



Policy on the Structure of the Elecnor Group

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1. INTRODUCTION

The Articles of Association of Elecnor, S.A. ("**Elecnor Holding**" or the "**Company**") provide that the corporate purpose may be carried out indirectly by holding stakes in other companies, i.e., through multiple companies acting in the corporate interest to aimed accomplish the corporate purpose.

Because Elecnor Holding is a publicly traded company, its Board of Directors is by law vested with authority to set the general strategies and policies for the Company and "*to determine the structure of the group of companies that it heads*", as has been expressly set out in the Regulations of the Company's Board of Directors. That authority may not be delegated.

The Company's Board of Directors has accordingly approved this **Policy on the Structure of the Elecnor Group** (the "**Policy**"), to be interpreted in accordance with the Company's various other Policies, namely, the *Corporate Governance Policy of Elecnor, S.A.*

2. PURPOSE AND SCOPE OF APPLICATION

The **purpose** of this Policy is to determine the structure of the companies making up the Group headed by Elecnor Holding (the "**Elecnor Group**" or the "**Group**") within the meaning of section 42 of the Spanish Commercial Code [*Código de Comercio*] and to decide on the Group's governance structure. The Group is international in scope and is active in different lines of business in different jurisdictions.

This Policy applies to all the companies that make up the Elecnor Group.

Without prejudice to the preceding paragraph, through its representatives on the management bodies of any of its investee companies that are outside the purview of this policy, the Company will, insofar as possible, promote alignment of the policies of those investee companies with the Company's own policies while respecting independent decision-making by those investee companies.

Insofar as applicable and appropriate, within the limits stipulated by law, this Policy further applies to national or foreign temporary business associations, joint ventures, or other similar groupings that are under the direction or management of any company that is a member of the Elecnor Group.

3. PRINCIPLES

This Policy is predicated on the following **Principles**:

- **Respect for the independence of the companies in the Elecnor Group**, differentiating Elecnor Holding's functions in setting strategy and management, supervision, and control guidelines from the function of ordinary running and effective management of the businesses and activities of the flagship companies for its businesses and their subsidiaries.
- **Economically rational Group structure** that will prevent excessive growth, optimise organisation and strategic coordination, and maximise the operational efficiency of all the members of the Group while helping to produce synergies and respecting the interests of each member and where applicable of their shareholders and of the stakeholders involved in their activities as well.
- **Safeguarding the integrity of the Elecnor Group's assets** as a whole by segregating the areas of responsibility between the companies in the Group to ensure that risks are not spread from one member to another.
- **Compliance by each company with all applicable laws and regulations**, in particular the Group's own rules and regulations, at the same time observing best practices and recommendations as regards corporate governance and being fully committed to the shareholders and the different stakeholders of each company in the Group.

4. **STRUCTURE OF THE ELECNR GROUP**

The Elecnor Group is a standard-bearer in the project, service, and renewable energy sectors worldwide. Its operations fall into two main business areas:

- Projects and services, a line of business that involves executing engineering and construction projects and providing services, carried out by a series of companies and branches based both in Spain and abroad. All these activities are channelled through the head company of this line of business, Elecnor Servicios y Proyectos, S.A.U.
- Concessions, an area that focuses on the promotion, outside financing, construction, and management of power generation and transmission assets and other strategic assets. These activities are channelled through the head company of this line of business, Enerfin Sociedad de Energía, S.L.U., and the investee company Celeo Concesiones e Inversiones, S.L.

On the basis of the above, the **Group's corporate structure** comprises:

- the Company, which serves as a holding company whose main function is to hold the shares of the head companies of the lines of business;
- the companies that head up the lines of business and carry out the Group's business activities in their respective areas of activity;
- the companies that are subordinates of the head companies;
- temporary business associations, joint ventures, and other similar groupings that may be controlled by any of the companies in the Group.

Notwithstanding the above, new affiliated or subsidiary companies may be created in response to laws requiring the segregation of business units or lines of business, on the basis of geographic factors or the development of specific sectors of activity, or for any other reason the Board of Directors of Elecnor Holding considers appropriate.

5. **GOVERNANCE STRUCTURE OF THE GROUP**

Based on this corporate structure, **governance of the Group** takes place on the basis of the factors set out below, differentiating between strategic functions, formulation of management guidelines, and supervision over the Group as a whole on the one hand and the ordinary running and effective management of the business on the other.

5.1. **Setting, supervising, and directing Group strategy**

Since Elecnor Holding is the dominant company in the Group, its Board of Directors is responsible for setting out the strategic and management guidelines for the Group and for overseeing their implementation, and also for adopting decisions in matters of strategic significance for the Group as a whole.

Accordingly, the Managing Director, with the technical support of the Elecnor Committee (as defined below), together with the rest of the executive team, is responsible for organising and coordinating the Group's strategy and for disseminating, implementing, and supervising the overall strategy and basic management guidelines set by the Company's Board of Directors.

Accordingly, with a view to advancing the orderly performance of the functions ensuing from the Company's status as the holding company for the Group, the Board of Directors of the Company will, in its turn, put in place the means for the requisite exchange of information (e.g., among the internal audit, risk management, and regulatory compliance units of the different companies in the Group) for purposes of strategic coordination of the activities carried on by the companies respectively heading

up the different business lines and of compliance with their respective regulatory requirements (namely, risk management and control and drawing up and reporting financial and non-financial information). This is without prejudice to autonomous decision-making by each of those companies and the requirements their management must comply with by law, in the interest of all the companies belonging to the Group.

Furthermore, Elecnor Holding's Board of Directors and its internal Committees, within the scope of their respective areas of jurisdiction, and with the support of the Elecnor Committee as appropriate, will take cognisance of and monitor the decisions adopted by the companies in the Group with a view to coordinating management and strategy and supervising compliance with the regulatory standards and norms that apply to the Group as a whole. The Elecnor Committee is an internal committee of Elecnor Holding with the basic task of providing technical support and information for the Company's Board of Directors in relation to the Group's activities in the areas of projects and services.

5.2. Ordinary running and effective management of the business

The companies that head up the Group's business lines are responsible for the ordinary running and effective management of each of the businesses in their charge and for ordinary oversight, and to that effect they may put in place the specific approaches and procedures for their activities in accordance with the strategic guidelines issued by Elecnor Holding for the Group as a whole.

The companies heading up the business lines are organised by their respective management bodies, and the executive team of each of those head companies is responsible for effective corporate management under the supervision of their respective management body.

In addition, each company heading up one of the business lines may set up its own corporate functions (internal audit, risk control, and regulatory compliance) and will be responsible for establishing and implementing its own compliance structure in line with that of Elecnor Holding.

5.3. Functional management structure of Group companies

Elecnor Holding will set up the management bodies of the companies in the Group in the most practical and effective manner possible in compliance with the applicable legal requirements at all times.

In view of the special importance of the companies that head up a business line within the structure of Elecnor Holding's Group, the management needs of each company as concerns the structure and composition of its management bodies will be taken into account, and particular care will be taken to ensure suitable and appropriate diversity of the members of those bodies and to avoid any inherent bias that may harbour discrimination in any form.

Furthermore, with a view to fostering strategic coordination between Elecnor Holding and the companies in charge of a line of business, the composition of the management bodies of those companies will, insofar as appropriate, take into account the presence of executives or employees of Elecnor Holding and of the respective head company itself.

Whenever advisable, and without prejudice to their own areas of jurisdiction, the companies that belong to the Group will use simplified management structures such as the appointment of sole joint or joint and several directors, though they may, nonetheless, also opt for a board of directors where necessary or advisable.

All directors of companies in the Elecnor Group will perform the duties of their office as stipulated by law and by applicable corporate regulations with the diligence of a prudent businessperson and the loyalty of a faithful representative having in mind the interest of the company they direct, without prejudice to requisite and appropriate coordination at the level of the Group as a whole in the interest of all the companies that belong to the Group in accordance with the principles set forth in this Policy.

6. RELATED-PARTY TRANSACTIONS

Observing the corporate interest and respect for each company's own sphere of jurisdiction and responsibility will be the overriding principle under which the applicable regulations and procedures in place regarding related-party transactions between the companies in the Elecnor Group are followed. The Board of Directors of Elecnor Holding will be responsible for forestalling and settling any potential conflicts of interest that may arise between companies in the Group.

Where approval has not been delegated in accordance with the Regulations of the Company's Board of Directors and the Company's Related-Party Transaction Protocol, Elecnor Holding's Board of Directors will be the competent body for approving related-party transactions involving any of the companies in the Group for all amounts that do not exceed the limit beyond which the General Shareholders Meeting has jurisdiction by law.

Where a related-party transaction that does not directly involve the Company needs to be approved by Elecnor Holding's Board of Directors, assessment will be limited to ascertaining that the related-party transaction is fair and reasonable from the standpoint of the Company and, if appropriate, shareholders other than the shareholders of the related party, and the jurisdiction of the competent body of the company involved in the related-party transaction to decide on whether to enter into the transaction will be unimpaired.

7. JURISDICTION OF THE BOARD OF DIRECTORS WITH REGARD TO THE CORPORATE STRUCTURE AND GOVERNANCE OF THE ELECINOR GROUP

The Board of Directors of Elecnor Holding will at all events have the following authority with regard to the corporate structure and governance of the Group:

- Adjusting the corporate structure and governance to the requirements of the corporate interest in compliance with the laws in force at all times and the internal norms relating to corporate governance and regulatory compliance and in conformity with the commitments accepted in the Code of Ethics.

To this end, it will, in particular, ensure that the Group's structure does not entail any unwarranted complexity and that the Board's ability to supervise and effectively manage the risks confronting the Company and its Group, and where applicable the ability of the competent supervisory authority, are not compromised.

- Promoting sustainability policies in respect of the environment, society, and good corporate governance at the level of the Group as a whole and disseminating those policies through non-financial reporting in accordance with the applicable laws and regulations.
- Fostering a culture of managing and promoting talent from the standpoint of diversity to accurately reflect social conditions and the Group's own circumstances.
- Promoting innovation and digital transformation through the use of new technologies, fomenting relations with stakeholders and promoting their involvement and the use of social media, without prejudice to preserving privacy and security.
- Assessing potential conflicts of interest and approving related-party transactions (as defined in the Regulations of the Board of Directors) that involve any of the companies in the Group, unless the General Shareholders Meeting has jurisdiction over approval of the related-party transaction by law or approval authority has been delegated in accordance with the Regulations of the Company's Board of Directors.
- Ensuring that the corporate interest and the sphere of jurisdiction and responsibility of each company in the Group are observed.

- Putting in place suitable mechanisms for strategic coordination in the interest of the Company and of the companies that belong to the Group.
- Approving intra-group agreements for the Company to provide certain corporate services to the companies that head up a business line and, if applicable, their subsidiary companies.
- Authorising the creation or purchase of shares, directly or indirectly, in special purpose vehicles or entities based in countries or territories classified as tax havens and any other transactions or similar operations which, due to their complexity, could be detrimental to the transparency of the Company and the Elecnor Group subject to a prior report by the Audit Committee on those transactions as provided by law and by the Regulations of the Company's Board of Directors.
- Adopting appropriate decisions regarding all manner of investments and transactions by any companies in the Group which, by reason of their high cost or special characteristics, are strategic in nature or entail special tax risks and for which approval is not reserved for the General Shareholders Meeting.
- Adopting decisions or authorising borrowing, guarantees, new investments or disinvestment in the companies in charge of a business line or their subsidiary companies, incorporating new companies, opening branch offices and permanent establishments, or any other similar type of activity to further the activities of the Group.
- Submitting to the General Shareholders Meeting transfers of essential activities previously performed by the Company to subordinate companies, even where the Company retains full control over them.

In addition, when formulating the Group's overall strategy, the Board of Directors will observe the particular regulatory aspects bearing on investee companies that are not members of the Group by reason of their status as publicly traded or regulated companies, their nationality, the jurisdictions in which they do business, or any other circumstances that may affect them.

8. SUPERVISION AND DISSEMINATION OF THE POLICY

The Company's Board of Directors will be responsible for disseminating and monitoring implementation of this Policy, and the executive team will have the task of adopting the necessary or suitable measures in that regard and of reporting to the Board of Directors.

Notwithstanding the above, pursuant to the Regulations of the Company's Board of Directors, the Audit Committee is responsible for supervising implementation of this Policy. The Appointments, Remunerations, and Sustainability Committee is responsible for proposing updates to the Policy to the Board of Directors of Elecnor Holding as required.

9. ENTRY INTO FORCE

This Policy was approved by the Board of Directors of Elecnor Holding at its 15 December 2021 meeting.

