POLICY ON BONUSES FOR ATTENDANCE AT THE GENERAL SHAREHOLDERS' MEETING OF TELEFÓNICA, S.A. AND OTHER FINANCIAL INCENTIVES

Telefónica, S.A.

Telefónica, S.A.
Approved by the Board of Directors at its meeting on October 21, 2026

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1. Purpose

The purpose of this Policy is to establish the general principles that will guide the conduct of Telefónica, S.A. (the "**Company**") in relation to the possible grant of attendance bonuses or other financial incentives (e.g. the payment of dividends contingent upon achieving a specified quorum) (the "**Incentive**") linked to the participation of shareholders in the Company's General Shareholders' Meeting, thereby complying with Principle 8 and Recommendation 11 of the Good Governance Code of Listed Companies approved by the Spanish National Securities Market Commission (the "**Good Governance Code**"), pursuant to which a company that plans to pay attendance bonuses must first establish a general policy regarding such bonuses that is transparent and stable.

2. Scope of Application

This Policy shall apply to the Company's General Shareholders' Meetings, whether ordinary or extraordinary, that are called after this Policy enters into force.

Commemorative gifts or other items of nominal value that the Company may distribute in connection with the General Shareholders' Meeting, as well as any prize drawings or other promotional activities organized to encourage participation, shall not be considered Incentives for purposes of this Policy, but shall nevertheless be subject to the principles of equal treatment, neutrality and transparency set forth in Section 4, and information about them shall be provided when the meeting is called.

3. Objectives

This Policy sets out the principal matters and commitments undertaken by the Company regarding the potential establishment and payment of the Incentive that the Company's Board of Directors may determine in order to promote shareholder participation and encourage appropriate representation of the share capital at the General Shareholders' Meeting, as well as to strengthen the shareholders' commitment to the Company's corporate governance.

This Policy forms part of the range of initiatives aimed at fostering shareholder engagement and should be interpreted together and consistently with the Disclosure, Contact and Engagement Policy of Telefónica, S.A. for Shareholders, Institutional Investors and Proxy Advisors, thereby helping to promote informed and active shareholder participation in the Company's corporate life.

4. Principles

Any Incentive that the Company establishes to foster shareholder participation shall be based on the following principles:

(i) **Fostering engagement.** The purpose of the Incentives shall be to foster effective shareholder engagement in corporate life, and particularly to maximize shareholder participation in the General Shareholders' Meeting, thereby helping to reduce shareholder absenteeism.

(ii) **Equal treatment and non-discrimination.** The Company shall ensure the equal treatment of shareholders who are in the same position, applying objective, transparent and non-discriminatory criteria to determine the right to receive the corresponding Incentives. Incentives of a financial nature shall generally be determined in proportion to the number of shares held by each shareholder, without distinction based on the method of participation, the channel used or the shareholder's nationality or residence, without prejudice to any differences arising from applicable tax laws.

(iii) **Neutrality.** The right to receive any Incentive may not be directly or indirectly conditioned on how a vote is cast, taking a particular position on matters submitted to the General Shareholders' Meeting, or granting a proxy to the Board of Directors, any of its members or any other particular person.

(iv) **Prohibition against strategic or selective use.** Incentives may not be established, modified, discontinued or reinstated for the purpose of securing the approval or rejection of a particular proposed resolution, influencing the outcome of a specific vote, or obstructing a takeover bid or any other initiative by shareholders or third parties.

(v) **Transparency.** The Company shall provide clear, sufficient and accessible information regarding the existence, nature, amount and essential terms of the Incentives applicable to each General Meeting.

(vi) **Stability.** The Company shall endeavor to maintain stable and predictable criteria for participation Incentives, avoiding changes that are not based on objective and justified reasons, in accordance with Recommendation 11 of the Good Governance Code. Any material change in the form, amount or terms and conditions of an Incentive since the immediately preceding General Shareholders' Meeting must be accompanied by a statement of reasons in accordance with Section 7.

(vii) **Corporate interest.** Any grant of Incentives must in all cases be in the corporate interest and contribute to the creation of sustainable long-term value for all shareholders.

(viii) **Financial sustainability.** The establishment of Incentives must not compromise the solvency, liquidity, financial stability or long-term interests of the Company.

(ix) **Good governance and compliance with law.** The Company shall act in accordance with the Spanish Companies Act, the By-Laws, the Regulations for the General Shareholders' Meeting and the recommendations of the Good Governance Code applicable in this area.

5. Requirements for Incentives

5.1 Nature and Amount

The Company's Board of Directors shall promote and encourage shareholder participation in and attendance at the General Shareholders' Meeting and, for such purpose, it may approve or, where appropriate under the law, propose to the General Meeting the establishment of participation Incentives, which shall consist of an amount in cash per share, and which may take one of the following forms:

(i) an **attendance bonus**, approved by the Board of Directors, payable in respect of shares represented at the General Shareholders' Meeting in accordance with Section 5.2, the amount of which, given its modest size and purpose, shall be treated as an expense of the Company associated with holding the General Meeting;

(ii) a **dividend**, the distribution of which shall be subject to approval by the shareholders at the General Shareholders' Meeting, payable out of profits for the fiscal year or unrestricted reserves and subject to the legal requirements applicable to dividend distributions, and whose payment shall be subject to the quorum established at the General Shareholders' Meeting reaching or exceeding the percentage of share capital established by the Board of Directors and disclosed in the notice of call; or

(iii) any other financial incentive of a similar nature that is appropriate for that purpose and complies with applicable legal provisions and the principles of this Policy.

The amount thereof must be proportionate and reasonable in light of the objectives pursued, market practices, and the Company's economic/financial position, preserving its nature as a participation incentive, without serving as a substitute for a dividend or compromising the Company's financial stability under any circumstances.

5.2 Beneficiaries

Without prejudice to the specific requirements and conditions that the Board of Directors may establish for each General Shareholders' Meeting, which must be objective, non-discriminatory and published in the notice of call, holders of shares registered in their names in the relevant book-entry register five days before the date on which the General Shareholders' Meeting is to be held shall be entitled to receive the attendance bonus, provided that they are included in the list of attendees by having:

(i) attended the General Shareholders' Meeting in person or remotely, either personally or by proxy;

(ii) validly granted a proxy for the General Shareholders' Meeting by any of the means permitted in the notice of call; or

(iii) validly exercised their right to vote by means of remote communication before the General Shareholders' Meeting, within the period and subject to the requirements established in the notice of call.

Shareholders who do not hold the minimum number of shares required under the By-Laws to attend the General Shareholders' Meeting shall also be entitled to receive the attendance bonus if they have granted a proxy, pooled their shares with those of other shareholders in accordance with applicable law and the By-Laws, or voted remotely, to the extent that the Company permits them to use these methods of participation.

The Board of Directors, or persons to whom it delegates such authority, may approve the payment of the attendance bonus to shareholders who are not included in the list of attendees because they joined the meeting after it was duly constituted or for other objective reasons beyond the control of both the Company and the shareholder, provided that a uniform criterion is applied in all cases.

If the Incentive takes the form of a conditional dividend, and provided that the established quorum condition is satisfied, all shareholders who were entitled to participate in the General Shareholders' Meeting on the record date specified in the first paragraph of this section shall be entitled to receive it, regardless of whether they actually participated in the meeting.

5.3 Publicity

The existence or absence of an Incentive, its form, gross amount per share, any applicable quorum condition and relevant dates shall be specified in the notice of call for each General Shareholders' Meeting.

When calling the meeting, the Board of Directors shall also establish the applicable terms and conditions for receiving and paying the Incentive, which shall be published on the Company's corporate website together with this Policy. Following the General Shareholders' Meeting, the Company shall disclose, where applicable, whether the quorum condition has been met and the payment schedule, and shall report on the implementation of this Policy in its annual corporate governance report.

6. Authority of the Board of Directors

When calling each General Shareholders' Meeting, the Company's Board of Directors shall be responsible for assessing whether to establish a participation Incentive and, if so, determining the form, characteristics, amount and conditions for receipt thereof, all within the limits of this Policy. If the Incentive takes the form of a conditional dividend or any other distribution out of profits or reserves, the Board of Directors shall prepare the corresponding proposed resolution, which shall be subject to approval by the shareholders at the General Shareholders' Meeting.

The Board of Directors shall make its decisions in this area following a report from the Nominating, Compensation and Corporate Governance Committee, which shall assess the proposed Incentive's consistency with this Policy, its estimated cost and its effectiveness at previous General Meetings.

7. Non-Payment or Suspension of Incentives

Without prejudice to the provisions of Section 4 concerning the prohibition against strategic or selective use, the Board of Directors may decide not to establish or propose an Incentive for a particular General Shareholders' Meeting, or to suspend its application, if any of the following circumstances arise:

(i) the Company's economic/financial position warrants withholding the Incentive;

(ii) the Incentive has ceased to be an effective means of encouraging participation;

(iii) there are reasonable grounds not to apply an Incentive due to extraordinary circumstances; or

(iv) legal, regulatory or prudential considerations, or the corporate interest, justify that decision.

If the Company's Board of Directors resolves to reinstate the Incentive following a period of suspension, it shall report the reasons justifying the reinstatement thereof.

Likewise, if the Board of Directors decides to establish or propose an Incentive for a particular General Shareholders' Meeting that differs in form, amount or conditions from the Incentive applied at the immediately preceding General Meeting, it shall explain the reasons for that decision in the documentation made available to shareholders when the meeting is called.

8. Supervision, Monitoring and Dissemination

The Board of Directors, with the support of the Nominating, Compensation and Corporate Governance Committee, shall be responsible for supervising and monitoring the application of this Policy. To this end, following each General Shareholders' Meeting at which an Incentive has been applied, the cost thereof, its impact on the quorum and retail shareholder participation, and its consistency with market practices shall be assessed with a view to proposing any appropriate changes.

This Policy shall be permanently published on the Company's corporate website.

9. Approval, Amendment and Entry into Force

This Policy was approved by the Board of Directors of Telefónica, S.A. at its meeting on October 21, 2026 and shall enter into force on that date.

Any amendment to the Policy shall be approved by the Company's Board of Directors and published on the Company's corporate website.

The Board of Directors shall endeavor to preserve the stability of the Policy, without prejudice to its authority to ensure that the Policy remains appropriate where updates are warranted, including in response to changes in legal provisions, good governance recommendations, evolving best market practices, the circumstances of the Company or the experience gained from applying the Policy.

10. Interpretation and Application

This Policy shall be interpreted and applied in accordance with applicable legal provisions, the By-Laws, the Regulations for the General Shareholders' Meeting and the Company's other internal regulations, which shall prevail in the event of a conflict. The Board of Directors shall be responsible for resolving any questions arising from the interpretation of this Policy, which shall not, in and of itself, confer upon shareholders any right to receive an Incentive until such Incentive has been established for a particular General Shareholders' Meeting in accordance with the provisions hereof.



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