telefónica Executive Pension Plan, implemented through a collective life insurance policy in the unit link modality.

In the case of the Executive Chairman, as he did not have a prior employment relationship before his appointment as Executive Chairman, contributions are implemented through a savings insurance policy that incorporates the main characteristics of said instruments, covering the same contingencies as the pension plan and the unit link insurance policies applicable to Telefónica's Employees and executives.

i. Pension Plan:

Contributions:

The annual contribution amount for the Executive Chairman is 4.51% of the Fixed Remuneration and for the Chief Executive Officer 5% of the Fixed Remuneration, maintaining the contribution percentage provided for in his previous contract with the Telefónica Group.

Functioning:

This is a defined contribution plan that covers the following contingencies: retirement; death of the participant; death of the beneficiary; total and permanent occupational disability for the usual profession, absolute and permanent disability for all work and severe disability; and severe dependency or major dependency of the participant.

The benefit consists of the economic right that corresponds to the beneficiaries as a result of the occurrence of any of the contingencies covered by this Pension Plan.

In the case of the Chief Executive Officer, as he did not have an employment relationship prior to his appointment as Chief Executive Officer, contributions equivalent to the pension plan and unit-linked group life insurance are implemented through a savings insurance policy that replicates the main characteristics of these instruments.

In the case of the Chief Operating Officer, the Pension Plan is integrated into the Pension Fund "Fonditel B, Pension Fund", managed by Fonditel Pensiones, EGFP, S.A.

During the validity of the Policy, the Law may modify the financial and tax limits on contributions to pension plans. In this regard, and as has been done previously, in the case of the Chief Operating Officer, a collective life insurance policy in the unit link modality has been taken out in which the excess contribution over the annual tax limits set forth in the legislation is channeled. This unit link insurance, arranged with Occident GCO, S.A.U. de Seguros y Reaseguros, covers the same contingencies as the Pension Plan and the same cases of exceptional liquidity in the event of serious illness or long-term unemployment.

ii. Executive Pension Plan:

Contributions:

The annual contribution equals 35% of the Fixed Remuneration, after deducting the contributions made to the Pension Plan for Telefónica employees or the equivalent instrument.

Functioning:

The Executive Directors participate in an Executive Pension Plan that covers the contingencies of retirement, early retirement, permanent occupational disability in the degrees of total or absolute disability or severe disability, and death.

The implementation vehicle for this Plan is a collective life insurance policy in the unit link modality arranged with one or more insurance entities or equivalent instrument, and the amount of the benefit under this guarantee shall be equivalent to the mathematical provision corresponding to the insured on the date on which the policyholder communicates and certifies to the insurer access to any of the situations covered by the Plan.

Until March 31, 2023, Telefónica's Directors' Remuneration Policies established only the incompatibility between the recognition of economic rights derived from this Plan and compensation for termination of an employment relationship, as reported in the successive previous Directors' Remuneration Reports. As of March 31, 2023, the date on which the previous Directors' Remuneration Policy was approved by the General Shareholders' Meeting, said incompatibility was extended to any termination compensation, whether from an employment or contractual relationship.

However, although the Company understood that said modification introduced by the Directors' Remuneration Policy approved on March 31, 2023 was applicable to previous services agreements (by application of Article 529 novodecies.5 of the Spanish Companies Act), on the occasion of the termination of the former Executive Chairman and the former Chief Operating Officer (C.O.O.), in January and March 2025 respectively, the discrepancy that arose between the parties in this

regard was resolved through an alternative dispute resolution mechanism (independent expert opinion) which, based on general principles of contracts, ruled in favor of the aforementioned executives and the maintenance of their economic rights derived from the Plan.

As of the date of this Report, there are no Executive Director contracts in force prior to 31 March 2023.

In this way, any economic right derived from this Plan shall be incompatible with the receipt of compensation for termination of the contract of Executive Directors.

E. REMUNERATION IN KIND

Executive Directors receive, as remuneration in kind, in addition to the life insurance with death or disability coverage described above, general health and dental insurance and are assigned a Company vehicle, all in line with the General Policy applicable to the executives of the Company.

Likewise, Telefónica has taken out a third-party liability insurance policy (D&O) for its managers, executives and staff performing similar duties in the Telefónica Group, with the usual terms and conditions for these kinds of insurance policies. This policy also includes the company's subsidiaries in certain cases.

Clawback clauses for the variable remuneration

Teléfono has an Executive Officer Remuneration Recoupment Policy, which clearly and comprehensively regulates the company's right to recover variable compensations paid during the general three (3)-year clawback period.

The Board of Directors will assess, following a report from the NCCGC, whether (i) the total or partial cancellation of variable remuneration pending payment (malus) is appropriate, and/or (ii) the total or partial recovery of any element of variable remuneration within thirty-six (36) months following payment thereof (clawback), when certain exceptional circumstances arise that affect the Company's results, or that derive from inappropriate conduct by the Executive Director in accordance with the Company's policies (among which is the "Executive Officer Compensation Recoupment Policy", approved by the Board of Directors in 2023. Additionally, the reduction and recovery clauses provided for at any given time in the Long-Term Incentive Plans that, where applicable, have been approved by the General Shareholders' Meeting shall apply).

For these purposes, the following shall be considered as exceptional circumstances that will be subject to

assessment by the Board of Directors, among others, and by way of example:

- Restatement of the Company's financial statements not due to the modification of applicable accounting standards.
- In the event that an Executive Director has been sanctioned for a serious breach of the code of conduct and other internal regulations applicable to them, or for a serious breach of the regulations that are equally applicable to them.
- In any case, when it becomes evident that the settlement of the variable remuneration element in question has occurred totally or partially based on information whose falsity or serious inaccuracy is manifestly demonstrated a posteriori, or other circumstances not foreseen or assumed by the Company, that have a material negative effect on the income statements.
- When the Company's external auditor introduces qualifications in its report that reduce the results taken into consideration to determine the amount of variable remuneration to be paid.

Possible payments linked to termination

The contracts entered into with Executive Directors are of an indefinite nature and include a non-compete agreement. Said agreement means that, once the corresponding contract has been terminated and during the validity of the agreement (two (2) years after termination of the contract for any reason), Executive Directors may not provide services either directly or indirectly, either on their own account or on behalf of others, either by themselves or through third parties, to Spanish or foreign companies whose activity is identical or similar to that of Telefónica.

With regard to the conditions related to the termination of the contracts, the current Remuneration Policy provides for a severance payment equal to two (2) years' remuneration. In its application, the commercial contract of the new Executive Chairman, Mr. Marc Thomas Murtra Millar, signed in January 2025 provides for a termination indemnity due to the Company's unilateral decision in an amount equal to the aforementioned two (2) annuities. Each annuity comprises the last Fixed Remuneration and the arithmetic mean of the last two (2) Annual Variable Remunerations received according to the contract.

With regard to the conditions related to the termination of the commercial contract of the Chief Operating Officer (C.O.O.), Mr Emilio Gayo Rodríguez, he maintains the conditions of his previous contract with Telefónica Group, which provides for a severance payment due to the Company's unilateral decision of up to four years' remuneration.

The receipt of the aforementioned severance compensation is incompatible with the recognition of any financial entitlement in connection with the Executive Pension Plan.

In this regard, the contracts signed with the current Executive Directors expressly provide that, in the event of receiving the aforementioned financial compensation for termination, no economic right derived from this Executive Pension Plan will be recognized.

Contractual conditions of the Executive Directors

The contracts that currently regulate the performance of the functions and responsibilities of the Executive Directors are commercial in nature and include the clauses that in practice are customary to be included in these types of contracts. These contracts have been proposed by the NCCGC and approved by the Board of Directors.

In addition to the severance pay terms and conditions explained in the previous point, a summary is provided below of the main terms and conditions of the Executive Directors' contracts:

- Duration: Indefinite
- Notice: The obligation to give notice in the event of termination of the contract by unilateral decision of the Executive Director is included, providing that they must communicate their unilateral decision in writing and with a minimum notice of three (3) months. In the event of failure to comply with such obligation, they must pay the Company an amount equivalent to the Fixed Remuneration corresponding to the unfulfilled notice period.
- Exclusivity: The contract establishes the prohibition, during its validity, of entering into - directly or through an intermediary - other employment, commercial or civil contracts with other companies or entities that carry out activities of a similar nature to those of Telefónica.
- Non-compete agreement: Declares compatible their relationship with the performance of other representative, administrative and management positions and with other professional situations that they may attend to in other entities within Telefónica, or in any other entities outside the Company with the prior consent of the Board of Directors.

On the contrary, declares incompatible, during the validity of the agreement (two (2) years after termination of the contract for any reason), the provision of services directly and indirectly, on their own account or on behalf of others, by themselves, by third parties, to Spanish or foreign companies whose activity is identical or similar to that of Telefónica.

- Confidentiality: During the validity of the relationship and also after its termination, a duty of confidentiality is established with respect to information, data and any type of documents of a reserved and confidential nature that they know and to which they have had access, as a consequence of the exercise of their position.
- Compliance with the regulatory system: The obligation to observe the rules and obligations established in Telefónica's regulatory regime is included, which are found, among other regulations, in the Regulations of the Board of Directors and in Telefónica's Internal Code of Conduct on Matters Related to the Securities Markets.

Permanent shareholding commitment

As stipulated in the Remuneration Policy, the Executive Directors must hold (directly or indirectly) a number of shares (including those provided as remuneration) equivalent to two (2) years' gross fixed remuneration as long as they are members on the Board of Directors and perform executive duties.

The term set for achieving this objective is five years, counted from its appointment (January 18, 2025 for the Executive Chairman and March 6, 2025 for the Chief Operating Officer). The Board of Directors and the NCCGC may approve a longer term when exceptional situations arise.

Stock holding Requirement	
Executive Chairman	200% Fixed Gross Remuneration
Chief Operating Officer	200% Fixed Gross Remuneration

As long as the number of shares subject to this commitment has not been reached, the shares that the Executive Director receives within the scope of any variable remuneration component will be subject to a minimum retention period of 3 years; therefore raising the Executive Director's level of commitment.

This commitment will be verified by the NCCGC.

As at 31 December 2025, the Executive Chairman held 136,241 shares and the Chief Operating Officer held 649,636 shares.



5.1.5. Remuneration of the Directors in their capacity as such in 2026

The remuneration payable to the Directors in their positions as such remains unchanged since 2012.

The remuneration payable to the Directors in their positions as such is structured, within the legal and statutory framework, pursuant to the remunerative criteria and items specified below, up to the maximum limit determined for such purpose by the General Shareholders' Meeting, pursuant to the provisions in Article 35 of the Articles of Association.

According to the foregoing, the Ordinary General Shareholders' Meeting held on April 11, 2003 set the annual gross maximum amount for the remuneration at €6,000,000 payable to the Directors in their positions as members of the Board of Directors.

The aforementioned remuneration is, in all cases, the maximum amount payable and the Board of Directors is responsible for proposing the allotment of the amount among the various items and among the different Directors, taking into account the duties and responsibilities assigned to each Director, membership on Committees within the Board of Directors and other objective circumstances that would be considered relevant.

With regard to the 2026 financial year, and following the corresponding analysis based on available market information, the NCCGC has proposed to the Board of Directors that the fixed remuneration of the Directors not be increased. This remuneration has remained unchanged since 2012, except as indicated below concerning the Lead Independent Director, as agreed by the Board of Directors in the 2025 financial year.

	Board of Directors	Executive Commission	Advisory or Supervisory Committees (*)
President	€240,000 (**)	€80,000(**)	€22,400
Vice President	€200,000	€80,000	-
Member Sunday	€120,000	€80,000	€11,200
Independent Member	€120,000	€80,000	€11,200
Member Other External	€120,000	€80,000	€11,200

(*) In addition, the amount of the allowance for attendance at each of the meetings of the Advisory or Supervisory Committees is 1,000 euros.

(**) Executive Directors do not receive these remuneration items.

The Lead Independent may receive an additional annual remuneration of up to 80,000 euros for the exercise of said position, given the relevance of the role performed.

The Executive Directors do not receive the remuneration that may correspond to them for their status as members of the Board of Directors (remuneration in their capacity as such) or for their membership in the Executive Commission, or for their membership in the administrative bodies of subsidiaries and investees of Telefónica.

The NCCGC will periodically review that the remuneration of the Directors is competitive with respect to the market practices of entities comparable to Telefónica, adequately compensates for the effective

dedication, qualification and responsibility of the directors and takes into account the size and complexity of Telefónica's business. In any case, any modification of these amounts will be reported in the Annual Report on Remuneration of the Directors that will be submitted annually for the approval of the General Shareholders' Meeting.

In addition, Non-Executive Directors receive remuneration for their membership of certain administrative or collegiate bodies of some Telefónica subsidiaries and investee companies. However, they do not participate in remuneration formulas or systems linked to the Company's performance or personal performance, they do not receive their remuneration through the delivery of shares, share options or remuneration rights linked to the value of these, and they do not participate in long-term savings systems such as pension plans or other long-term saving systems.



5.1.6. Application of the Remuneration Policy in 2025

Summary of the Remuneration Policy applied in 2025 and results of the vote of the Directors' Remuneration Report corresponding to 2024

The remuneration corresponding to the fiscal year 2025 has followed the terms of the Remuneration Policy approved by the General Shareholders' Meeting on March 31, 2023, in accordance with the provisions of Article 529 Novodecies of the Capital Companies Act.

The detailed description of the Directors' remuneration system in 2025 was included in section 5.1.4 of the Annual Report on Remuneration corresponding to 2024. This Report was approved by 72.36% of the votes cast in favor, with 11.65% of votes cast against and 15.99% of abstentions.

There has been no deviation from the procedure for the application of the Remuneration Policy in force at any time, nor has any temporary exception been applied to it.

During fiscal year 2025, the termination of the contract signed with Mr José María Álvarez-Pallete López as Executive Chairman, and with Mr Ángel Vilá Boix as Chief Operating Officer, was agreed due to the Company's unilateral decision. Until its cessation, these Directors received certain remuneration items such as Fixed Remuneration or Remuneration in Kind, without having accrued any amount as Short Term Variable Remuneration in the fiscal year 2025. In addition, the Statistical Annex of this Report includes the amount accrued and consolidated in the Second Cycle (2022-2024) of the Long-Term Incentive Plan approved by the 2021 General Shareholders' Meeting, whose performance period comprised the period 2022-2024.

These directors were paid severance pay due to the Company's unilateral decision and were granted the financial rights derived from the Executive Social Welfare Plan in accordance with the provisions of their contracts. The amounts corresponding to these items are broken down in the Statistical Annex.

Remuneration of Executive Directors in 2025

- The annual Fixed Remuneration of the Executive Chairman (Mr Marc Thomas Murtra Millar) in 2025 was the same as the Remuneration Policy established since 2016 for the position of Executive Chairman. In the case of the Chief Operating officer, Mr Emilio Gayo Rodríguez, his annual amount is 9.375% lower than the former Chief Operating Officer.
- The Short-Term Variable Remuneration obtained by the Executive Directors has amounted to 77% of the maximum amount.
- The weighted payout ratio of the Third Cycle (2023-2025) of the Long-Term Incentive Plan approved by the 2021 General Shareholders' Meeting has been 50%. This percentage is explained by the results of the Free Cash Flow in the 2023-2025 period and the fulfillment of the objective linked to the Neutralization of Emissions. On the other hand, the Total Return for the Telefónica Shareholder (TSR) in the period 2023-2025, although it has been positive (29,5%) has not reached the median of the companies included in the comparison group. The current Executive Chairman has not participated in this Plan cycle.

The remuneration corresponding to the fiscal year 2025 by the current Executive Chairman and the Chief Operating officer in his/her capacity as Executive Directors of Telefónica is summarized below:

Executive Chair:

	2024	% change 2024 vs 2025	2025 ²
Amounts in thousands of euros	Mr. José María Álvarez-Pallete López		Mr. Marc Thomas Murtra Millar
Fixed Remuneration	€1,923	(5)%	€1,835
Short-Term Variable Remuneration	€3,514	(6)%	€3,293
Long-Term Variable Remuneration (LVTR)	€3,918	-	-
Total Remuneration¹	€9,534	(45)%	€5,259

1. Remuneration in kind and contributions to long-term saving systems are also included. The amount of the LVTR corresponds to the number of shares delivered valued at the end date of the performance period of each of the corresponding cycles.
2. This includes remuneration generated since January 18, 2025, the date on which Mr. Murtra was appointed Executive Chairman.

Chief Operating Officer:

	2024	% change 2024 vs 2025	2025 ²
Amounts in thousands of euros	Mr. Ángel Vila Boix		Mr. Emilio Gayo Rodríguez
Fixed Remuneration	€1,600	(26)%	€1,190
Short-Term Variable Remuneration	€2,436	(19)%	€1,984
Long-Term Variable Remuneration (LVTR)	€2,933	(81)%	€552
Total Remuneration¹	€7,102	46%	€3,850

1. Remuneration in kind and contributions to long-term saving systems are also included. The amount of the LVTR corresponds to the number of shares delivered valued at the end date of the performance period of each of the corresponding cycles.
2. This includes remuneration generated since March 6, 2025, the date on which Mr. Gayo was appointed Chief Operating Officer.

A. FIXED REMUNERATION

Executive Chairman:

- Until January 18, 2025 (Mr. José María Álvarez-Pallete López): €93,420.
- From 18 January 2025 (Mr Marc Thomas Murtra Millar): €1,834,870.

In annualized terms, the Fixed Remuneration amount corresponding to 2025 has remained unchanged for the executive chairman since 2016.

The Chief Operating Officer:

- Until 6 March 2025 (Dr. Angel Vilá Boix): €291,733.
- From March 6, 2025 (Mr. Emilio Gayo Rodríguez): €1,189,530.

B. SHORT-TERM VARIABLE REMUNERATION

Executive Chairman:

- Until January 18, 2025 (Mr. José María Álvarez-Pallete López): he has not received any amount for this item.
- From 18 January 2025 (Mr Marc Thomas Murtra Millar): €3,292,857.

Chief Operating Officer:

- Until March 6, 2025 (Mr. Ángel Vilá Boix): he has not received any amount for this item.
- During 2025 (Mr Emilio Gayo Rodríguez): €1,983,726, considering his role as CEO and Chairman of Telefónica Spain.

For the 2025 fiscal year, the Board of Directors approved, following a proposal from the NCCGC, those quantifiable and measurable metrics that best reflect the value creation levers of the Telefónica Group with the objective of ensuring fulfilment of its strategy,

These metrics and their relative weight are as follows:

METRIC	DEFINITION AND MEASURING METHOD	WEIGHT
FINANCIAL OBJECTIVES		80%
FREE CASH FLOW	This means the amount of funds generated from transactions throughout the year and it is calculated as funds collected from customers minus the payments required to carry out transactions and investment in assets, therefore including payments to suppliers, employees, as well as spectrum, fees, taxes and interest on debt.	30%
EBITDA	EBITDA is Earnings Before Interest, Taxes, Depreciation and Amortisation. It is a key metric for assessing operating performance, as it allows analysis of the company's ability to generate profits from its core operations, excluding the effects of capital structure, tax policies and accounting practices related to depreciation and amortisation	25%
OPERATING REVENUE	This corresponds to service revenues, revenues generated from the company's core business, revenues for terminal sales and other operating revenue.	25%
NON-FINANCIAL OBJECTIVES - ESG		20%
CUSTOMER TRUST (NPS)	NPS is the metric used to measure our customers' experience. It calculates their willingness to recommend our products and services. It is built through the answer to the following question: How likely are you to recommend the services of Movistar/O2/Vivo to a family member, friend or colleague? (On a scale of 1 to 10, 1 means, I would not recommend it; and 10 means I would recommend it). Ratings between 9 and 10 are considered promoters and between 1 and 6 are considered detractors. NPS = % Promoters – % Detractors	10%
CLIMATE CHANGE (Greenhouse gas emissions)	Greenhouse gas (GHG) emissions are the metrics used to measure our environmental impact. It is measured through direct and indirect CO2 emissions from Telefónica's daily activity. CO2 Emission = Activity Data x Emission Factor - Activity Data: Amount of energy, fuel, gas, etc. consumed by the Company - Issuance Factor: The amount of CO2 emitted to the atmosphere by the consumption of each unit of activity. For electricity, the emission factor provided to us by official sources (European Union, Ministries, CNMC, etc.) is used and for fuels, the emission factors of the GHG Protocol and IPCC (UN Intergovernmental Climate Change Panel) are used. Constant issue factors are used for annual remuneration to avoid variations for reasons beyond the Company's control.	5%
GENDER EQUALITY (% of Women in executive positions)	% of Women Directives in the Telefónica Group is the metric used to measure the Gender Equality goal. It is measured on the total collective of Executives of the Telefónica Group at the close of the workforce for the month of December. The collective of directors is defined according to the criteria and processes established by the People area at the Corporation level.	5%

Throughout the year, the NCCGC has followed up on said objectives established for the 2025 Short-Term

Variable Remuneration, payable in the first quarter of 2026.

The final evaluation of the aforementioned objectives has been carried out on the basis of the audited results corresponding to the 2025 fiscal year in accordance with the following process:

1. The results of the fiscal year 2025 as well as the degree of achievement of the objectives have been analyzed, firstly, by the Audit and Control Committee, based on the results audited by PRICEWATERHOUSECOOPERS AUDITORES, S.L.
2. After this analysis, the NCCGC established a proposal for Variable Short-Term Remuneration to the Board of Directors. The Committee has also considered the quality of long-term results and any associated risks in the variable remuneration proposal.
3. Finally, the Board of Directors has approved the proposal for Variable Short-Term Remuneration of the NCCGC. As a result of the above, and in accordance with the provisions of recommendation 59 of the Code of Good Governance, the Board of Directors has agreed on a 99.7% (77% of the maximum amount).

The target Short-Term Variable Remuneration amounted to 180% of the Annual Fixed Remuneration for Executive Chairman Mr Marc Thomas Murtra Millar and 150% of the Annual Fixed Remuneration for Chief Operating officer Mr Emilio Gayo Rodriguez.

C. LONG-TERM VARIABLE REMUNERATION

Long-Term Incentive Plan approved by the General Shareholders' Meeting of 2021. Accrual of the Second Cycle (2022-2024).

The General Shareholders' Meeting held in 2021 approved a Long-Term Incentive Plan consisting of providing Telefónica, S.A.'s shares, aimed at Executives of Telefónica that, meeting the requirements stipulated for such purpose from time to time, were invited to participate therein, including the Executive Directors de Telefónica, S.A.

The performance period for the objectives of the first cycle of the Plan ended on December 31, 2025. The theoretical number of granted shares, corresponding to the Executive Directors, if 100% of the TSR, Free Cash Flow and Neutralization of CO2 emissions objectives are achieved, was as follows:

- Executive Chairman
 - Until January 18, 2025 (Mr. José María Álvarez-Pallete López): 725,570 shares (prorated number considering his date of termination, based on an initial number of 1,110,000 shares).
 - Since January 18, 2025 (Mr. Marc Thomas Murtra Millar): he has not participated in this cycle.

• Chief Operating Officer

- Until March 6, 2025 (Mr. Ángel Vilá Boix): 559,780 shares (prorated number considering its date of termination, based on an initial number of 831,000 shares).
- Since March 6, 2025 (Mr. Emilio Gayo Rodríguez): 316,000 shares (number of shares granted from his appointment as Executive Director of the Company and Chairman of Telefónica Spain).

To determine the specific number of actions to deliver at the end of the aforementioned cycle, the NCCGC has analyzed the level of achievement of each of the three objectives.

Metries	Weight (%)	Company outcome	Incentive accrued (%)
Relative TSR*	50%	75th percentile or higher	100%
		Median	30%
		Below median	0%
Free Cash Flow	40%	Maximum	100%
		Minimum outcome	50%
		Below minimum	0%
Neutralization of CO ₂ emissions	10%	Maximum	100%
		Minimum outcome	50%
		Below minimum	0%

*Comparison Group: America Movil, BT Group, Deutsche Telekom, Orange, Telecom Italia, Vodafone Group, Proximus, Koninklijke KPN, Millicom, Swisscom, Telenor, TeliaSonera, Tim Brasil and Liberty Global.

Taking into account the results of the Relative TSR, Free Cash Flow and CO₂ Emission Neutralization, the weighted payout coefficient has amounted to 50%.

The incentive amounts of the former Executive Directors are included as "consolidated" in the Statistical Annex of this Report as remuneration accrued in 2025.

- Chief Operating Officer (Mr. Emilio Gayo Rodríguez): 158,000 shares. This incentive will be delivered throughout the month of March 2026, once the annual accounts for the fiscal year 2025 have been formulated and audited, as established by recommendation 59 of the Code of Good Governance of the CNMV listed companies. These shares will be subject to a two (2)-year retention period, which may be increased to three (3) in the event that the Executive Director does not comply with the commitment of permanent holding of shares.
- The Executive Chairman since January 18, 2025 (Mr. Marc Thomas Murtra Millar) has not participated in the Third Cycle of the Plan, so he is not entitled to receive any incentive.

In addition, the previous Executive Directors maintained, at the date of their termination, their right to the proportional part of the Incentive corresponding to the First Cycle (2024-2026) of the Long-Term Incentive Plan 2024-2028. Once the goals of the Relative TSR, Free

Cash Flow and Neutralization of CO₂ emissions have been measured according to the latest available data before the cessation dates, and the incentives have been prorated based on the time in which the previous Executive Directors participated in the aforementioned cycle, the following amounts were settled in cash:

- Executive Chairman until January 18, 2025 (Mr. José María Álvarez-Pallete López): €1,023,459 corresponding to the value of 259,959 shares.
- Chief Operating Director until 6 March 2025 (Mr Ángel Vilá Boix): €872,165 corresponding to the value of 202,782 shares.

The above amounts are included as "consolidated" in the Statistical Annex of this Report as remuneration accrued in 2025.

On the other hand, as detailed in section C) of section 5.1.6 of the Directors' Remuneration Report of last year, in March 2025, the Second Cycle 2022-2024 of the Long-Term Incentive Plan approved by the 2021 General Shareholders' Meeting was settled. In this regard, €3,917,315, equivalent to the value of 995,000 shares, were paid to the Executive Chairman until 18 January 2025 (Mr José María Álvarez-Pallete López) and to the Chief Operating officer until 6 March 2025 (Mr Angel Vilá Boix.) €3,204,245, equivalent to the value of 745,000 shares.

In accordance with the instructions that the CNMV has stated to Telefónica, these amounts are included as "consolidated" in the Statistical Annex as remuneration accrued in 2025.

D. LONG-TERM SAVINGS SCHEMES

i) Pension Plan

Executive Chairman since January 18, 2025 (Mr. Marc Thomas Murtra Millar):

- The contributions to the savings insurance policy, which replicates the main features of the Pension Plan and group life insurance in the form of unit-linked policies for Telefónica employees, amounted to 82,753 euros.
- The mathematical provision of unit link insurance, as of December 31, 2025, amounted to 82,908 euros

Chief Operating Director since March 6, 2025 (Mr. Emilio Gayo Rodríguez):

- The contributions to the unit-linked insurance policy linked to the Pension Plan, arranged with Occident GCO, S.A.U. de Seguros y Reaseguros, amounted to €59,477.
- The amount of the Pension Plan consolidated rights, as of December 31, 2025, was 295,543 euros.

- The mathematical provision of unit link insurance at 31 December 2025 was 422,134 euros.

Contributions made in favor of the Executive Directors who ceased in 2025:

- Mr José María Álvarez-Pallete López: 6,418 euros to the Fonditel B Pension Fund, Pension Fund.
- Mr. Ángel Vilá Boix: 6,721 euros to the Fonditel B Pension Fund, Pension Fund and 6,436 euros to the unit link insurance, related to the Pension Plan, arranged with the entity Occident GCO, S.A.U. de Seguros y Reaseguros.

The amounts of the rights consolidated on the date of their respective terminations are as follows:

- Mr José María Álvarez- Pallete López: 399,105 euros (of which 188,411 euros correspond to the rights generated in the International Telefónica Pension Plan and the rest to the Telefónica Pension Plan).

The mathematical provision of the unit link insurance was 1,421,167 euros.

- Mr. Ángel Vilá Boix: 431,684 euros (of which 25,146 euros correspond to the rights generated in the Pension Plan of Telefónica España and the rest to the Pension Plan of Telefónica).

The mathematical provision of the unit link insurance was 688,195 euros.

It is stated that the evolution of the reflected accumulated funds responds to both the contributions made and the revaluation thereof. The corresponding payments will not be made until one of the covered contingencies occurs (retirement; death of the participant; death of the beneficiary; total and permanent incapacity for work in the usual profession, absolute and permanent incapacity for any work and severe disability; and severe dependency or high dependency of the participant).

ii) Executive Pension Plan

The contributions made in 2025 to the Executive Pension Plan have been as follows:

- Mr Marc Thomas Murtra Millar: 562,250 euros.
- Mr. Emilio Gayo Rodríguez: 359,966 euros.

The statutory expectations as at 31 December 2025 are as follows:

- Mr Marc Thomas Murtra Millar: 582,572 euros.
- Mr. Emilio Gayo Rodríguez: 4,831,679 euros.

Furthermore, the contributions made in 2025 to the Executive Pension Plan in favor of the Executive Directors who left office in 2025 were as follows:

- D. José María Álvarez-Pallete López: 26,279 euros.
- D. Ángel Vilá Boix: 88,949 euros.

Amount of the mathematical provision of the previous Executive Directors:

- Mr José María Álvarez-Pallete López: 13,086,429 euros.
- Mr. Ángel Vilá Boix: 9,698,593 euros.

These amounts are included in the Statistical Annex, although they will not be paid until one of the covered contingencies occurs (retirement, early retirement, permanent incapacity for work in the degrees of total or absolute incapacity or severe disability, and death).

E. REMUNERATION IN KIND

Below are the healthcare benefits that the Executive Directors have received in 2025 as well as the cost thereof:

- Mr. Marc Thomas Murtra Millar: general health and dental insurance whose cost amounted to 6,037 euros, life insurance with death or disability coverage with a cost of 42,001 euros.
- Mr. Emilio Gayo Rodríguez: general health insurance and dental coverage whose cost amounted to 1,044 euros, life insurance with death or disability coverage with a cost of 51,058 euros and the assignment of vehicle use for an amount of 13,616 euros.

The amounts accrued by the previous Executive Directors until their termination in 2025 have been as follows:

- Mr José María Álvarez- Pallete López: general health and dental insurance whose cost amounted to 531 euros and life insurance with death or disability coverage with a cost of 1,520 euros.
- Mr. Ángel Vilá Boix: general health insurance and dental coverage whose cost amounted to 1,585 euros, life insurance with death or disability coverage with a cost of 4,614 euros and the assignment of vehicle use for an amount of 3,871 euros.

Additionally, Telefónica has taken out a civil liability (D&O) policy for administrators, directors and staff with similar functions of the Telefónica Group, with the usual conditions for this type of insurance.

G. PAYMENTS LINKED TO TERMINATION

In accordance with the provisions of its commercial contracts, the Executive Directors who ceased in 2025 due to the Company's unilateral decision received an amount equivalent to four annuities of their remuneration:

- Mr José María Álvarez-Pallete López: 23,525,668 euros.

- Mr. Ángel Vilá Boix: €17,377,600.

Other Additional Information

- Malus and clawback: these clauses have not been applied during fiscal year 2025.
- During the 2025 financial year, while they have been considered Executive Directors of Telefónica, they have not received or accrued remuneration derived from the granting of advances, credits, guarantees, or remuneration from other companies of the Group or by virtue of the payments made by Telefónica to a third entity in which the Directors provide services or any other remuneration concept other than those indicated above.
- The terms of the contracts of the Executive Directors in 2025 are identical to those described in section 5.1.4 of this Report.

Remuneration of the directors in their positions as such

The remuneration payable to the Directors in their positions as such is according to the same scheme as the one described in section 5.1.5 of this report and the one applied in previous fiscal years.

The Executive Directors do not receive the remuneration that may correspond to them for their status as members of the Board of Directors (remuneration in their capacity as such) or for their membership in the Executive Commission, or for their membership in the administrative bodies of subsidiaries and investees of Telefónica.

The following, and as regards the 2025 fiscal year, is detailed, in particular, the membership of the Non-Executive Directors to the Management Bodies of other Companies of the Telefónica Group and to Advisory Boards:

- Ms. María Luisa García Blanco: Member of the Advisory Board of Telefónica España.
- Ms. Claudia Sender Ramírez: Member of the Advisory Board of Telefónica Tech and member of the Advisory Board of Telefónica Hispanoamerica.
- Mr Peter Löscher: Chairman of Telefónica Deutschland Holding, AG.
- Ms Solange Sobral Targa: Director of Telefónica Brasil, S.A.
- Mr. César Mascaraque Alonso: Director of Telefónica Brasil, S.A.

According to the foregoing, the aggregate remuneration for the items in 2024 was as follows:

	2025	2024
Fixed amount due to being a member on the Board, Executive Commission and Advisory or Supervisory Committees	€2,561,067	€2,538,667
Fees for attending the meetings of the Advisory or Supervisory Committees	€138,000	€194,000
Remuneration for being a member of certain administrative bodies or collegiate bodies of some subsidiaries of Telefónica	€890,489	€1,092,315

During the fiscal year 2025, the Directors in their capacity as such have not accrued payments for early termination or termination of the contract, nor remuneration derived from the granting of advances, credits, guarantees, or remuneration by virtue of the payments made by Telefónica to a third entity in which the Directors provide services or any other remuneration concept other than those indicated above.

The amounts individualized by the Director are detailed in the Statistical Annex to this Report.



5.1.7. The process for determining the Remuneration Policy and the Company's bodies involved

The NCCGC, the responsibilities and duties of which are stipulated in Article 40 of the Articles of Association, Article 23 of NCCGC's Regulations, plays a crucial role in defining the Telefónica Group's Remuneration Policy and in developing and deciding on its components; however the most important decisions must be approved by the Board of Directors.

The NCCGC's mandate, within the scope of remuneration, consists of continuously reviewing and updating the remuneration system applicable to the Directors and Senior Executive Directors and designing new remuneration plans that enable the Company to attract, retain and motivate the most outstanding professionals, aligning their interests with the Company's strategic objectives.

In addition, other bodies and external advisors take part in the process of determining the Remuneration Policy.

The functions performed by the various company bodies involved in determining and approving the Remuneration Policy and its conditions are explained below, along with a reference to the involvement of external advisors in this matter:

	Determining and designing the remuneration elements	Applying the variable remuneration	Analysis of the external competitiveness of the remuneration
General Shareholders' Meeting	It approves the Remuneration Policy at least every three (3) years as a separate item on the agenda. It approves the maximum amount of the annual remuneration for all the Directors in their positions as such. It approves the variable remuneration systems for the Directors that include payment in shares or stock options or share-linked instruments. It has an advisory vote on the Annual Report about the Directors' Remuneration, detailing the remuneration accrued during the last financial year.	Advisory vote on the Annual Report on Remuneration of the Directors, in which the remuneration accrued during the financial year is disclosed.	
Board of Directors	Directors in their positions as such: It approves the allocation of the maximum amount approved by the General Shareholders' Meeting among the various components. Executive Directors: It approves the fixed remuneration and the main terms and conditions of the short- and long-term variable remuneration system. The Board approves adaptations or updates to the Remuneration Policy. It approves the contracts that regulate the duties and responsibilities of the Executive Directors. It approves the Annual Report on Remuneration of the Directors to be submitted to the advisory vote at the General Shareholders' Meeting.	It approves the design, target amounts, the level the targets are achieved and the amounts of the incentive payable, if any, both for the short-term and long-term variable remuneration of the Executive Directors, based on a proposal made by the NCCGC. It approves the Annual Report on Remuneration of the Directors to be submitted to the advisory vote of the General Shareholders' Meeting. It evaluates, if necessary, application of the clawback clauses.	It is reported based on analysis and remuneration studies of the Directors' remuneration conducted by the NCCGC.
Nominating, Compensation and Corporate Governance Committee	Directors in their positions as such: It proposes the allotment of the maximum amount to the Board of Directors approved by the General Shareholders' Meeting, among the various items. The Committee reviews the Directors' remuneration on a regular basis to ensure that it is appropriate for the duties they perform. Executive Directors: - It proposes the fixed remuneration for the Executive Directors to the Board of Directors considering, among other factors, their level of responsibility and leadership within the organisation, promoting the retention of key staff, attracting top talent and creating sufficient economic independence to ensure a balance with the significance of other items included in the remuneration. - It reviews, on an annual basis, the terms and conditions for the variable remuneration, including the structure and maximum levels of remuneration, the targets set and the weighting of each of them, taking into account the company's strategy, needs and business situation. These conditions are subject to the approval of the Board of Directors. - It proposes the contracts to the Board of Directors that regulate the duties and responsibilities of the Executive Directors. - It proposes the Annual Report on Remuneration of the Directors and the Remuneration Policy, when appropriate, to the Board of Directors. When carrying out these actions, the Nominating, Compensation and Corporate Governance Committee takes into account the votes of the shareholders at the General Shareholders' Meeting to which the Annual Report on Remuneration of the Directors for the previous year was submitted, in an advisory manner.	It proposes the objectives at the beginning of each performance period to the Board of Directors, and any adjustments that may be necessary at a later date. It assesses achievement of the targets at the end of the performance period. Since payment of the variable remuneration is subject to sufficient verification that the stipulated targets have effectively been achieved, as determined in recommendation 59 of the Good Governance Code, this assessment is carried out on the basis of the results audited by the Company's external and internal auditors, which are first analysed by the Audit and Supervisory Committee, as well as the level of achievement of the targets. In this respect, for the purpose of ensuring that there is an effective relation between the variable remuneration and the professional performance of the recipients thereof, any positive or negative economic impact caused by extraordinary events that could distort the findings of the assessments are disregarded. Submits a report to the Board, when appropriate, on whether or not application of the clawback clauses is necessary. It proposes to the Board of Directors the variable remuneration payable to the Executive Directors. Such proposal also considers the long-term results and any associated risk in the proposed variable remuneration. It proposes Annual Report on Remuneration of the Directors and, when appropriate, the Remuneration Policy to the Board of Directors.	It regularly reviews the Directors' remuneration. This process includes an external competitive remuneration analysis and also takes into account the Remuneration Policy for the executives and other employees in the organisation. The criteria for conducting these analyses have been described in the previous section 5.1.4.
Audit and Supervisory Committee		It analyzes the results audited by the external and internal auditor to evaluate achievement of the objectives for the variable remuneration.	

	Determining and designing the remuneration elements	Applying the variable remuneration	Analysis of the external competitiveness of the remuneration
Planning and Control, Corporate Ethics and Sustainability Human Resources		They prepare reports related to the achievement level of the operative, financial and non-financial objectives based on the results audited by the Company's external and internal auditor.	
Secretary General	This person prepares the formal documents related to the Remuneration Policy to be submitted to the General Shareholders' Meeting, the Board of Directors, the Executive Committee and/or the Advisory or Supervisory Committees. Together with HR Management, he/she prepares the Annual Report on the Directors' Remuneration.	Together with HR Management, it prepares the Annual Report on Directors' Remuneration.	
Human Resources	It prepares the proposals related to the design of the Remuneration Policy applicable to the Executive Directors. Together with the General Secretary, it prepares the Annual Report on Remuneration of the Directors.	Together with General Secretary, it prepares the Annual Report on Remuneration of the Directors.	It regularly reviews the Directors' remuneration.
External Advisors in 2024	Towers Watson (WTW) advised in the preparation of the 2025 Annual Report on Directors' Remuneration. For its part, the law firms Gómez-Acebo & Pombo and Garrigues have participated in the review of the legal aspects of the aforementioned Report and in the preparation of the Remuneration Policy.	Mercer-Kepler analyses the level of achievement of the Total Shareholder Return (TSR) of Telefónica for each of life cycles of the share plan on a quarterly basis.	Towers Watson advises on the analysis of the market-related comparison of the remuneration package of Directors and Senior Management.



5.1.8. The work developed by the Appointments, Remuneration and Good Governance Committee

Pursuant to Article 40 of the Articles of Association, Article 23 of the Board of Directors' Regulations and Article 1 of the NCCGC's Regulations, the Committee must be composed of no fewer than three (3) Directors appointed by the Board of Directors; they must be external or Non-Executive Directors and the majority of them must be independent Directors. The Independent Coordinating Director must be a member on the Committee. Lastly, it is also stated that the Chairperson of this Committee must be an independent Director in all cases.

As of 31 December 2025, the composition of the NCCGC is as follows:

Name	Position	Type	Date of Appointment
Mr. Peter Löscher	Chairman	Independent	April 17, 2020 (as Member) February 20, 2024 (appointment date as Chairman)
Ms. María Luisa García Blanco	Member	Independent	December 18, 2019
Mr. Carlos Ocaña Orbis	Member	Sunday	February 26, 2025
Ms. Ana María Sala Andrés	Member	Independent	July 29, 2025
D. César Mascaraque Alonso	Member	Independent	November 26, 2025

The NCCGC applies the Technical Guide 1/2019 on Appointment and Remuneration Committees, approved by the National Securities Market Commission on February 20, 2019, as well as the revised CNMV's Good Governance Code for Listed Companies published on June 20, 2020.

During the fiscal year 2025 and until the date of approval of this Report, the most relevant actions carried out by the NCCGC have been the following:

Year 2025:

- Drawing up an Annual Work Plan for 2025, in order to ensure suitable planning to guarantee the objectives sought are effectively achieved by the Committee.
- Proposals and/or Reports of appointments and re-elections related to the Board of Directors and its Committees, and to the Boards of Subsidiaries.
- Inform the Board of Directors regarding the termination of Mr José María Álvarez-Pallete López, and the proposal of the conditions related to said termination, and the appointment as Executive Director and Executive Chairman of Mr Marc Thomas Murtra Millar.
- Proposal of the contract to be signed with Mr Marc Thomas Murtra Millar, as new Executive Chairman.
- Proposal on the appointment of Board Member Mr Peter Löscher as Independent Coordinating Board Member.
- Inform the Board of Directors regarding the termination of Mr. Ángel Vilá Boix, and proposal of the conditions related to said termination, and the appointment as Executive Director and Chief Operating Officer (C.O.O.) of Mr. Emilio Gayo Rodríguez.
- Proposal of the contract to be signed with Mr Emilio Gayo Rodríguez, as new Chief Operating Officer (C.O.O.).
- Analysis of the organizational structure of the Telefónica Group, as well as other issues related to the staff.
- Assessment of objectives performance linked to the short-term variable remuneration of Executive Directors for the fiscal year 2024.
- Assessment of objectives performance linked to the Second Cycle (2022-2024) of the Long-Term Incentive Plan 2021-2025 approved by the General Shareholders' Meeting of 2021.
- Analysis of the total remuneration of the Executive Directors for the fiscal year 2025.
- Proposal to set and track the objectives linked to the short-term variable remuneration of the Executive Directors for the fiscal year 2025.
- Proposal of the Annual Directors' Remuneration Report, corresponding to the fiscal year 2024, for its submission to the Board of Directors and subsequent submission to the Ordinary General Shareholders' Meeting held on April 10, 2025.
- Proposal of the Annual Corporate Governance Report corresponding to the fiscal year 2024, for subsequent submission to the Board of Directors.

- Analysis of the results of the evaluation of the Board of Directors, its Committees and the General Meeting of Shareholders of Telefónica, S.A. corresponding to the fiscal year 2024.

Year 2026:

- Analysis of the total remuneration of the Executive Directors for the fiscal year 2026.
- Analysis of the results of the evaluation of the Board of Directors, its Committees and the General Meeting of Shareholders of Telefónica, S.A. corresponding to the fiscal year 2025.
- Assessment of objective performance linked to the Short-Term Variable Remuneration of the Executive Directors corresponding to the fiscal year 2025..
- Assessment of objectives performance linked to the Third Cycle (2023-2025) of the Long-Term Incentive Plan (2021-2025) approved by the General Shareholders' Meeting of 2021.
- Proposal to set the objectives linked to the Variable Short-Term Remuneration of the Executive Directors for the fiscal year 2026.
- Proposal to set the objectives linked to the Third Cycle (2026-2028) of the Long-Term Incentive Plan 2024-2028 approved by the 2024 General Shareholders' Meeting.
- Proposal of the Directors' Remuneration Policy, for its submission to the Board of Directors and subsequent submission to the Ordinary General Shareholders' Meeting to be held in 2026.
- Proposed Annual Directors' Remuneration Report, corresponding to the fiscal year 2025, for its submission to the Board of Directors and subsequent submission to the Ordinary General Meeting of Shareholders to be held in 2026.
- Proposal for the Annual Corporate Governance Report corresponding to the fiscal year 2025, for subsequent submission to the Board of Directors.

Moreover, it should be pointed out that the NCCGC can request the Board of Directors to hire legal, accounting and financial advisors and other experts at the company's expense. In this respect, Towers Watson provided advice on drawing up this Annual Report on the Directors' Remuneration. Likewise, the law firms Gómez-Acebo & Pombo and Garrigues have participated in its review and in the preparation of the Remuneration Policy.



5.1.9. Alignment of the remuneration system with the risk profile and with sustainable and long-term results

Telefónica's Remuneration Policy has the following features that enable its exposure to excessive risks to be reduced and adjustment to the Company's long-term objectives, values and interests:

Adopting measures related to the staff categories whose professional work has a significant impact on the Company's risk profile

- The payment of variable remuneration only occurs after the date of formulation and audit of the corresponding annual accounts, and after having been able to determine the degree of achievement of the operational and financial objectives.
- Long-Term Incentive Plans, with three (3) year cycles, interrelate annual results and favor alignment with long-term interests, promoting prudent decisions.
- The Board of Directors, at the proposal of the NCCGC, may agree to the re-evaluation or modification of the remuneration linked to results in the event of significant internal or external changes that evidence the need to review them.
- Possibility that (i) the variable remuneration pending to be paid (malus) is cancelled in whole or in part, and/or (ii) any variable remuneration element is recovered in whole or in part within thirty-six (36) months after its payment (clawback), when certain exceptional circumstances occur that affect the Company's results, or result from inappropriate conduct by the Executive Director.
- The Audit and Control Committee participates in the decision-making process related to the short-term variable remuneration of the Executive Directors, by verifying the economic-financial and non-financial data that may be part of the objectives established in said remuneration, since it is necessary that, firstly, this Committee previously verifies the results of the Company, as a basis for the calculation of the corresponding objectives.

Consistency with Company strategy and long-term and sustainable results

Telefónica's Policy has the following characteristics that ensure consistency with the Company's long-term strategy, interests and sustainability:

- Remuneration policy consistent with the Company's Strategic Plan and aimed at achieving long-term results:

- The total remuneration of the Executive Directors is composed of different remuneration elements consisting mainly of: (i) a Fixed remuneration, (ii) a Short-Term Variable Remuneration and (iii) a Long-Term Variable remuneration.
 - Variable remuneration is linked to the achievement of a combination of economic-financial, value creation and sustainability, environmental or good governance objectives, which are concrete, predetermined and quantifiable, and aligned with Telefónica's interest and strategy.
 - Long-term variable remuneration plans are enrolled in a multi-year framework, to ensure that the evaluation process is based on long-term results and takes into account the Company's underlying business cycle. This remuneration is granted and paid in the form of shares on the basis of value creation, so that the interests of the Directors are aligned with those of the shareholders. In addition, they are overlapping cycles that, as a general rule, are chained indefinitely while maintaining a permanent focus on the long-term concept in all decisions.
 - 100% of the shares that are delivered under the Long-Term Variable Remuneration to the Executive Directors will be subject to a retention period of two (2) years. In addition, if an Executive Director has not reached the number of shares subject to the commitment of permanent holding of shares, the retention period of the shares that, where appropriate, he/she receives derived from any variable remuneration system, would increase up to three (3) years.
- Executive Directors have a variable remuneration system whereby they must meet a certain threshold in order to be entitled to payment. The percentage of short- and long-term variable remuneration is significant in relation to total remuneration.



5.1.10. Remuneration of members of Senior Management (not Directors)

See Annex II (Remuneration to the Board and Senior Management) of the Consolidated Annual Accounts of Telefónica corresponding to the fiscal year 2025.

5.2. Annual Report on Remuneration Statistical Annex

Annual Report on Remuneration of Directors of listed companies Statistical Annex (established by Circular 3/2021, of September 28, of the National Securities Market Commission, which modifies Circular 4/2013, of June 12, which establishes the annual remuneration report models of the Directors of listed public limited companies)

Unless otherwise indicated all data as of December 31, 2025.

B. Overall summary of how remuneration policy has been applied during the year ended

B.4 Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of abstentions and negative, blank and in favor votes that have been issued:

	Number	% of total
Votes cast	3,609,217,510	63.65 %

	Number	% cast
Votes against	420,511,493	11.65 %
Votes in favour	2,611,713,942	72.36 %
Blank ballots	—	— %
Abstentions	576,992,075	15.99 %

C. Itemised individual remuneration accrued by each Director

Name	Type	Period of accrual in 2025
MR. MARC THOMAS MURTRA MILLAR	Executive Chairman	From 18/01/2025 to 31/12/2025
MR. ISIDRO FAINÉ CASAS	Propietary Vice Chairman	From 01/01/2025 to 31/12/2025
MR. JOSÉ MARÍA ABRIL PÉREZ	Propietary Vice Chairman	From 01/01/2025 to 31/12/2025
MR. CARLOS OCAÑA ORBIS	Propietary Vice Chairman	From 01/01/2025 to 31/12/2025
MR. EMILIO GAYO RODRÍGUEZ	Chief Operating Officer	From 06/03/2025 to 31/12/2025
MR. OLAYAN M. ALWETAID	Propietary Director	From 26/02/2025 to 31/12/2025
MS. MARÍA LUISA GARCÍA BLANCO	Independent Director	From 01/01/2025 to 31/12/2025
MR. PETER LÖSCHER	Independent Director	From 01/01/2025 to 31/12/2025
MS. ANNA MARTÍNEZ BALANÁ	Independent Director	From 29/07/2025 to 31/12/2025
MR. CÉSAR MASCARAQUE ALONSO	Independent Director	From 22/10/2025 to 31/12/2025
MS. MÓNICA REY AMADO	Independent Director	From 29/07/2025 to 31/12/2025
MR. ALEJANDRO REYNAL AMPLE	Independent Director	From 01/01/2025 to 31/12/2025
MS. ANA MARÍA SALA ANDRÉS	Independent Director	From 26/02/2025 to 31/12/2025
MS. CLAUDIA SENDER RAMÍREZ	Independent Director	From 01/01/2025 to 31/12/2025
MS. SOLANGE SOBRAL TARGA	Independent Director	From 01/01/2025 to 31/12/2025
MR. JOSÉ MARÍA ÁLVAREZ-PALLETE LÓPEZ	Executive Chairman	From 01/01/2025 to 18/01/2025
MR. ÁNGEL VILÁ BOIX	Chief Operating Officer	From 01/01/2025 to 06/03/2025
MR. FRANCISCO JAVIER DE PAZ MANCHO	Other External Director	From 01/01/2025 to 22/10/2025
MS. VERÓNICA PASCUAL BOÉ	Independent Director	From 01/01/2025 to 29/07/2025
MR. FRANCISCO JOSÉ RIBERAS MERA	Independent Director	From 01/01/2025 to 26/02/2025
MS. MARÍA ROTONDO URCOLA	Independent Director	From 01/01/2025 to 29/07/2025

C.1 Complete the following tables regarding the individual remuneration of each director (including the salary received for performing executive duties) accrued during the financial year.

a) Remuneration from the reporting company:

i) Remuneration in cash (thousand euros)

Name	Fixed Remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in 2025	Total in 2024
MR. MARC THOMAS MURTRA MILLAR	0	0	0	1,835	3,293	0	0	0	5,128	0
MR. ISIDRO FAINÉ CASAS	200	0	80	0	0	0	0	0	280	280
MR. JOSÉ MARÍA ABRIL PÉREZ	200	9	91	0	0	0	0	0	300	301
MR. CARLOS OCAÑA ORBIS	187	19	101	0	0	0	0	0	307	338
MR. EMILIO GAYO RODRÍGUEZ	0	0	0	1,190	1,984	0	0	0	3,174	0
MR. OLAYAN M. ALWETAID	100	0	0	0	0	0	0	0	100	0
MS. MARÍA LUISA GARCÍA BLANCO	120	25	101	0	0	0	0	0	246	192
MR. PETER LÖSCHER	193	23	114	0	0	0	0	0	330	260
MS. ANNA MARTÍNEZ BALAÑÁ	50	0	0	0	0	0	0	0	50	0
MR. CÉSAR MASCARAQUE ALONSO	20	0	8	0	0	0	0	0	28	0
MS. MÓNICA REY AMADO	50	3	5	0	0	0	0	0	58	0
MR. ALEJANDRO REYNAL AMPLE	120	0	1	0	0	0	0	0	121	120
MS. ANA MARÍA SALA ANDRÉS	100	10	16	0	0	0	0	0	126	0
MS. CLAUDIA SENDER RAMÍREZ	120	0	80	0	0	0	0	0	200	201
MS. SOLANGE SOBRAL TARGA	120	9	11	0	0	0	0	0	140	141
MR. JOSÉ MARÍA ÁLVAREZ-PALLETE LÓPEZ	0	0	0	93	0	0	23,526	0	23,619	5,437
MR. ÁNGEL VILÁ BOIX	0	0	0	292	0	0	17,378	0	17,670	4,036
MR. FRANCISCO JAVIER DE PAZ MANCHO	100	18	95	0	0	0	0	0	213	259
MS. VERÓNICA PASCUAL BOÉ	70	8	7	0	0	0	0	0	85	143
MR. FRANCISCO JOSÉ RIBERAS MERA	20	0	0	0	0	0	0	0	20	120
MS. MARÍA ROTONDO URCOLA	70	14	13	0	0	0	0	0	97	167

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at start of 2025						Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	Instruments matured but not exercised	Financial instruments at end of 2025	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/handed over			No. of instruments	No. of instruments	No. of equivalent shares
MR. MARC THOMAS MURTRA MILLAR	Performance Share Plan (PSP) 2025-2027 (Second Cycle)	0	0	916,000	916,000	0	0	0	0	0	916,000	916,000
	Performance Share Plan (PSP) 2022-2024 (Second Cycle)	283,000	283,000	0	0	283,000	283,000	€ 4.28	1,211	0	0	0
MR. EMILIO GAYO RODRÍGUEZ	Performance Share Plan (PSP) 2023-2025 (Third Cycle)	316,000	316,000	0	0	0	0	0	0	0	316,000	316,000
	Performance Share Plan (PSP) 2024-2026 (First Cycle)	326,000	326,000	0	0	0	0	0	0	0	326,000	326,000
	Performance Share Plan (PSP) 2025-2027 (Second Cycle)	0	0	622,000	622,000	0	0	0	0	0	622,000	622,000
MR. JOSÉ MARÍA ÁLVAREZ-PALLETE LÓPEZ	Performance Share Plan (PSP) 2022-2024 (Second Cycle)	995,000	995,000	0	0	995,000	995,000	€ 3.94	3,917	0	0	0
	Performance Share Plan (PSP) 2023-2025 (Third Cycle)	1,110,000	1,110,000	0	0	1,110,000	725,570	€ 3.94	2,857	0	0	0
	Performance Share Plan (PSP) 2024-2026 (First Cycle)	1,015,000	1,015,000	0	0	1,015,000	259,959	€ 3.94	1,023	0	0	0

MR. ÁNGEL VILÁ BOIX	Performance Share Plan (PSP) 2022-2024 (Second Cycle)	745,000	745,000	0	0	745,000	745,000	€	4.30	3,204	0	0	0
	Performance Share Plan (PSP) 2023-2025 (Third Cycle)	831,000	831,000	0	0	831,000	559,780	€	4.30	2,408	0	0	0
	Performance Share Plan (PSP) 2024-2026 (First Cycle)	760,000	760,000	0	0	760,000	202,782	€	4.30	872	0	0	0

Notes:

In accordance with the instructions issued by the CNMV to Telefónica:

- The shares delivered in March 2025 derived from the Second Cycle of the Long-Term Incentive Plan approved by the 2021 Annual General Shareholders' Meeting, whose performance period covered the period 2022-2024, are included as "consolidated." With regard to this Second Cycle of the 2022-2024 Long-Term Incentive Plan, the Executive Chairman was paid up to January 18, 2025 (Mr. José María Álvarez-Pallete López) 3,917,315 euros, equivalent to the value of 995,000 shares, and to the Chief Executive Officer until March 6, 2025 (Mr. Ángel Vilá Boix) 3,204,245 euros, equivalent to the value of 745,000 shares. These shares have been valued considering the delivery date.
- The shares granted to Mr. Emilio Gayo Rodríguez under the Third Cycle of the Long-Term Incentive Plan approved by the 2021 Annual General Meeting of Shareholders, despite the fact that their performance period covered the period 2023-2025, and that 50% will be delivered in March 2026, should be understood as unconsolidated and unexpired at the end of the 2025 financial year. However, in the case of Mr. José María Álvarez-Pallete López and Mr. Ángel Vilá Boix, the proportional part of the incentive is included as "consolidated," once the objectives have been measured according to the latest data available before the dates of termination, and the incentives have been prorated based on the time that these former Executive Directors participated in the aforementioned cycle. In this regard, the equivalent value in euros of the shares derived from the First Cycle 2024-2026 of the Long-Term Incentive Plan approved by the 2024 General Shareholders' Meeting is also included.

iii) Long-term saving systems

Name	Remuneration from consolidation of rights to savings system (thousand €)
Mr. Marc Thomas Murtra Millar	83
Mr. Emilio Gayo Rodríguez	59
Mr. José María Álvarez-Pallete López	13,092
Mr. Ángel Vilá Boix	9,712

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Systems with consolidated economic rights		Systems with unconsolidated economic rights	
	2025 Year	2024 Year	2025 Year	2024 Year	2025 Year	2024 Year	2025 Year	2024 Year
Mr. Marc Thomas Murtra Millar	83	0	562	0	83	0	583	0
Mr. Emilio Gayo Rodríguez	59	0	360	0	474	0	4,832	0
Mr. José María Álvarez-Pallete López	6	132	26	541	14,718	1,619	0	12,851
Mr. Ángel Vilá Boix	13	72	89	488	10,794	1,084	0	10,138

iv) Details of other items

Name	Item	Remuneration Amount
Mr. Marc Thomas Murtra Millar	Health Insurance Premium	6
Mr. Marc Thomas Murtra Millar	Life Insurance Premium	42
Mr. Emilio Gayo Rodríguez	Health Insurance Premium	1
Mr. Emilio Gayo Rodríguez	Life Insurance Premium	51
Mr. Emilio Gayo Rodríguez	Company Vehicle	14
Mr. José María Álvarez-Pallete López	Health Insurance Premium	1
Mr. José María Álvarez-Pallete López	Life Insurance Premium	2
Mr. Ángel Vilá Boix	Health insurance premium	2
Mr. Ángel Vilá Boix	Life insurance premium	5
Mr. Ángel Vilá Boix	Company vehicle	4

b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies:

i) Remuneration in cash (thousand euros)

Name	Fixed Remuneration	Per diem allowances	Remuneration for member ship of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in 2025	Total in 2024
MR. MARC THOMAS MURTRA MILLAR	0	0	0	0	0	0	0	0	0	0
MR. ISIDRO FAINÉ CASAS	0	0	0	0	0	0	0	0	0	0
MR. JOSÉ MARÍA ABRIL PÉREZ	0	0	0	0	0	0	0	0	0	0
MR. CARLOS OCAÑA ORBIS	0	0	0	0	0	0	0	0	0	0
MR. EMILIO GAYO RODRÍGUEZ	0	0	0	0	0	0	0	0	0	0
MR. OLAYAN M. ALWETAID	0	0	0	0	0	0	0	0	0	0
MS. MARÍA LUISA GARCÍA BLANCO	0	0	0	0	0	0	0	88	88	88
MR. PETER LÖSCHER	133	0	0	0	0	0	0	0	133	126
MS. ANNA MARTÍNEZ BALANÁ	0	0	0	0	0	0	0	0	0	0
MR. CÉSAR MASCARAQUE ALONSO	16	0	0	0	0	0	0	0	16	0
MS. MÓNICA REY AMADO	0	0	0	0	0	0	0	0	0	0
MR. ALEJANDRO REYNAL AMPLE	0	0	0	0	0	0	0	0	0	0
MS. ANA MARÍA SALA ANDRÉS	0	0	0	0	0	0	0	0	0	0
MS. CLAUDIA SENDER RAMÍREZ	0	0	0	0	0	0	0	133	133	133
MS. SOLANGE SOBRAL TARGA	82	0	0	0	0	0	0	0	82	86
MR. JOSÉ MARÍA ÁLVAREZ- PALLETE LÓPEZ	0	0	0	0	0	0	0	0	0	0
MR. ÁNGEL VILÁ BOIX	0	0	0	0	0	0	0	0	0	0
MR. FRANCISCO JAVIER DE PAZ MANCHO	220	0	0	0	0	0	0	129	349	328
MS. VERÓNICA PASCUAL BOÉ	54	0	0	0	0	0	0	37	91	155
MR. FRANCISCO JOSÉ RIBERAS MERA	0	0	0	0	0	0	0	0	0	0
MS. MARÍA ROTONDO URCOLA	0	0	0	0	0	0	0	0	0	0

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

		Financial instruments at start of 2025		Financial instruments granted at start of 2025		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of 2025	
									Net profit from shares handed over or consolidated financial instruments (thousand €)			
Name	Name of Plan	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/handed over	Price of the consolidated shares		No. of instruments	No. of instruments	No. of equivalent shares
No data												

iii) Long-term saving systems

Name	Remuneration from consolidation of rights to savings system
No data	

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with consolidated economic rights		Systems with consolidated economic rights		Systems with unconsolidated economic rights	
	Year 2025	Year 2024	Year 2025	Year 2024	Year 2025	Year 2024	Year 2025	Year 2024
Mr. Marc Thomas Murtra Millar	0	0	0	0	0	0	0	0
Mr. Emilio Gayo Rodríguez	0	0	0	0	243	0	0	0
Mr. José María Álvarez-Pallete López	0	0	0	0	188	187	0	0
Mr. Ángel Vilá Boix	0	0	0	0	25	25	0	0

iv) Details of other items

Name	Item	Remuneration Amount
No data		

c) Summary of remunerations (thousand €):

This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to each director (thousand €).

Name	Remuneration accrued in the company					Remuneration accrued in group companies					
	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration for savings systems	Remuneration for other items	Total 2025 company	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration for saving systems	Remuneration for other items	Total 2025 group	Total 2025 company + group
MR. MARC THOMAS MURTRA MILLAR	5,128	0	83	48	5,259	0	0	0	0	0	5,259
MR. ISIDRO FAINÉ CASAS	280	0	0	0	280	0	0	0	0	0	280
MR. JOSÉ MARÍA ABRIL PÉREZ	300	0	0	0	300	0	0	0	0	0	300
MR. CARLOS OCAÑA ORBIS	307	0	0	0	307	0	0	0	0	0	307
MR. EMILIO GAYO RODRÍGUEZ	3,174	1,211	59	66	4,510	0	0	0	0	0	4,510
MR. OLAYAN M. ALWETAID	100	0	0	0	100	0	0	0	0	0	100
MS. MARÍA LUISA GARCÍA BLANCO	246	0	0	0	246	88	0	0	0	88	334
MR. PETER LÖSCHER	330	0	0	0	330	133	0	0	0	133	463
MS. ANNA MARTÍNEZ BALAÑÁ	50	0	0	0	50	0	0	0	0	0	50
MR. CÉSAR MASCARAQUE ALONSO	28	0	0	0	28	16	0	0	0	16	44
MS. MÓNICA REY AMADO	58	0	0	0	58	0	0	0	0	0	58
MS. ALEJANDRO REYNAL AMPLE	121	0	0	0	121	0	0	0	0	0	121
MS. ANA MARÍA SALA ANDRÉS	126	0	0	0	126	0	0	0	0	0	126
MS. CLAUDIA SENDER RAMÍREZ	200	0	0	0	200	133	0	0	0	133	333
MS. SOLANGE SOBRAL TARGA	140	0	0	0	140	82	0	0	0	82	222

MR. JOSÉ MARÍA ÁLVAREZ-PALLETE LÓPEZ	23,619	7,797	13,092	2	44,510	0	0	0	0	0	44,510
MR. ÁNGEL VILÁ BOIX	17,670	6,484	9,712	10	33,876	0	0	0	0	0	33,876
MR. FRANCISCO JAVIER DE PAZ MANCHO	213	0	0	0	213	349	0	0	0	349	562
MS. VERÓNICA PASCUAL BOÉ	85	0	0	0	85	91	0	0	0	91	176
MR. FRANCISCO JOSÉ RIBERAS MERA	20	0	0	0	20	0	0	0	0	0	20
MS. MARÍA ROTONDO URCOLA	97	0	0	0	97	0	0	0	0	0	97
TOTAL	52,292	15,492	22,946	126	90,856	892	0	0	0	892	91,748

C.2 Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

OBSERVATIONS TO THE % VARIATION 2025/2024:

- The increase in the total remuneration of Mr. José María Álvarez-Pallete López and Mr. Ángel Vilá Boix is mainly due to the fact that in fiscal year 2025, as a result of their termination by unilateral decision of the Company, they have accrued and consolidated the following compensation:
 - (i) severance payments;
 - (ii) recognition of the economic rights related to the Telefónica Executive Pension Plan, which will not be received until the events provided for in the policy occur (retirement, early retirement, permanent incapacity for work in the degrees of total or absolute incapacity or severe disability, and death);
 - (iii) proportional amount of the Incentive corresponding to the First Cycle (2024-2026) of the 2024-2028 Long-Term Incentive Plan, and the Third Cycle (2023-2025) of the 2021-2025 Long-Term Incentive Plan, once the objectives established in each case have been measured, in accordance with the latest data available prior to the dates of termination, and the incentives have been prorated based on the time during which the former Executive Directors participated in the aforementioned cycles;
 - (iv) amount paid in 2025 derived from the Second Cycle (2022-2024) of the 2021-2025 Long-Term Incentive Plan, which was not reported in 2024 following the criteria communicated by the CNMV to Telefónica in relation to the reporting of Long-Term Variable Remuneration amounts (in that fiscal year 2024, the shares delivered under the First Cycle 2021-2023 were reported).
- Consolidated results of the Company: the change in the Consolidated results of the Company for fiscal year 2024 is due to the fact that the 2024 results have been restated to present the results of Telefónica Móviles Argentina, Telefónica del Perú, Otecel, Telefónica Móviles del Uruguay and Colombia Telecomunicaciones, among other companies of smaller scale based in Hispanoamerica, as discontinued operations.
- Average Employee Remuneration: the change of the average employee remuneration results of the Company for fiscal year 2024 is due to the fact that the 2024 results have been restated to present the results of Telefónica Móviles Argentina, Telefónica del Perú, Otecel, Telefónica Móviles del Uruguay and Colombia Telecomunicaciones, among other companies of smaller scale based in Hispanoamerica, as discontinued operations.

Total amounts accrued and % annual variation

	Year 2025	% variation 2025/2024	Year 2024	% variation 2024/2023	Year 2023	% variation 2023/2022	Year 2022	% variation 2022/2021	Year 2021
EXECUTIVE DIRECTORS									
MR. MARC THOMAS MURTRA MILLAR	5,259	-	0	0.00	0	0.00	0	0.00	0
MR. EMILIO GAYO RODRÍGUEZ	4,510	-	0	0.00	0	0.00	0	0.00	0
MR. JOSÉ MARÍA ÁLVAREZ-PALLETE LÓPEZ	44,510	361.29	9,649	52.67	6,320	-6.88	6,787	-22.21	8,725
MR. ÁNGEL VILÁ BOIX	33,876	371.29	7,188	53.59	4,680	-6.42	5,001	-24.52	6,626
EXTERNAL DIRECTORS									
MR. ISIDRO FAINÉ CASAS	280	0.00	280	0.00	280	0.00	280	0.00	280
MR. JOSÉ MARÍA ABRIL PÉREZ	300	-0.33	301	0.00	301	0.33	300	-0.66	302
MR. CARLOS OCAÑA ORBIS	307	106.04	149	0.00	0	0.00	0	0.00	0
MR. OLAYAN M. ALWETAID	100	0.00	0	0.00	0	0.00	0	0.00	0
MS. MARÍA LUISA GARCÍA BLANCO	334	19.29	280	-2.10	286	0.35	285	31.94	216
MR. PETER LÖSCHER	463	19.95	386	2.39	377	0.27	376	7.12	351
MS. ANNA MARTÍNEZ BALANÁ	50	0.00	0	0.00	0	0.00	0	0.00	0
MR. CÉSAR MASCARAQUE ALONSO	44	0.00	0	0.00	0	0.00	0	0.00	0
MS. MÓNICA REY AMADO	58	0.00	0	0.00	0	0.00	0	0.00	0
MR. ALEJANDRO REYNAL AMPLÉ	121	0.83	120	0.00	0	0.00	0	0.00	0
MS. ANA MARÍA SALA ANDRÉS	126	0.00	0	0.00	0	0.00	0	0.00	0
MS. CLAUDIA SENDER RAMÍREZ	333	-0.30	334	13.22	295	2.43	288	45.45	198
MS. SOLANGE SOBRAL TARGA	222	-2.20	227	0.00	0	0.00	0	0.00	0
MR. FRANCISCO JAVIER DE PAZ MANCHO	562	-4.26	587	-3.93	611	1.16	604	5.59	572
MS. VERÓNICA PASCUAL BOÉ	176	-40.94	298	15.06	259	30.81	198	40.43	141
MR. FRANCISCO JOSÉ RIBERAS MERA	20	-83.33	120	0.00	120	0.00	120	0.00	120
MS. MARÍA ROTONDO URCOLA	97	-41.92	167	0.60	166	2.47	162	362.86	35
CONSOLIDATED RESULTS OF THE COMPANY	-1,403	-	2,589	-	-1,473	-	2,960	-75.53	12,095
AVERAGE EMPLOYEE REMUNERATION	91	89.58	48	-30.43	69	27.78	54	-12.90	62

D. Other Information of Interest

This annual remuneration report has been approved by the Board of Directors of the company on February 23, 2026.

State whether any director has voted against or abstained from approving this report

No