



Corporate Governance Policy of Elecnor, S.A

CONTENTS

1.	INTRODUCTION	3
2.	PURPOSE AND SCOPE OF APPLICATION	3
3.	PRINCIPLES	3
4.	CORPORATE GOVERNANCE NORMS	4
5.	PRACTICES RELATING TO THE COMPANY'S SHAREHOLDERS	4
6.	PRACTICES RELATING TO THE BOARD OF DIRECTORS	5
6.1.	Duties and workings of the Board of Directors	5
6.2.	Suitable composition and diversity of the Board of Directors	5
6.3.	Officers of the Board of Directors	6
6.4.	Allocation of duties: Committees of the Board of Directors	6
7.	INFORMATION TRANSPARENCY PRACTICES	6
8.	SUSTAINABILITY PRACTICES	6
9.	SUPERVISION AND DISSEMINATION OF THE POLICY	7
10.	ENTRY INTO FORCE	7

1. INTRODUCTION

Because Elecnor, S.A. (“**Elecnor Holding**” or the “**Company**”) 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 the Group that it heads (“**Elecnor Group**” or the “**Group**”), in particular, to set corporate governance policy. That authority may not be delegated and has been included in the Regulations of the Company’s Board of Directors.

This **Corporate Governance Policy of Elecnor, S.A.** (the “**Policy**”) is based on Elecnor Holding’s own corporate values and on the good governance guidelines issued by market supervisory bodies, especially the principles and recommendations of the Good Governance Code for publicly traded companies approved by the Spanish National Securities Market Commission [*Comisión Nacional del Mercado de Valores*] (the “**Good Governance Code**”).

The Company’s Board of Directors has therefore approved this Policy, which will be a part of the Company’s corporate governance norms and will be supplemented by and should be interpreted in accordance with the Company’s various other Policies, namely, the *Policy on the Structure of the Elecnor Group*.

2. PURPOSE AND SCOPE OF APPLICATION

The purpose of this Policy is to set out the Company’s main commitments in the area of corporate governance and formulate the standards and guidelines for the organisation and operation of the Company’s governing bodies, in conformity with the applicable laws and regulations and best corporate governance practices.

This Policy applies to all the companies that belong to the Elecnor Group and as appropriate 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 Group.

3. PRINCIPLES

The Company’s corporate governance will be based on the following principles rooted in the corporate values of Elecnor Holding as set out in its Code of Ethics (reliability, commitment and effort, customer orientation, reputability, and innovation) and on the principles of the Good Governance Code:

- **Promoting shareholder participation, ensuring equal treatment** and safeguarding the exercise of their rights, building shareholder confidence in the Company.
- **Efficient, organised, and participatory operation of the Board of Directors and its Committees** and an appropriate distribution of duties within those bodies.
- **Suitable and diverse composition of the Board of Directors and its Committees**, ensuring the existence of suitable procedures for selecting professional Directors with sufficient time available and independence of judgement.

Suitable and proportionate remuneration to attract and retain Directors who have the sought-after attributes and remunerate them for their time, qualifications, and responsibilities and for the risks inherent to their positions.
- **Promoting information transparency**, providing shareholders and the market in general with all appropriate information bearing on the Company and its share price under the principles of transparency, truthful information, and quick dissemination.
- **The Company’s commitment to act ethically and sustainably in conformity with good governance**, the purpose of which, according to ESG criteria, is to promote a global culture that helps enhance personal wellbeing and advances the social and economic development of the communities in which

the Company is present, with special emphasis on the environment and on creating sustainable value for the Company's stakeholders.

- **Consolidating the Company's commitment to innovation and digital transformation**, strategic elements that bear on the operation of the Company's governing bodies and cut across all of the Group's businesses and activities.
- **Compliance with the legislation in force and with Elecnor Holding's corporate governance** and accepting the recommendations, principles, and best practices of good governance and keeping them up to date.

4. CORPORATE GOVERNANCE NORMS

The Company's corporate governance norms are predicated on the aforesaid principles and their bearing on the Company's corporate governance practices and are basically set out in:

- The **corporate texts**, i.e., the Articles of Association setting out the fundamental organisational and operational principles and norms of the Company and its governing bodies as implemented in the Regulations of the General Shareholders Meeting and in the Regulations of the Board of Directors with its Regulations of the Audit Committee and Regulations of the Appointments, Remunerations, and Sustainability Committee.
- The **corporate policies** approved by the Board of Directors are an essential component of the corporate governance norms and are intended to lay down the principles and criteria that serve as the linchpin for the governance model of the Company and its Group and underpin the decisions and actions taken by the Company and its Group.
- The Company and its Group also have in place **codes of conduct** that govern the various activities and conduct of their personnel (Code of Ethics) or comply with regulatory requirements (Internal Rules of Conduct in matters relating to Securities Markets).

More particularly, the Company has a compliance system that consists of a structured set of norms, procedures, and measures designed to ensure that it operates in accordance with the highest ethical standards and the principle of zero tolerance of unethical and dishonest practices and to prevent and manage the risk of violations of the law and breaches of the Company's internal rules and codes of ethics.

The preceding documents have been implemented in the internal standards, guidelines, procedures, and protocols as necessary for legal reasons or for reasons of good governance.

5. PRACTICES RELATING TO THE COMPANY'S SHAREHOLDERS

The General Shareholders Meeting is the highest representative body of the Company's shareholders and the main channel for shareholder participation. The Board of Directors of Elecnor Holding will promote informed participation by shareholders at the General Shareholders Meetings and will take all appropriate measures to ensure that General Shareholders Meetings can effectively carry out their duties under the law, the Articles of Association, and all other internal regulations of the Company in accordance with the principles of transparency and sufficient information.

In observance of the principle of ensuring that shareholders can appropriately exercise their rights on an equal footing, the Company has implemented mechanisms and adopted measures that assist the General Shareholders Meeting in the performance of its functions and duties in conformity with the law and corporate governance best practices at all times.

Elecnor Holding further makes special efforts to foster and ensure the shareholders' right to participate by putting in place electronic mechanisms and means of remote communication both for voting and for issuing proxies at General Shareholders Meetings. In addition, whenever it considers it appropriate to the corporate and shareholders' interests, the Board of Directors will make it possible to take part at General Shareholders Meetings remotely.

6. PRACTICES RELATING TO THE BOARD OF DIRECTORS

6.1. Duties and workings of the Board of Directors

The Board of Directors of Elecnor Holdings is the body vested with the broadest powers and authority to manage and represent the Company and performs its duties independently at its discretion with singleness of purpose in the pursuit of the corporate interest, understood to be achieving a profitable business sustainable in the long term, fostering the Company's continuity and maximising its economic value.

Board policy is to be directed at focusing its work on the general function of managing and formulating the strategic guidelines for the Company and its Group and at overseeing implementation of those guidelines and taking decisions on matters that have strategic importance at the Group level or are particularly significant financially, while delegating the duties of ordinary management and effective administration of the companies making up the Group to those companies' management bodies and their executive management, ensuring alignment of Elecnor Holding's corporate interests with those companies' interests.

The Board of Directors has been invested with rules of procedure set out in its Regulations intended to promote effective operation, participation by all the Directors, and expedited decision-making in the corporate interest.

A very important aspect in this respect is the right and the duty of Directors to have the information they need to be able to discuss and adopt resolutions on the matters to be dealt with by the Board sufficiently in advance.

Furthermore, to enhance and facilitate its functioning and internal communications, the Board of Directors will enable the use of remote means in its internal relations with Directors to the extent permitted by the state of the art and by law.

In accordance with the best practices of good governance, each year the Company's Board of Directors evaluates its own composition and functioning and those of its Committees to disclose their strengths and aspects that need to be improved and to take appropriate corrective measures.

6.2. Suitable composition and diversity of the Board of Directors

The Company's Board of Directors will be made up of respected and capable professionals who will have the freedom to perform their duties in an independent manner. The Board's composition will encourage diversity of skills, knowledge, experience, age, and gender in accordance with *the Board of Directors' Diversity and Director Selection Policy* approved by the Board of Directors, to enrich decision-making and bring a range of different points of view to bear in its deliberations on the matters within its jurisdiction.

Furthermore, Directors will have the dedication and commitment needed for them to be able properly to contribute to the good governance of the Company and to perform the duties of their office as stipulated by law and by the Company's corporate governance norms with the diligence of a prudent businessperson and the loyalty of a faithful representative.

In terms of their remuneration, the *Director Remuneration Policy* of Elecnor Holding is guided by the principles of moderation, suitability, profitability and sustainability, transparency, and protection of shareholders' interests.

6.3. Officers of the Board of Directors

The Chair of the Board of Directors is at the same time the President of the Company and bears overall responsibility for leading and proper functioning of the Board and its Committees.

The Chair is assisted in its duties by the Secretary of the Board of Directors, who is to oversee the proper functioning of the Board and more particularly is responsible for ensuring that the Company identifies, evaluates, and adopts the best practices, principles, and recommendations for good corporate governance.

In addition, to avoid or at least limit the uncertainties that might bear on the proper functioning of Elecnor Holding and to assure the long-term continuity and sustainability of the business, the Company has in place a *Succession Plan for the Chair of the Board of Directors* and the Managing Director for both planned and unexpected vacancy. The above-mentioned Plan sets out the procedure to be followed by the Company's bodies to achieve a planned, orderly succession that does not impair proper operation of the Board of Directors and the Company's executive team.

6.4. Allocation of duties: Committees of the Board of Directors

Without prejudice to delegating powers to any individual Director and its authority to create an Executive Committee and other Delegated Committees by area of activity, the Board of Directors may establish as many internal Committees without executive functions as it sees fit.

The Company will at all events have an Appointments, Remunerations, and Sustainability Committee and an Audit Committee whose members are to be appointed on the basis of the knowledge, skills, and experience required for them properly to carry out their duties. Their composition, duties, and functioning will be governed by their respective Regulations approved by the Board of Directors.

7. INFORMATION TRANSPARENCY PRACTICES

A basic principle of good governance for the Company is to ensure transparency and high quality of the information that the Company and the Group make public, observing all applicable laws and regulations concerning relevant information and insider trading.

In this connection the Company has a *Policy on Communicating Information to and Contacts and Involvement with Shareholders, Institutional Investors, Asset Managers, Financial Intermediaries, Proxy Advisers, and other stakeholders* for implementing a general communications strategy for corporate, non-financial, and economic and financial reporting using the communications and reporting channels provided for in that policy to help maximise dissemination and the quality of the information available to interested parties in a clear, orderly, and understandable manner. In particular, it will develop state-of-the-art reporting tools with a view to achieving fast and effective communications with economy of means.

Elecnor Holding is also committed to continuously reviewing, updating, and improving the content and structure of the corporate website as the Company's main tool for communicating with and reporting to its stakeholders so as to publish the most relevant information for stakeholders and improve the accessibility, functioning, and information quality of the website.

8. SUSTAINABILITY PRACTICES

Elecnor Holding takes responsibility to be inherent to all its activities, its business strategy, and relations with its stakeholders. This commitment is set out in the Company's Strategic Sustainability Plan approved by the Board of Directors, laying down the mainstays of its social responsibility and the underpinnings for it continuously to improve its sustainability management. The commitments it acquires vis-à-vis its employees, customers, vendors, and shareholders, as well as with other stakeholders, will be carried on in accordance with the corresponding corporate policies.

The Company has adhered to the United Nations Global Compact and endeavours to help achieve the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda through its participation in the goals and objectives driving global sustainable development while at the same time improving relations with stakeholders, finding new business opportunities, and promoting innovation.

Furthermore, Elecnor Holding has implemented a Climate Change Strategy whose main goals are aligned with the criteria of the *Science Based Targets Initiative* and has set up a framework for actions by the Group in four global action areas to lower emissions of greenhouse gases at the hot spots that have been detected, adapt to the impacts of climate change, and take advantage of associated opportunities.

Elecnor Holding has a Sustainability Committee that reports to the Appointments, Remunerations, and Sustainability Committee. The Sustainability Committee is a cross-cutting committee whose members represent the Company's different corporate and business areas. Its purpose is to design the tools needed to be able to manage sustainability for the entire Group, promote a coordinated strategy, see to adoption and implementation of that coordinated strategy, and monitor the advances achieved with a view to promoting best practices. The measures put into practice by the Sustainability Committee are supervised by Company management and are submitted to the Appointments, Remunerations, and Sustainability Committee and the Board of Directors.

9. SUPERVISION AND DISSEMINATION OF THE POLICY

Pursuant to the Regulations of the Company's Board of Directors, the Audit Committee is responsible for supervising implementation of this Policy on a regular basis. The Appointments, Remunerations, and Sustainability Committee is responsible for proposing updates to the Policy to the Board of Directors of Elecnor Holding as required.

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

10. ENTRY INTO FORCE

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

