



Regulations of the
Appointments
and Remunerations
Commission
of Elecnor, S.A.

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Article 1. Purpose

1. The Appointments and Remunerations Commission of the Board of Directors of ELECNOR, S.A. (hereinafter, the "Company") is constituted in accordance with the provisions of the Spanish Companies Act, Article 15 ter of the Company Bylaws and Article 14 of the Regulations of the Board of Directors of the Company.

For the purposes of these Regulations and with regard to the concept of a "Group", the provisions of Article 42 of the Code of Commerce shall apply.

2. These Regulations of the Appointments and Remunerations Commission, approved by the Board of Directors of the Company, are intended to establish the standards of organisation and operation of its Appointments and Remunerations Commission, carrying out in whatever is appropriate for the best fulfilment of its functions, the statutory and regulatory provisions of the Board of Directors based on the recommendations and criteria of good corporate governance established by the Spanish National Securities Market Commission and taking into account the characteristics of the Company and its Group.
3. All matters not expressly provided for in these Regulations shall be subject to the provisions set out by the aforementioned Commission itself, with the provisions of the Company Bylaws and the Regulations of the Board with regard to the functioning of the Board of Directors being of supplementary application and to the extent that their nature and functions enable their application.

Article 2. Interpretation, amendment and dissemination

1. In the application and interpretation of these Regulations, the Appointments and Remunerations Commission shall take into account the legally applicable regulations and the recommendations and criteria of good governance established by the supervisory bodies and, in particular, by the Spanish National Securities Market Commission.
2. The Regulations shall be reviewed periodically by the Board of Directors, taking into account the proposals made in this regard by the Appointments and Remunerations Commission, and the Regulations shall be disseminated to shareholders and the markets in general through publication on the Company's website.

Article 3. Composition of the Appointments and Remunerations Commission

1. The Board of Directors shall establish an Appointments and Remunerations Commission comprising a minimum of three and a maximum of five Directors, appointed by the Board of Directors upon proposal by the Chairman of the Board from amongst the Non-Executive Directors, and at least two of them shall be Independent Directors.
2. The members of the Appointments and Remunerations Commission shall possess the adequate knowledge, skills and experience in the functions they are called to perform and, whenever possible, it shall be ensured that Commission members, as a whole, are appointed taking into account their knowledge and experience in areas such as human resources, the selection of Directors and executives, and the design of policies and remuneration plans.

Efforts shall also be made to promote gender diversity and other diversity criteria for Commission members.

3. Commission members shall be appointed for the term for which they have been nominated by the Company's Directors. The loss of Director status will also result in the loss of the status as a member of the Appointments and Remunerations Commission.

Article 4. Commission roles

1. The Appointments and Remunerations Commission shall appoint the Chairman thereof from amongst the Independent Directors on said Commission.
2. The Appointments and Remunerations Commission shall also appoint a Secretary, who may be the Secretary of the Board of Directors.

The Secretary shall assist the Chairman of the Commission in planning meetings and in collecting and distributing the necessary information sufficiently in advance, and taking the minutes of the meetings.

Article 5. Functions of the Appointments and Remunerations Commission

1. Without prejudice to other functions that may be assigned to it by the Board of Directors, the Appointments and Remunerations Commission shall, in any case, exercise the following functions:

(i) Regarding the composition of the Board:

- a) Evaluating the required skills, knowledge and experience for the Board of Directors. For this purpose, it shall define the necessary functions and aptitudes for the candidates to fill each vacancy and shall evaluate the time and dedication required so they may effectively perform their functions, ensuring that the Non-Executive Directors have sufficient time available to correctly carry out their functions.

To this end, the Commission shall periodically prepare and update a matrix with the competencies needed by the Board, which defines the skills and knowledge of the candidates to become Directors, especially those of the executive and independent candidates.

- b) Establishing a target representation number for the less represented gender on the Board of Directors and drawing up guidelines for achieving that target, proposing the diversity policy for Directors to the Board of Directors.
- c) Verifying the category of the Directors on an annual basis.

(ii) Regarding the selection of Directors and members of the management team:

- a) Submitting to the Board of Directors proposals for the appointment of Independent Directors for appointment by co-optation or for submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-appointment or removal of said Directors by the General Shareholders' Meeting.
- b) Reporting the appointment proposals of the remaining Directors for their designation by co-optation or for submission to the decision of the General Shareholders' Meeting, as well as proposals for their re-appointment or removal by the General Shareholders' Meeting.
- c) Reporting proposals for the appointment and removal members of the management team.
- d) Annually verifying compliance with the selection policy for Directors.

(iii) Regarding the roles of the Board:

- a) Announcing the appointment of the Chairman and Deputy Chairmen of the Board.
- b) Announcing the appointment and removal of the Secretary and Deputy Secretary of the Board.
- c) Proposing, where appropriate, the appointment of the Lead Director.
- d) Examining and organising the succession of the Chairman of the Board of Directors and the CEO of the Company and, where appropriate, making proposals to the Board of

Directors so that such succession takes place in an orderly and planned manner, preparing a succession plan for that purpose.

(iv) Regarding the remuneration of Directors and members of the management team:

- a) Proposing the remuneration policy for the Directors and the members of the management team to the Board of Directors, confirming their observance.
- b) Propose to the Board of Directors the individual remuneration and the other contractual and statutory conditions of the Executive Directors, as well as to propose the basic terms of the contracts for the members of the management team.
- c) Periodically reviewing the remuneration policy applied to the Directors and members of the management team, including the remuneration systems with shares and their application, as well as ensuring that their individual remuneration is in proportion to that which is paid to the Company's other Directors and members of the management team.
- d) Reviewing the terms of the contracts for Executive Directors and members of the management team, and verifying that they are consistent with the current remuneration policies.
- e) Verifying the remuneration information of the Directors and members of the management team contained in the various corporate documents, including the Annual Report on the Remuneration of Directors.

(v) Other functions:

- a) Leading, with involvement of the Lead Director, where appropriate, the annual evaluation of the Board concerning the functioning and composition of the Board, its Commissions and the Directors of the Company.
- b) Regularly designing and organising knowledge update programmes for the Directors.
- c) Ensuring that any conflicts of interest do not jeopardise the independence of external advice provided to the Commission.

2. The Appointments and Remunerations Commission shall prepare an annual report on its functioning and performance during the financial year, which shall serve as the basis for the evaluation to be carried out by the Board of Directors. The report shall include, inter alia, information on the composition of the Commission, the number of meetings held during the financial year, significant activities carried out during the period, noting those carried out with the co-operation of external experts, and where appropriate, the main incidents that have arisen. The report shall be made available to shareholders through the Company's website well in advance of the General Meeting being held.
3. In carrying out and exercising its functions, the Appointments and Remunerations Commission shall take into account the recommendations and criteria of good corporate governance established by the Spanish National Securities Market Commission and other competent bodies, without prejudice to their adaptation to the particular circumstances and characteristics of the Company and its Group.
4. The Appointments and Remunerations Commission shall establish on an annual basis an action plan covering the main activities of the Commission during the financial year in relation to executing its functions.

Article 6. Calls for meetings

1. The Appointments and Remunerations Commission shall normally meet at least three times per year. It shall also meet at the request of any of its members and whenever convened by its Chairman, who shall do so whenever the Board or its Chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever it is appropriate for the proper conduct of its functions. Whenever possible, it shall be ensured that the Commission's meetings take place well in advance of Board meetings.
2. The meetings of the Appointments and Remunerations Commission shall be convened by its Secretary, as ordered by the Chairman, at least five days in advance, except for reasons of urgency that warrant an immediate or earlier call; the call notice shall be sent by letter, fax, e-mail or any other means that provides proof of receipt.

The call notice shall always include the agenda of the meeting and be accompanied by the necessary information, without prejudice to the fact that in certain circumstances it is justified that all or part of the information is provided at the meeting itself.

Article 7. Meetings

1. The meetings of the Appointments and Remunerations Commission shall be held at the Company's registered address or at any place previously designated by the Chairman and indicated in the call notice.
2. The Commission may also meet in several places connected to each other by systems that allow the recognition and identification of the attendees, the ongoing communication between them and the intervention and issuance of the vote, all in real time. The attending Directors in any of the interconnected locations shall be considered as attendees to the same and only session of the Commission. The meeting shall be understood to be held at the place where the Chairman or the person exercising their functions is located.

The Secretary of the Appointments and Remunerations Commission shall record in the minutes of meetings held, in addition to the members who physically attend, or, where appropriate, represented by another Commission member, persons who attend the meeting through the system in question.

3. Attendance at meetings of the Commission should be preceded by sufficient dedication by its members to analyse and evaluate the information received.

In addition, the meetings of the Commission shall encourage constructive dialogue amongst its members, promoting free expression and the supervisory and analytical attitude of its members, and the Chairman of the Commission shall ensure that members are free to participate in the deliberations.

4. The Appointments and Remunerations Commission may request the attendance of any employee or executive of the Company, and may even arrange for them to appear without the presence of any other executive. The convened persons shall be obliged to attend the meetings of the Appointments and Remunerations Commission and to provide them with their co-operation and access to any information available to them.

The Commission may also require the attendance of any third party at its meetings, though only via prior invitation of the Chairman of the Commission and only to discuss those items on the agenda for which they have been requested to attend, to the extent that is justified by reason of the matter in question, and their attendance becoming a regular occurrence should be avoided. In this regard, guests shall not attend the deliberative and voting phases of the Commission.

Article 8. Constitution and adoption of agreements

1. The Appointments and Remunerations Commission shall be validly constituted when the majority of its members are present or represented, and its agreements shall be adopted by an absolute majority of the members present or represented at the meeting.
2. Members of the Appointments and Remunerations Commission may grant their representation to another Commission member. Representation shall be conferred in writing and on an ad hoc basis for each meeting, and shall be communicated to the Chairman of the Commission by any means which provides confirmation of receipt.
3. In matters of conflict of interest, Commission member concerned shall abstain from participating in the deliberation and voting on agreements or decisions in which they or a person related to them has a direct or indirect conflict of interest.

Article 9. Minutes of the Commission

1. The discussions and agreements of the Appointments and Remunerations Commission shall be recorded in a book of minutes, indicating the date of the session, attendees, conclusions or proposals made at its meetings and adopted agreements, which shall be signed by the Chairman and the Secretary of the Commission or by whoever, if applicable, replaces them in the carrying out their functions.
2. The minutes of the Commission shall be made available to all members of the Board of Directors.

Article 10. Access to information and advice

1. The Appointments and Remunerations Commission shall have adequate, timely and sufficient access to any information or documentation available to the Company concerning matters within its remit, provided that it is deemed necessary for carrying out its functions.
2. The Commission may also seek, at the expense of the Company, the collaboration or advice of external professionals when it deems it necessary or appropriate in order to best carry out its functions.

In particular, the Commission shall clarify, in a transparent manner, any relationship or situation that poses a conflict of interest for external advisers, requesting that they provide a breakdown of all possible conflicts with the Company or its Directors in their service proposals.

Article 11. Means and resources

1. The Appointments and Remunerations Commission may approve a periodic training plan to ensure that the members of the Appointments and Remunerations Commission have up-to-date knowledge. It could also provide a welcome programme for its new members.
2. The Company shall provide the Commission with sufficient means and resources to enable it to fulfil its functions. Requests for resources should be channelled through the Secretary of the Board of Directors of the Company.

Article 12. Relations of the Appointments and Remunerations Commission with other Company bodies and its shareholders

1. The Appointments and Remunerations Commission shall establish an effective and regular communication channel with its regular contacts, which will normally be between the Chairman of the Commission and, inter alia, with:
 - a) the Chairman of the Board of Directors;
 - b) where appropriate, the Independent Lead Director, assuming that they are not a member of the Commission; and
 - c) Company management.
2. The Chairman of the Appointments and Remunerations Commission shall act as its spokesperson at the meetings of the Board of Directors, and where appropriate, the General Shareholders' Meeting of the Company.
3. The Commission shall consult with the Chairman of the Board of Directors and the CEO of the Company, especially in matters relating to the appointment of the Executive Directors and the remuneration of members of the management team and the Executive Directors. Any Director may request that the Commission take into consideration potential candidates to fill vacancies for Directors, if they are found to be suitable.

Madrid, 18 December 2019

