

ANNEX I TEMPLATE

**ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED
PUBLIC LIMITED COMPANIES**

ISSUER IDENTIFICATION DETAILS

YEAR END-DATE

31/12/2023

C.I.F. A- 87471264

Company name:

METROVACESA, S.A.

Registered office:

C/ PUERTO DE SOMPORT 23, 28050, MADRID

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED PUBLIC LIMITED COMPANIES

A OWNERSHIP STRUCTURE

A.1 Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate::

Indicate whether Articles of Association contain the provision of double loyalty voting:

Yes

No

Date of the last modification of the share capital	Share capital	Number of shares	Number of voting rights (not including additional loyalty- attributed votes)
03/05/2022	1,092,069,657.44	151,676,341	151,676,341

A.2 List the company's significant direct and indirect shareholders at year end, including directors with a significant shareholding:

Name or company name of shareholder	% of voting rights attached to the shares (including votes for loyalty)		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
Grupo Banco Santander	31.94	17.42	0.00	0.00	49.36
CONTROL EMPRESARIAL DE CAPITALES, S.A. DE C.V.	0.00	21.19	0.00	0.00	21.19
Grupo Banco Bilbao Vizcaya Argentaria	9.44	11.41	0.00	0.00	20.85
Quasar Investment, S.a.r.l	0.00	3.95	0.00	0.00	3.95

There has been an increase in the stake held by Control Empresarial De Capitaless, S.A. De C.V., moving from 17.23% at the end of the 2022 fiscal year to 21.191% at the close of the 2023 fiscal year.

Total percentage of voting rights held by the Board of Directors	0.16
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Observations
The exact shareholding of Mr. Vicente Moreno García-Mansilla in the company is 0.007%, and for Mr. Francisco Javier García-Carranza Benjumea, the exact shareholding is 0.002%. As for Mr. Carlos Manzano Cuesta, his exact shareholding is 0.001%. Mr. Ignacio Moreno Martínez has an exact shareholding of 0.007%, and finally, Mr. Jorge Pérez de Leza Eguiguren maintains an exact shareholding of 0.148% (0.066% directly and 0.082% through financial instruments linked to the long-term incentive plan).

Breakdown of the indirect holding:

Name or company name of director	Name or company name of the direct owner	% voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote
No data					

List the total percentage of voting rights represented on the board:

Total percentage of voting rights held by the Board of Directors	0.16
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Observations
The voting rights through financial instruments held by Mr. Jorge Pérez de Leza and Eguiguren correspond to cycles 1, 2, and 3 of the Long-Term Incentive Plan (LTIP 2) established by the company, with expiration dates of December 31, 2023, December 31, 2024, and December 31, 2025, respectively.

A.4 If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:

Name or company name of related party	Nature of relationship	Brief description
No data		

A.5 If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description
Banco Santander	Commercial	See Section D
Banco Bilbao Vizcaya Argentaria,	Commercial	See Section D

A.6 Unless insignificant for both parties, describe the relationships that exist between significant shareholders, shareholders represented on the Board and directors or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
Dña. Ana Bolado Valle	Banco Santander, S.A.	Banco Santander, S.A.	She has been associated with the Santander Group for over 31 years, where she has held various positions including Corporate Director of Strategy and Digital Business at Santander Universities, Director of Commercial Strategy and Business Development in Commercial Banking in Spain, member of the Management Committee of Banco Santander Spain, and Corporate Director of Human Resources at Grupo Santander. Previously, Ms. Bolado worked in different areas related to financial products, investment banking, and capital markets.
D. Cesáreo Rey-Baltar Oramas	Banco Bilbao Vizcaya Argentaria, S.A.	Banco Bilbao Vizcaya Argentaria, S.A.	Currently, he is the Director of Real Estate Holdings at BBVA.
D. Javier García-Carranza Benjumea	Banco Santander, S.A.	Banco Santander, S.A.	Currently serves as the Senior Executive Vice President of Banco Santander Group, responsible for Special Projects, Industrial Holdings, Investment Platforms, and Restructurings.
D. Mariano Olmeda Sarrión	Banco Santander, S.A.	Banco Santander, S.A.	He served as Deputy General Manager at Banco Santander in the Santander Global Banking & Markets division. Specifically, over 30 years, he was the global head of the CREDIT area, which primarily includes Structured Finance, Bonds, and Syndicated Loans. Subsequently, he was responsible for CIB (Corporate & Investment Banking) in Spain and Portugal. During the last eight

			years of his tenure at Banco Santander, he was in charge of Global Credit Watch (Restructurings).
D. Enrique Migoya Peláez	Banco Bilbao Vizcaya Argentaria, S.A.	Banco Bilbao Vizcaya Argentaria, S.A.	Currently, he is the Managing Director of the Equity Holdings area at BBVA, managing the bank's equity investments portfolio.
D. Carlos Manzano Cuesta	Banco Santander, S.A.	Banco Santander, S.A.	He is the Head of the Equity Holdings area within the Restructuring, Equity Holdings, Assets, Recovery Strategy, and Loan and Asset Divestment Department of Banco Santander.
D. Juan Antonio Franco Díez	FCYC, S.A.	FCYC, S.A.	Currently, he serves as an advisor for the real estate area of the CEC group (majority shareholder of Fomento de Construcciones y Contratas, S.A - FCC), as well as president of the asset-holding company Jezzine, S.L.U. (a company controlled by FCC).

A.7 Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound by the agreement:

Yes
 No

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes
 No

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

A.8 Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

Yes
 No

A.9 Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
161,993	-	0.11

Observations
There have been no significant changes, and all treasury stock transactions have been executed within the framework of the approved liquidity program.

(*) Through:

Name or company name of direct shareholder	Number of direct shares
No data	

A.10 Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares..

<p>The Ordinary General Shareholders' Meeting, held on May 25, 2020, approved by an absolute majority, and concerning the fifth item on the agenda, the authorisation for the Board of Directors to proceed with the derivative acquisition of its own shares, either directly or through controlled companies, up to a maximum of 10% of the share capital, as well as their subsequent disposition, within a maximum period of five years from the day following the adoption of said resolution.</p> <p>The acquisition price or consideration was established as the trading price of the Company's shares on the Continuous Market at the time of acquisition or the closing price of the last trading session before the acquisition if it were to take place outside the Continuous Market's operating hours, with a maximum variation of 10 percent upwards and 30 percent downwards. The authorisation period is five years, starting on May 26, 2020, when the authorisation agreement was adopted.</p> <p>Additionally, the Meeting noted that the shares acquired as a result of this authorisation may be allocated for sale or redemption, direct distribution to the Company's employees or directors, or exercise of option rights held by them.</p>
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A.11 Estimated float:

	%
Estimated float	8.60

A.12 Indicate whether there are any restrictions (articles of incorporation, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any restriction that may inhibit a takeover of the company through the acquisition of its shares on the market, as well as such regimes for prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes

No

Description of the restrictions
In the so-called Amended and Restated Facilities Agreement signed by the company on July 28, 2021, as well as certain mortgage loans with various financial institutions, it is stipulated that a change of control (defined as an entity other than Banco Santander or BBVA taking control of the Company) will grant the financial institutions the right to accelerate the repayment of the loan.

A.13 Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

Yes

No

If so, explain the measures approved and the terms under which such limitations would cease to apply:

A.14 Indicate whether the company has issued shares that are not traded on a regulated EU market.

Yes

No

If so, indicate each share class and the rights and obligations conferred.

B GENERAL SHAREHOLDERS' MEETING

B.1 Indicate whether there are any differences between the minimum quorum regime established by the Spanish Corporate Enterprises Act for General Shareholders' Meetings and the quorum set by the company, and if so give details.

Yes

No

B.2 Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Corporate Enterprises Act and, if so, give details:

Yes

No

B.3 Indicate the rules for amending the company's articles of incorporation. In particular, indicate the majorities required to amend the articles of incorporation and any provisions in place to protect shareholders' rights in the event of amendments to the articles of incorporation.

The modification of the Articles of Association must comply with what is established in the Corporate Enterprises Act, in accordance with the reference to the adoption of resolutions by the General Meeting contained in Article 13.2 of the Articles of Association of Metrovacesa.

In any case, as stipulated by Article 286 of the Corporate Enterprises Act, the administrators, or if applicable, the members proposing the amendment to the Articles of Association, must draft the full text of the modification they propose and the corresponding explanatory report, which must be available to the shareholders at the time of the convening of the General Meeting.

B.4 Give details of attendance at General Shareholders' Meetings held during the reporting year and the two previous years:

Date of general meeting	Attendance data				Total
	% physical presence	% present by proxy	% distance voting		
			Electronic voting	Other	
05/05/2021	21.27	63.14			84.41
30/11/2021	21.15	63.52			84.67
03/05/2022	20.99	56.71			77.70
29/11/2022	35.50	57.78			93.28
25/04/2023	26.41	65.52			91.93
28/11/2023	38.348	58.203			96.55

Observations
Detailed data regarding the number of shareholders present or duly represented, delegations of vote to the Board of Directors or any of its members, and representations by other shareholders or third parties not belonging to the Board of Directors are available on the Company's website for proper consultation.

B.5 Indicate whether any point on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason.

Yes

No

B.6 Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

Yes

No

Number of shares required to attend General Meetings	10
Number of shares required for voting remotely	1

Observations
Section 1 of Article 12 of the Articles of Association states that shareholders owning 10 or more shares, whose ownership is registered in the corresponding book-entry securities registry five days before the date on which the General Meeting is to be held, have the right to attend the General Meetings of the Company.

B.7 Indicate whether it has been established that certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders' Meeting.

[] Yes

[√] No

B.8 Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

On the homepage of the Company's website (<http://www.metrovacesa.com/en>), there is a section titled "Corporate Governance." Clicking on the title of this section unfolds a menu with the available information. You can also directly access it at the following URL: <https://metrovacesa.com/en/shareholders-and-investors/corporate-governance>

Once this report is approved and published in the CNMV, both the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration for the current fiscal year will be inserted into the website.

C STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the articles of incorporation and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the general meeting	13

Observations

At the Extraordinary General Meeting held on November 28, 2023, it was agreed to increase the number of members of the Board of Directors from twelve to thirteen due to the appointment of Mr. Juan Antonio Franco Díez as a Proprietary Director, which was proposed and approved at the same General Meeting.

C.1.2 Complete the following table on Board members:

Name or company name of director	Representative	Category of director	Position on the board	Date first appointed	Date of last appointment	Election procedure
Ms. Emma Fernández Alonso		Independent	Director	06/02/2018	29/11/2022	Shareholders' Meeting Voting
Mr. Vicente Moreno García-Mansilla		Independent	Director	06/02/2018	29/11/2022	Shareholders' Meeting Voting

Ms. Azucena Viñuela Hernández		Independent	Director	20/01/2022	03/05/2022	Shareholders' Meeting Voting
Mr. Ignacio Moreno Martínez		Other external	President	18/02/2016	03/05/2022	Shareholders' Meeting Voting
Ms. Ana Bolado Valle	Banco Santander, S.A.	Proprietary	Director	30/06/2017	03/05/2022	Shareholders' Meeting Voting
Mr. Cesáreo Rey-Baltar Oramas	Banco Bilbao Vizcaya Argentaria, S.A.	Proprietary	Director	28/03/2017	03/05/2022	Shareholders' Meeting Voting
Mr. Javier García-Carranza Benjumea	Banco Santander, S.A.	Proprietary	Director	06/04/2016	03/05/2022	Shareholders' Meeting Voting
Mr. Jorge Pérez de Leza Eguiguren		Executive	CEO	22/11/2016	03/05/2022	Shareholders' Meeting Voting
Mr. Mariano Olmeda Sarrión	Banco Santander, S.A.	Proprietary	Vice President	26/04/2017	03/05/2022	Shareholders' Meeting Voting
Ms. Beatriz Puente Ferreras		Independent	Director	06/02/2018	29/11/2022	Shareholders' Meeting Voting
Mr. Enrique Migoya Peláez	Banco Bilbao Vizcaya Argentaria, S.A.	Proprietary	Director	22/02/2021	05/05/2021	Shareholders' Meeting Voting
Mr. Carlos Manzano Cuesta	Banco Santander, S.A.	Proprietary	Director	19/09/2017	03/05/2022	Shareholders' Meeting Voting
Mr. Juan Antonio Franco Díez	FCYC, S.A.	Proprietary	Director	28/11/2023	28/11/2023	Shareholders' Meeting Voting

Total number of directors	13
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Observations
During the 2023 fiscal year, at the Extraordinary General Meeting on November 28, Mr. Juan Antonio Franco Díez was appointed as a new Proprietary Director, at the proposal of the FCC Group.

Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or company name of director	Category of the director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office
No data	N/A	N/A	N/A	N/A	N/A

Reason for cessation when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of cessation of non-executive directors, explanation or opinion of the director dismissed by the general meeting
N/A

C.1.3 Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name or company name of director	Post in organisation chart of the company	Profile
Mr. Jorge Pérez de Leza Eguiguren	CEO	Prior to his appointment as Chief Executive Officer of the Company, Mr Pérez de Leza was Managing Director for Europe at Lar Group from April 2005 to November 2016, Managing Director of European Operations at Excite @ Home from September 1998 to December 2005 and worked at Boston Consulting Group from September 1991 to September 1998. Additionally, Mr. Pérez de Leza is a member of the Harvard Real Estate Alumni Association and an associate professor in the Master's in Real Estate Development at IE University. Mr. Pérez de Leza holds a degree in Industrial Engineering from the ICAI University (Madrid) and an MBA in General Management from Harvard Business School.

Total number of executive directors	1
Percentage of Board	7.69%

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
Ms. Ana Bolado Valle	Banco Santander, S.A.	Ms. Ana Bolado has over 31 years of management experience within the Santander Group, where she has served as Corporate Director of Strategy and Digital Business at Santander Universities, Director of Commercial Strategy and Business Development in Retail Banking in Spain, and a member of the Management Committee of Banco Santander Spain. Currently, Ms. Bolado is an independent director of Inmobiliaria Colonial, S.A. (where she chairs the Appointments and Remuneration

		<p>Committee and is a member of the Sustainability Committee) and of the entities CACEIS and CACEIS BANK (based in France) dedicated to Custody and Depository of Securities, where she is also a member of the Strategy, Audit, Risks and Compliance, and Appointments and Remuneration Committees. Ms. Bolado holds a degree in Pharmacy from the Complutense University of Madrid and an MBA from IE Business School (IE).</p>
<p>Mr. Cesáreo Rey-Baltar Oramas</p>	<p>Banco Bilbao Vizcaya Argentaria, S.A.</p>	<p>Mr. Cesáreo Rey-Baltar is currently the Director of Real Estate Holdings at BBVA. Mr. Rey-Baltar has also been Director of Industrial Holdings and Head of e-Business projects at BBVA. Before joining BBVA in 1999, Mr. Rey-Baltar worked at Banco Generale (currently BNP Paribas). He is currently a member of the board of directors of Crea Madrid Nuevo Norte, S.A., and Anida Grupo Inmobiliario, S.L., among other companies. Mr. Rey-Baltar holds a Business and Actuarial Science degree from the University of the Basque Country and an MBA from IE Business School.</p>
<p>Mr. Javier García-Carranza Benjumea</p>	<p>Banco Santander, S.A.</p>	<p>Mr. Javier García-Carranza Benjumea is currently Senior Executive Vice President at Banco Santander Group, where he is responsible for Special Projects, Industrial Holdings, Investment Platforms, and Restructurings. Before joining Banco Santander in February 2016, he worked at Morgan Stanley in London as Co-Head of the Real Estate Investment Banking business for EMEA (Europe, Middle East, and Africa). He is currently the Chairman of the Board of Directors of Merlin Properties SOCIMI, S.A., among other companies. Mr. García-Carranza holds a degree in Business Administration from Carlos III University of Madrid.</p>
<p>Mr. Mariano Olmeda Sarrión</p>	<p>Banco Santander, S.A.</p>	<p>Mr. Mariano Olmeda began his professional career at Arthur Andersen, where he stayed for almost six years. He was Deputy General Manager at Banco Santander in the Santander Global Banking & Markets division. Specifically, over 30 years, he was the global head of the CREDIT area, which primarily includes Structured Finance, Bonds, and Syndicated Loans. Later, he became</p>

		<p>responsible for CIB (Corporate & Investment Banking) in Spain and Portugal. In his final years at Banco Santander, he oversaw Global Credit Watch (Restructurings). Currently, he is a member of the Board of Directors of INFORMA D&B. Additionally, he is a member of the Advisory Council of ITHAKA TPG (Texas Pacific Group). Mr. Olmeda holds a degree in Economics and Business Sciences from the Complutense University of Madrid and a PDG from IESE.</p>
Mr. Enrique Migoya Peláez	Banco Bilbao Vizcaya Argentaria, S.A.	<p>Mr. Enrique Migoya Peláez is currently the Managing Director of the Equity Holdings area at BBVA, where he manages the bank's equity investments portfolio. His professional career has mainly focused on M&A activities, spending 7 years at the investment bank Goetzpartners, and the last 15 years in various positions at BBVA in both private equity and industrial portfolio management. Mr. Migoya holds a degree in Economic and Business Sciences from the Autonomous University of Madrid. He has also completed the Management Development Program and the Corporate Management Program at IESE.</p>
Mr. Carlos Manzano Cuesta	Banco Santander, S.A.	<p>Mr. Carlos Manzano currently serves as the Head of the Equity Holdings area within the Restructuring, Equity Holdings, Assets, Recovery Strategy, and Loan and Asset Divestment Department of Banco Santander. Before joining Banco Santander in 2017, Mr. Manzano worked at Deutsche Bank as Head of Real Estate for Spain and Portugal. He previously held positions at BAMI, Gecina, and the former Metrovacesa. He is currently a member of the board of directors of Compañía Española de Viviendas de Alquiler, S.A., or Altamira Santander Real Estate, S.A., among other companies. Mr. Manzano holds a degree in Economics and Business from the University of Valladolid and an MBA from ESADE (Barcelona).</p>
Mr. Juan Antonio Franco Díez	FCYC, S.A.	<p>Mr. Juan Antonio Franco holds a degree in Economic Sciences from the Complutense University of Madrid. He has spent a significant portion of his extensive professional career in the real estate sector, serving as Deputy General Manager of Inmobiliaria Realia from 2000 to 2019. During this period, he was a member of the</p>

		<p>Management Committee and held executive responsibilities in the areas of Administration, Finance, HR, and Tax for the Realia Group. Prior to this, Mr. Franco developed his career in various areas and responsibilities within the FCC Group and FOCSA (1981 to 2000), where he was the Director of Administration and Finance for the Real Estate divisions of both groups; Director of Administration, HR of the Fomento de Obras y Construcciones group, and Head of Administration and Finance within the Environment and Construction Area of the said Group. Additionally, Mr. Franco has been a member of the Boards of Directors of various real estate companies such as Hermanos Revilla, Planigesa, Boane, or As Cancelas. Currently, he presides over the asset-holding company Jezzine.</p>
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Total number of proprietary directors	7
Percentage of Board	53.85

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of director	Profile
Ms. Emma Fernández Alonso	<p>Ms. Emma Fernández has built her career in technology, working for companies such as Telefónica, Alcatel, and Indra. She began her career at Indra Sistemas S.A. in 1991, eventually becoming the General Director and a member of the Executive and Management Committees (2007-2015). She was globally responsible for Strategy and Innovation, HR and Organization Management, Corporate Governance, Corporate Responsibility, and Branding. From 1991 to 2006, she held various executive positions in operations and corporate roles, such as Director of Marketing and Corporate Development, including M&A (2003-2006), and Director of Strategic Development (1995-2002). Currently, she is an independent director and member of the Remuneration Committee at Axway (in France), an independent director of Digital Consumer Bank (Openbank, Santander Consumer Finance, and ODS) where she chairs the Appointments, Corporate Governance, and Responsible Banking Committee and is a member of the Risk, Remuneration, and Audit Committees. She is also an independent director of Iskay Pet SLU, a member of the Advisory Council of AERTEC Solutions, and a mentor at Ashoka and Endeavour. She has also been a member of the Board of Directors at Sopra Steria (France), the Board of Directors of Ezentis, the Board of Directors of ASTI Mobile Robotics, and the Executive Committees of the Chamber of Spain, the Royal Elcano Institute, the EU High-Level Group on Aeronautical Research, and the Advisory Council for Aeronautical Research and Innovation in Europe (ACARE). Ms. Fernández holds an MBA from IE Business School and a degree in Telecommunications Engineering from the Polytechnic University of Madrid.</p>

Mr. Vicente Moreno García-Mansilla	<p>Mr. Vicente Moreno serves as a Director at Banca March and is a member of the Board of Trustees of the Accenture Foundation, the Professional Council of ESADE, and the International Advisory Council of the Hispanic Society of America. He was the CEO (2005-2015) and Executive Chairman (2007-2015) of Accenture Spain. During this period, he was also responsible for Accenture's operations in Portugal, Israel, and Africa. Before that, he was the General Manager at Accenture Poland SP. Z.O.O. (1994-1997). He joined Accenture in 1985. In the past, he has served as a Trustee of the Princess of Asturias Foundation, Vice President of the SERES Foundation, and a member of several institutions: American Chamber of Commerce, American Business Council, Business Council of the CEOE, Circle of Entrepreneurs, Board of Protectors of the Teatro Real, Advisory Council of the Official College of Naval Engineers, Advisory Council of the Institute of Engineering of Spain, and the Spanish Association of Consulting. Mr. Moreno holds a degree in Naval Engineering from the Higher Technical School of Naval Engineers.</p>
Ms. Azucena Viñuela Hernández	<p>Ms. Azucena Viñuela holds a degree in Economic and Business Sciences with over thirty years of professional experience in international contexts. She began her career at Arthur Andersen, where she worked for 11 years in financial auditing and consulting. She was responsible for the Energy Sector and the Public Administration Sector of the Firm in Asturias. Additionally, she was a member of the Board of Directors and Chair of the Audit Committee of Testa Residencial. She is the Director of Internal Audit for the International Group Energías de Portugal, S.A. (EDP) and a member of the Board and the Appointments and Remuneration Committee of the Institute of Internal Auditors of Spain. She has extensive experience in financial and internal auditing, implementation of internal control systems and models for preventing criminal risks, and risk management. Ms. Azucena Viñuela holds the title of Official Account Auditor from the Official Register of Account Auditors (ROAC, 1993), participated in Executive Training Programs at IESE- Business School (Madrid 1994) and INSEAD- Business School, (Fontaineblau, France), and was a Professor at the Asturias Business School, the Spanish Energy Club, and ROAC.</p>
Ms. Beatriz Puente Ferreras	<p>Ms. Beatriz Puente served as the Chief Financial Officer of Siemens Gamesa until May 2023. Prior to that, she was a board member and the Chief Financial and Economic Officer of NH Hotels, S.A. Before joining NH Hotels, S.A., she was the Chief Financial Officer of AENA, S.A. (2013-2015), where she was responsible for preparing and coordinating the company's privatisation process and its initial public offering, as well as leading the negotiation for its debt restructuring. Previously, she was the Chief Financial Officer (2007-2013) and the Director of Investor Relations and Corporate Development (2005-2007) at Vocento, S.A., overseeing the company's IPO. Before Vocento, Ms. Puente worked at Citigroup Global Markets (Spain) as a Vice President in the M&A division of investment banking (2003-2004) and as an Investment Banking Associate for Financial Institution & Latam (2001-2003). She also served as the Chief Financial Officer at Quintiles, S.L. (1997-1998) and at Ernst & Young (Spain) (1995-1997). In addition to her professional career, Ms. Puente has been a member of the advisory board of CUNEF since September 2015 and a lecturer in Mergers and Acquisitions in the Master of Finance program. Ms. Puente holds an MBA from the J.L. Kellogg Graduate School of Management (Northwestern University) (2000), which she attended as a Fulbright scholar, and a Bachelor's Degree in Business Sciences from the College for Financial Studies (CUNEF) (1995).</p>

Total number of independent directors	4
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Percentage of Board	30.77
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Observations
It is noted that, at the proposal of the Appointments, Remuneration, and Sustainability Committee, the Board of Directors has agreed, in its meeting on February 27, 2024, to change the category of Mr Ignacio Moreno Martínez from another external director to an independent. From that date, the total number of independent directors should be considered to have risen to 38.46%.

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name or company name of director	Description of the relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS

Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:

Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
Mr Ignacio Moreno Martínez	In accordance with Article 529 duodecies of the Corporate Enterprises Act, Mr. Ignacio Moreno Martínez falls into the category of Other External Directors, as he is neither a proprietary nor executive director. He is also not classified as an independent director since it was verified that 5 years had not yet passed since Mr. Moreno Martínez ceased performing	Banco Bilbao Vizcaya Argentaria, S.A.	Mr. Ignacio Moreno holds a degree in Economic and Business Sciences from the University of Bilbao and a Master in Business Administration (MBA) from INSEAD. In 2023, he was the Chairman of Metrovacesa, S.A., a Director of Telefónica de España and Telefónica Brasil, a Director of General de Alquiler de Maquinaria, S.A., a member of the Board of Roadis Transportation Holdings SLU, and a Director of Ontime Corporate Union, SA. Additionally, he is a Senior Advisor at PJT Partners. Until October 2016, he was the CEO of Metrovacesa, S.A. He has also served as the General Manager of the Presidential Area at Banco Bilbao Vizcaya Argentaria,

	<p>executive functions while being a director of the Company. According to paragraph a) of Article 529 duodecies of the Corporate Enterprises Act, this circumstance prevented him from being considered an independent director at this time.</p>		<p>S.A., CEO of Vista Capital Expansión, S.A., SGEGR – Private Equity, and CEO of N+1 Private Equity. At Corporación Bancaria de España, S.A. – Argentaria, he held the positions of Deputy General Manager in Corporate and Institutional Banking, CEO of Desarrollo Urbanístico Chamartín, S.A., and Chairman of Argentaria Bolsa, Sociedad de Valores. He worked at Banco de Vizcaya, Banco Santander de Negocios, and Mercapital, serving as Director of Corporate Banking and Private Equity.</p>
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Total number of other external directors	1
Percentage of Board	7.69

Observations
<p>In accordance with Article 529 duodecies of the Corporate Enterprises Act, Mr. Ignacio Moreno Martínez falls into the category of Other External Directors, as he is neither a proprietary nor executive director. He is also not classified as an independent director since it was verified that 5 years had not yet passed since Mr. Moreno Martínez ceased performing executive functions while being a director of the Company. According to paragraph a) of Article 529 duodecies of the Corporate Enterprises Act, this circumstance prevented him from being considered an independent director at this time.</p>
<p>Notwithstanding the above, it is noted that at the proposal of the Appointments, Remuneration, and Sustainability Committee, the Board of Directors has agreed, in its meeting on February 27, 2024, to change the category of Mr. Ignacio Moreno Martínez from another external director to independent.</p>

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category
No data			

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of total directors for each category			
	Year 2023	Year 2022	Year 2021	Year 2020	Year 2023	Year 2022	Year 2021	Year 2020
Executive	0	0	0	0	0.00	0.00	0.00	0.00
Proprietary	1	1	1	1	14.29	16.67	16.67	16.67
Independent	3	3	2	2	75.00	75.00	50.00	50.00
Other External	0	0	0	0	0.00	0.00	0.00	0.00
Total:	4	4	3	3	30.77	33.33	25.00	25.00

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least the policy that they have implemented in relation to gender diversity.

- Yes
 No
 Partial policies

If so, describe these diversity policies, their objectives, the measures and how they have been applied and their results over the year. Also, the specific measures adopted by the Board of Directors and the nomination and remuneration committee will be indicated to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and results achieved
<p>In 2018, in line with corporate governance best practices, particularly Guideline 14 of the Good Governance Code of Listed Companies, the Board of Directors developed a Diversity Policy, approved in early 2019 and available on the Metrovacesa website. This Policy was revised on the 24th of February, 2023, by resolution of the Board of Directors, following a report from the Appointments, Remuneration and Sustainability Committee.</p> <p>(https://metrovacesa.com/en/shareholders-and-investors/corporate-governance/internal-corporate-governance-rules)</p> <p>The Diversity Policy in relation to the Board of Directors of Metrovacesa and the Selection of Directors was positively reported by the Appointments, Remuneration, and Sustainability Committee. This Policy aims to ensure that the proposals for the appointment and re-election of Directors are based on a prior analysis of the Board of Directors' needs and to promote diversity in knowledge, educational and professional experience, age, and gender, without suffering from implicit biases that could imply any discrimination, particularly due to gender, disability, or any other personal condition.</p> <p>The selection, appointment, and renewal procedures for the Board of Directors should aim to achieve a diverse, balanced, and suitable composition for the performance of the functions attributed to them by law, the Articles of Association, and their own Regulations, all in the best social interest. In particular, it will ensure that the selection procedures do not involve any discrimination due to gender diversity, favouring the selection of female directors until a balanced gender composition is achieved on the Board of Directors.</p> <p>As part of the annual evaluation that the Board of Directors must perform on its functioning, the application of the various aspects of diversity should be particularly valued. The result of the evaluation will be recorded in the minutes of the session or incorporated as an annex.</p> <p>At least every three years, the Board of Directors must be assisted by an external consultant to evaluate its functioning. The consultant must be expressly instructed to oversee the degree of compliance with the current Diversity and Selection Policy.</p> <p>Finally, the Company must observe the essential objectives of the Diversity and Selection Policy in hiring any executive and employee of Metrovacesa and its group, with the aim of achieving full diversity in knowledge, education, professional experience, age, and gender. The Appointments, Remuneration, and Sustainability Committee will be informed at least once a year about compliance with the above.</p>

- C.1.6 Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of measures
<p>Article 15.5 of the Regulations of the Board of Directors includes the following among the essential duties of the Appointments, Remuneration and Sustainability Committee:</p> <ul style="list-style-type: none"> - Assess the competencies, expertise, and experience necessary in the Board of Directors. For this purpose, it will define the required abilities and skills for candidates to fill each vacancy and evaluate the precise time and dedication required to discharge their duties efficiently. - Establish a target representation of the gender least represented on the Board of Directors and develop guidelines as to how to achieve that target; and - Submit to the Board of Directors the proposed appointments of independent directors for appointment by cooptation or for discussion at the General Meeting of Shareholders, as well as proposals for the re-election or removal of said directors by the General Meeting of Shareholders.

If, in spite of any measures adopted, there are few or no female directors or senior managers, explain the reasons for this:

Explanation of reasons
<p>For much of 2023, the number of female directors accounted for 33.33% of the total Board of Directors composition and 75% of the independent directors. Following the appointment of a new proprietary director by the Extraordinary General Meeting of Shareholders on November 28th, 2023, the percentage of female directors has decreased to 30.77% of the total members of the Board. Two of the three independent female directors chair the Board's two sole Committees.</p> <p>Regarding the number of senior female executives within the Company, they represent 40% of the total.</p>

- C.1.7 Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

<p>The Appointments, Remuneration, and Sustainability Committee has overseen the compliance with the Diversity and Selection of Directors Policy on appointing a proprietary director to the Board during 2023.</p> <p>In this case, the Committee has verified and concluded the compliance with the guiding principles that should govern the selection of candidates, particularly the candidate's capability, experience, knowledge, integrity, and the absence of biases in the selection process due to sex, nationality, gender diversity, country of birth, etc.</p>
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- C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name or company name of shareholder	Reason
No data	

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

Yes

No

C.1.9 Indicate the powers, if any, delegated by the Board of Directors, including those relating to the option of issuing or re-purchasing shares, to directors or board committees:

Name or company name of director or committee	Brief description
Mr. Jorge Pérez de Leza Eguiguren	The Board of Directors has granted the Chief Executive Officer the necessary powers to perform his executive duties, i.e. all powers other than those which, in accordance with applicable corporate law, cannot be delegated by the Board of Directors. There is no Executive Committee at the Company, and neither of the two existing Committees have executive duties delegated to them.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name or company name of director	Company name of the group entity	Position	Does the director have executive powers?
No data			

C.1.11 List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of the listed or non-listed entity	Position
Mr. Ignacio Moreno Martínez	GAM, General de Alquiler de Maquinaria, S.A. Cotizada.	Director
Mr. Ignacio Moreno Martínez	Roadis Transportation Holdings, S.L.U.	Director
Mr. Ignacio Moreno Martínez	Ontime Corporate Union, S.A.	Director
Mr. Ignacio Moreno Martínez	PJT Partners	Others

Mr. Ignacio Moreno Martínez	Telefónica España	Others
Mr. Ignacio Moreno Martínez	Telefónica Brasil	Director
Mr. Ignacio Moreno Martínez	Sercotel	Director
Mr. Ignacio Moreno Martínez	Grupo Landón	Others
Mr. Mariano Olmeda Sarrión	Informa D&B, S.A.	Director
Mr. Mariano Olmeda Sarrión	ITHAKA Partners	Others
Mr. Mariano Olmeda Sarrión	Atlante	Director
Mr. Mariano Olmeda Sarrión	CRISAE	Others
Ms. Azucena Viñuela Hernández	Instituto de Auditores Internos de España	Director
Ms. Azucena Viñuela Hernández	Eligemenú, S.L.	Director
Mr. Vicente Moreno García-Mansilla	Banca March	Director
Ms. Emma Fernandez Alonso	Axway Software, SA. Cotizada	Director
Ms. Emma Fernandez Alonso	Digital Consumer Bank (Openbank, S.A., Santander Consumer Finance and ODS)	Director
Ms. Emma Fernandez Alonso	Iskay Pet, S.L.U.	Director
Mr. Francisco Javier García Carranza-Benjumea	Merlin Properties, SOCIMI, S.A. Cotizada.	President
Mr. Francisco Javier García Carranza-Benjumea	Deva Capital Holding Company, S.L.U	Director
Mr. Francisco Javier García Carranza-Benjumea	Deva Capital Management Company, S.L.U	Director
Mr. Francisco Javier García Carranza-Benjumea	Laparanza, S.A.	Board member representative
Mr. Francisco Javier García Carranza-Benjumea	Landcompany 2020, S.L.	Director
Mr. Francisco Javier García Carranza-Benjumea	Tresmares Santander Direct Lending, S.I.C.C, S.A.	Director
Mr. Carlos Manzano Cuesta	Compañía Española de Viviendas En Alquiler, S.A.	Director
Mr. Carlos Manzano Cuesta	Altamira Santander Real Estate, S.A.	Director
Mr. Carlos Manzano Cuesta	Deva Capital Advisory Company, S.L.U	Joint and several administrator
Mr. Carlos Manzano Cuesta	Promontoria Manzana, S.A.	Director
Mr. Carlos Manzano Cuesta	Tresmares Growth Fund Santander, SCR, S.A.	President
Mr. Carlos Manzano Cuesta	Fremman Limited	Director
Mr. Carlos Manzano Cuesta	Landcompany 2020, S.L.	Director
Mr. Carlos Manzano Cuesta	Retailcompany 2021, S.L.	Director
Mr. Carlos Manzano Cuesta	Tabasco Energía España, S.L.	Joint and several administrator
Mr. Carlos Manzano Cuesta	Abent 3T SAPI de C.V.	Director
Mr. Carlos Manzano Cuesta	Diglo Servicer Company, S.L.	Director
Ms. Ana Bolado Valle	Inmobiliaria Colonial, SOCIMI, S.A. Public company	Director
Ms. Ana Bolado Valle	Caceis Group y Caceis Bank	Director
Mr. Cesáreo Rey-Baltar Oramas	Crea Madrid Nuevo Norte, S.A.	Director
Mr. Cesáreo Rey-Baltar Oramas	SBD Creixent, S.A.	Director

Mr. Cesáreo Rey-Baltar Oramas	Promocions Terres Cavades, S.A.	Director
Mr. Cesáreo Rey-Baltar Oramas	Camarate Golf, S.A.	Director
Mr. Cesáreo Rey-Baltar Oramas	Anida Grupo Inmobiliario, S.L.	Director
Mr. Cesáreo Rey-Baltar Oramas	Anida Operaciones Singulares, S.L.	Director
Mr. Enrique Migoya Peláez	Tubos Reunidos, S.A. Public company	Director
Mr. Enrique Migoya Peláez	Crea Madrid Nuevo Norte, S.A.	Director
Mr. Enrique Migoya Peláez	CESCE, S.A.	Director
Mr. Enrique Migoya Peláez	Informa D&B, S.A.	Director
Mr. Enrique Migoya Peláez	Corporación IBV Participaciones Empresariales, S.A.	Director
Mr. Enrique Migoya Peláez	Neotec Capital Riesgo SCR	Director
Mr. Enrique Migoya Peláez	Coinversión Neotec SCR	Director
Mr. Enrique Migoya Peláez	Momentum Social Investment Holding, S.L.	Director
Mr. Enrique Migoya Peláez	PECRI Inversión, S.L.	President
Mr. Enrique Migoya Peláez	Inverahorro, S.L.	Joint Administrator
Mr. Jorge Pérez de Leza	Fundación Deporte y Desafío	President
Mr. Jorge Pérez de Leza	Cátedra de Catástrofes de la Fundación AON	Others
Mr. Juan Antonio Franco Díez	Jezzine, S.L.U.	President

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
D. Francisco Javier García-Carranza Benjumea	Head of Special Projects, Industrial Equity Holdings, Investment Platforms and Restructuring at the Santander Group.
D. Carlos Manzano Cuesta	Head of the Investee area within the Restructuring, Investee, Assets, Recovery Strategy and Loan and Asset Divestment department at Banco Santander.
D. Cesáreo Rey Baltar Oramas	Director of Real Estate Holdings at BBVA.
D. Enrique Migoya Pelaez	Managing Director of the Equity Holdings area of BBVA.
Dña. Azucena Viñuela Hernández	Grupo Internacional Energías de Portugal, S.A. (EDP). Executive Manager of Internal Auditing
D. Juan Antonio Franco Díez	Advisor for the real estate area of the CEC group (Realia Business, Realia Patrimonio, and Jezzine).

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

Yes
 No

Explanation of the rules and identification of the document where this is regulated
Article 33.2 of the Regulations of the Board of Directors stipulates that directors must disclose the positions they hold on the governing bodies of other companies and in any case provides that they may not sit on more than four boards of other listed companies. This last provision has been replicated in the Diversity Policy.

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	947
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	--
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	378
Pension rights accumulated by former directors (thousands of euros)	--

Observations
The Company has taken out a liability insurance policy for its Directors, under normal market conditions, with a total fixed annual cost for all directors of 395,891 euros (total premium), covering liability up to 70 million euros. Additionally, the Company has an accident insurance policy for the members and officers of the Board with a total annual aggregate amount of 10,008 euros (including the Chairman and CEO).

C.1.14 Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name or company name	Position(s)
Ms. Pilar Martín Bolea	Director of Legal
Ms. Elena Andrade Luque	Head of Internal Audit
Ms. Carmen Chicharro Sanz	Director of Sales, Marketing and Innovation
Ms. Raquel Bueno Montávez	Director of Corporate Development and ESG
Mr. Borja Tejada Rendón-Luna	Chief Financial Officer
Mr. Eduardo Carreño Orgaz	Director of Residential Operations
Mr. Enrique Gracia Colldeforns	Director of Commercial assets

Mr. Juan Carlos Calvo Mateos	Director of Strategy and Investors Relations
Mr. Miguel Ángel Melero Puerta	Director of People, Processes and Technology
Mr. Miguel Díaz Batanero	Land Director
Total remuneration of senior management (in thousands of euros)	2,562

Number of women in senior management	4
Percentage of total senior management	40%

C.1.15 Indicate whether the Board regulations were amended during the year:

- Yes
 No

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

Selection of directors: To the extent possible, the starting point shall be a prior analysis of the needs of the Company and its Group. Said analysis will be conducted by the Company's Board of Directors, with advice and a prior explanatory report from the Appointments, Remuneration and Sustainability Committee ("ARSC").

Pursuant to Article 8.2 of the Regulations of the Board of Directors, the Board must explain the category of each director to the General Meeting of Shareholders, which must effect or ratify their appointment, and shall be confirmed or, if applicable, reviewed annually in the annual corporate governance report, subject to prior verification by the Appointments, Remuneration and Sustainability Committee. If any external directors cannot be proprietary or independent, the Company shall explain the circumstances and the directors' links, either to the Company or its executives, or to its shareholders.

The Diversity Policy also contains rules on the selection and appointment of members of the Board of Directors:

- i. In the case of independent directors, the Appointments, Remuneration and Sustainability Committee (ARSC) will propose the appointment, and the General Meeting of Shareholders will, if applicable, approve the said proposal; exceptionally, the director may be appointed by the Board of Directors through cooptation in accordance with the provisions of article 18.1 of the Regulations of the Board of Directors and of section 4 of article 529 decies LSC.
- ii. For the rest of the directors, the Board of Directors will propose the appointment based on a prior favourable report by the ARSC, and the General Meeting of Shareholders will, if applicable, approve the proposal; exceptionally, the director may be appointed by the Board of Directors through cooptation.
- iii. Regardless of whether an appointment is approved by the General Meeting of Shareholders or by the Board of Directors, the proposal must be accompanied, in all cases, by an explanatory report assessing the competency, experience and merits of the proposed candidate, which will be attached to the minutes of the General Meeting or the Board meeting in accordance with section 5 of article 529 decies LSC.

To select candidates for the Board of Directors, the ARSC may commission the services of one or more external consultants specialising in seeking and selecting candidates to strengthen the procedures' objectivity, efficiency, efficacy and impartiality to find the best candidate.

In identifying candidacies, consultants must assess the requirements outlined in the Diversity Policy.

Appointment of directors: Directors affected by proposed appointments, re-election or removal shall refrain from intervening in the deliberations and votes concerning them.

Re-election of directors: Directors hold office for the term of office established in the Articles of Association, i.e. for four (4) years, and may be re-elected one or more times for periods of the same duration (article 16 of the Articles of Association). In this regard, it should be noted that the directors whose term of appointment exceeded four (4) years on the IPO date will not exceed that period after that date.

Removal of directors: Directors shall cease to hold office once the period for which they were appointed has expired and when so resolved by the General Meeting of Shareholders in exercising the powers granted to it by law or the Articles of Association. The Board shall not propose the removal of any independent director before the expiry of the term of office for which he or she has been appointed, except where just cause is found by the Board based on a report from the Appointments, Remuneration and Sustainability Committee. Just cause shall be deemed to exist when the director has failed to fulfil the duties inherent to their office or has incurred in any of the circumstances that would have prevented their appointment as an independent director.

The removal of independent directors may also be proposed because of takeover bids, mergers or other similar corporate operations involving a change in the Company's capital structure when such changes in the structure of the Board are brought about by the proportionality criterion of proprietary and independent directors in accordance with the capital represented on the Board.

When a director resigns or otherwise leaves office before the end of his/her term, he/she shall explain the reasons to all members of the Board.

C.1.17 Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

Description of amendment(s)
Considering the shareholding structure of the Company and the configuration of the Board, it is considered to be reasonable and compliant with the recommendations of good corporate governance.
Independent directors, appointed through a rigorous selection process, perform their duties without being conditioned by relationships with the Company, its significant shareholders, or its management.
Proprietary directors fulfil the requirement to represent significant shareholders.
Finally, the Chief Executive Officer fulfils the requirement to perform senior management duties for the Company.
Therefore, the Board of Directors complies with the composition and qualification requirements set out in its own Regulations, which are considered adequate and optimal for the effective and diligent fulfilment of its competences. The Directors have fulfilled the duties stipulated by law, the Articles of Association and the Company's Regulations, with loyalty to the Company's interests. In the performance of their duties, each and every member of the Board has

acted with the diligence of an orderly businessperson and with the loyalty of a faithful representative, always acting in good faith and in the best interests of the company.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and areas evaluated
<p>During the initial fiscal years after the Company was admitted to trading, an evaluation process was conducted based on a self-evaluation questionnaire approved by the Board, subject to a report from the Appointments, Remuneration and Sustainability Committee. The objective was to consolidate the operating scheme of the Board and then submit it to analysis by an external consultant.</p> <p>The personal and individual questionnaire was addressed to all directors, and they were asked to give their opinion on the composition, competences and functioning of the Board of Directors and its committees, as well as concerning the Chairman and the Chief Executive of the Company.</p> <p>In the 2023 evaluation, the Company hired Russell Reynolds as an external advisor to conduct the evaluation of the Board of Directors and its Committees. The process involved personal interviews with each of the Board members and evaluation through questionnaires with questions related to the recommendations of the Code of Good Governance for Listed Companies, as well as the functions assigned to the Board and its respective Committees by the Corporate Enterprises Act, the Articles of Association, and the Board's Regulations. This evaluation also focused on the analysis of corporate governance requirements under ESG criteria, and the comparison of practices followed by other similar organizations considered as market best practices.</p>

C.1.18 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

As stated in the previous paragraph, in the 2023 evaluation (which is conducted every 3 years by a reputable external party), the Company has engaged Russell Reynolds as an external advisor to carry out the evaluation of the Board of Directors and its Committees. There is no link or conflict of interest of any kind between the Company and the consultant.

C.1.19 Indicate the cases in which directors are obliged to resign.

Article 12 of the Regulations of the Board of Directors provides that directors shall cease to hold office once the period for which they were appointed has expired and when so resolved by the General Meeting of Shareholders in the exercise of the powers granted to it by law or by the Articles of Association.

Moreover, directors must tender their resignation to the Board of Directors and formally resign from their position if the Board of Directors considers this to be appropriate, in the following cases:

- When they leave the executive posts to which their appointment as directors was associated.
- When they are involved in any of the circumstances of incompatibility or prohibition provided by law or by the Articles of Association.

- When they are severely reprimanded by the Board of Directors for having breached their obligations as directors.
- When their continued presence on the Board of Directors might jeopardise or harm the interests, credit or reputation of the Company, or when the reasons for which they were appointed no longer apply, including, but not limited to, if there are significant changes in their professional situation or in the conditions pursuant to which they were appointed directors.
- When they are prosecuted for alleged criminal offences or are the subject of disciplinary proceedings for serious or very serious misconduct investigated by the supervisory authorities in connection with the securities market.
- In the case of proprietary directors (i) when the shareholders they represent sell their entire shareholdings or significantly reduce them, and (ii) by the relevant number, when said shareholders reduce their shareholdings to a level that requires a reduction in the number of proprietary directors.
- When they belong to more than four boards of directors of listed companies (other than the Company).
- When, due to events attributable to the director, their remaining on the Board causes serious harm to the corporate wealth or reputation in the Board's view.

If any of the circumstances for resignation apply, the Board shall examine the case as soon as possible and based on the specific circumstances, shall decide whether or not the director should continue to hold office. The Board shall provide a reasoned explanation of this in the Annual Corporate Governance Report.

C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?:

Yes

No

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

Yes

No

C.1.22 Indicate whether the articles of incorporation or Board regulations establish any limit as to the age of directors:

Yes

No

C.1.23 Indicate whether the articles of incorporation or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

Yes

No

C.1.24 Indicate whether the articles of incorporation or Board regulations establish specific rules for appointing other directors as proxy to vote in Board meetings,

if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

Article 17.2 of the Regulations of the Board of Directors, in connection with proxy voting, provides that, when directors cannot personally attend Board meetings, they must grant another member of the Board a proxy in writing and on an ad hoc basis for each meeting, including the appropriate instructions, and notify the Chairman of the Board of Directors thereof.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	11
Number of board meetings held without the chairman's presence	0

Observations
The Chairman of the Board of Directors has taken part in the eleven Board of Directors meetings held in the year to which this report refers.

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0
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Indicate the number of meetings held by each Board committee during the year:

Number of meetings held by the audit committee	11
Number of meetings held by the nomination and remuneration committee	8

Observations
The Chairman of the Board of Directors participated in all eleven sessions of the Board of Directors held in the fiscal year to which this report corresponds.

C.1.26 Indicate the number of meetings held by the Board of Directors during the year with member attendance data:

Number of meetings at which at least 80% of the directors were present in person	9
Attendance in person as a % of total votes during the year	85.71
Number of meetings with attendance in person or proxies given with specific instructions by all directors	10
Votes cast in person and by proxies with specific instructions as a % of total votes during the year	99.25

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

Yes

No

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

Article 14 of the Regulations of the Board of Directors, which regulates the functioning of the Audit Committee establishes, among others, the following functions: (i) supervise and evaluate the process of preparation, presentation and completeness of financial and non-financial information, as well as the systems for control and management of financial and non-financial risks related to the Company and its group; (ii) establish the appropriate relations with accounts auditors in order to receive information about those matters that could jeopardise their independence, for the examination thereof by the Audit Committee; (iii) annually and subject to the audit report, issue a report that expresses an opinion about whether or not the independence of the accounts auditors or auditing firms is compromised; (iv) regarding information systems and internal control: (a) ensure that the internal control policies and systems established are effectively implemented; (b) supervise the preparation process and ensure the comprehensiveness of the financial and non-financial information relating to the Company and (c) establish and oversee a mechanism that allows employees to anonymously and confidentially report any potentially significant irregularities, especially financial and accounting irregularities, that they may notice within the Company.

Furthermore, Article 38.2 of the Regulations of the Board of Directors establishes that the Board must use its best efforts to prepare the annual financial statements such that there is no room for reservations or qualifications by the auditor.

The Audit Committee reports to the Board of Directors on the Company's periodic financial information, prior to its approval and submission to the CNMV and to the capital markets.

Accordingly, the Audit Committee reported to the Board of Directors concerning the Company's financial information for the years 2018, 2019, 2020, 2021 and 2022. On the 20th of February 2024, it reported on the annual financial statements corresponding to FY 2023.

C.1.29 Is the secretary of the Board also a director?

Yes

No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
Mr. Lucas Osorio Iturmendi	
Mr. Lucas Osorio Iturmendi, secretary (non-director) of the Company's Board of Directors, was appointed for an indefinite term on 18 February 2016.	

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the

independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

The Audit Committee analysed and discussed the terms of the Committee's report on the independence of the Company's external auditors in respect of the years 2019, 2020, 2021 and 2022 with a favourable report. In all cases, the Board of Directors unanimously ratified the Audit Committee's criteria on auditor independence.

In relation to the fiscal year 2023, the Audit Committee, in its session of February 20th, 2024, has analysed and discussed the terms of the Committee members' report on the independence of its external auditors for the fiscal year 2023 and has reported favourably by unanimous decision to the Board of Directors. Subsequently, the Company's Board of Directors, in its session of February 27th, 2024, unanimously ratified the Audit Committee's criterion regarding the auditor's independence.

Finally, the Board of Directors, in its session on September 21st, 2023, approved the Policy on Contracting and Relations with the Auditor of Accounts, which aims to ensure that the role of Auditor for the individual accounts of the Company and those consolidated with its subsidiaries is carried out by an independent firm, possessing the necessary technical capabilities to undertake its work effectively and responsibly and in accordance with applicable regulations, regulating the selection, appointment, and, if applicable, re-election of the Auditor, as well as the procedure for evaluating their activity. This policy is available on Metrovacesa's website.

<https://metrovacesa.com/wp-content/uploads/2023/11/Policy-on-Engagement-and-Relations-with-the-Accounts-Auditor-Metrovacesa.pdf>

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

Yes
 No

If there were any disagreements with the outgoing auditor, explain their content:

Yes
 No

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

Yes
 No

	Company	Group companies	Total
Amount invoiced for non-audit services (thousands of euros)	78	0	78
Amount invoiced for non-audit work/Amount for audit work (in %)	39.6	0.00	39.6

Observations
Audit services are considered those performed for the review of the annual accounts and the intermediate financial statements, as well as other services linked to the audit.

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

Yes

No

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	8	8

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	100	100

Observations
The Company was incorporated in 2016 and has since been audited by the same external auditor.

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

Yes

No

Details of the procedure
<p>The sections below of article 16 of the Regulations of the Board of Directors establish the procedure for sending information to the directors for each Board meeting:</p> <p>"3. The Board of Directors' meetings shall be called by the Secretary or, in the absence thereof, whoever replaces him, with the Chairman's permission, using any means that enables the notice to be received by all members of the Board of Directors listed in the Company's records. Notice of meetings shall be issued at least seventy-two hours in advance of the meeting date. The meeting notice shall always include the agenda and all relevant information should be attached.</p> <p>4. The notice should provide information of those items in which connection the Board of Directors is expected to make a decision or approve a resolution so that the directors can first examine or compile the necessary information. When, exceptionally and for reasons of urgency, the Chairman wishes to submit decisions or agreements to the Board of</p>

Directors not listed in the meeting agenda for approval, the express prior consent of a majority of attending directors must be obtained, and a record thereof must be reflected in the minutes.

5. The Chairman of the Board of Directors may call extraordinary Board meetings when, in his judgement, this is so justified, in which case the period of notice and other requirements outlined above may not apply. Notwithstanding the foregoing, the documentation which, where applicable, must be provided to directors shall be delivered sufficiently in advance, except when a meeting of the Board of Directors has been constituted or called exceptionally for reasons of urgency.”

C.1.36 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company’s standing and reputation, tendering their resignation where appropriate. If so, provide details:

Yes

No

Explain the rules

Article 20.2 of the Regulations of the Board of Directors establishes that directors must tender their resignation to the Board of Directors and formalise, if the latter deems it appropriate, the corresponding resignation in the following cases, among others:

- (i) When they are involved in any of the circumstances of incompatibility or prohibition provided by law or by the Articles of Association.
- (ii) When their continued presence on the Board of Directors might jeopardise or harm the interests, credit or reputation of the Company, or when the reasons for which they were appointed no longer apply, including, but not limited to, if there are significant changes in their professional situation or in the conditions pursuant to which they were appointed directors.
- (iii) When they are prosecuted for alleged criminal offences or are the subject of disciplinary proceedings for serious or very serious misconduct investigated by the supervisory authorities in connection with the securities market.
- (iv) When, due to events attributable to the director, their remaining on the Board causes serious harm to the corporate wealth or reputation in the Board’s view.

C.1.37 Indicate whether, apart from such special circumstances as may have arisen and been duly minuted, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company’s standing and reputation:

Yes

No

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

N/A

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	3
Type of beneficiary	Description of the agreement
CEO and Senior Management	Mr Ignacio Moreno Martínez. Termination for any reason: €500k. Mr Jorge Pérez de Leza Eguiguren: Termination for any reason: 2 * Total annual remuneration received in the previous year. After-the-fact non-competition agreement: €1,090.50 thousand. Mr Eduardo Carreño Orgaz. Termination for any reason: (except voluntary redundancy and disciplinary dismissal declared to be lawful): Total annual remuneration received in the previous year.

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of directors	General shareholders' meeting
Body authorising the clauses	X	

	YES	NO
Are these clauses notified to the General Shareholders' Meeting?	X	

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

AUDIT COMMITTEE

Name	Position	Current
Ms Azucena Viñuela Hernández	Chairman	Independent
Dña. Beatriz Puente Ferreras	Member	Independent
D. Carlos Manzano Cuesta	Member	Proprietary

% of executive directors	0.00
% of proprietary directors	33.33
% of independent directors	66.67
% of other external directors	0.00

Observations
The composition of the Committee has not changed throughout 2023.

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

Notwithstanding other tasks that may be assigned to it, the Audit Committee performs the following duties:

- (i) Report to the General Meeting on matters within the scope of its competence, in particular, the outcome of the audit;
- (ii) Supervise the efficacy of the internal control of the Company and its group, the internal audit and the risk management systems, discussing with the external auditor any significant weaknesses;
- (iii) Supervise and evaluate the preparation, presentation and completeness of financial and non-financial information;
- (iv) Supervise the application of the general communication policies concerning (i) financial, non-financial and corporate information; and (ii) contacts with shareholders, investors, proxy advisors and other stakeholders regarding market abuse policies;
- (v) Propose to the Board, for submission to the General Meeting, the selection, appointment, re-election or replacement of the auditors;
- (vi) Establish a communication channel with accounts auditors for receiving information about matters: (i) that could jeopardise their independence; and (ii) that are related to the process of account auditing and the authorisation of different services;
- (vii) Regarding the external auditor: (a) if the auditor resigns, examine the circumstances behind the resignation; (b) ensure that the auditor's remuneration does not compromise its quality or independence; (c) ensure that the auditor

change is reported as relevant information, including, where applicable, a statement regarding any disagreements; (d) ensure that the external auditor meets annually with the Board of Directors (in full session);

(viii) Issuing, before the audit report, a report expressing an opinion on the independence of the external auditors;

(ix) Inform the Board about the matters provided for by Law, in the Articles of Association and in the Regulations of the Board, and particularly about: (i) the financial information that must be published periodically; (ii) the creation or acquisition of shareholdings in special-purpose vehicles or entities with registered headquarters in countries or territories that are tax havens; and (iii) related-party transactions.

(x) Ensure the independence of internal auditing and of the selection, appointment and removal the members thereof; and supervise its duties;

(xi) Establish and supervise mechanisms that allow reporting any potentially significant irregularities.

xii) In relation to the information and internal control systems: (a) ensure that the policies and systems established for internal control are effectively implemented; (b) supervise the preparation process and ensure the comprehensiveness of the financial and non-financial information related to the Company, as well as compliance with regulatory and accounting requirements; and (c) establish and supervise a mechanism for reporting any potentially significant irregularities;

(xiii) Ensure that risk control and management policies identify or determine, at least: a) the different types of financial and non-financial risks faced by the company; b) a risk control and management model based on various levels; c) the level of risk that the Company deems acceptable; d) the measures for mitigating the impact of identified risks; and e) the internal control and reporting systems for controlling and managing said risks;

(xiv) Be informed of any operations related to structural and corporate modifications of the Company and inform the Board of Directors about the financial conditions of such operations, especially the accounting impact thereof, and, if applicable, the exchange ratio;

(xv) Supervise compliance with the Company's rules of corporate governance and internal codes of conduct;

(xvi) Prepare an annual report on its operations;

The Audit Committee, composed of three directors (the majority, independent), meets on a recurring basis (11 times in 2023) to review the periodic financial information submitted to the securities market authorities.

The Audit Committee prepares an annual report on its operations, and its **main actions during FY 2023** were the following:

- a. Annual financial statements for the year ended 31 December 2022. The Committee has reviewed and approved the Company's 2022 annual financial statements. In this regard, the Committee endorsed the 2022 Annual Corporate Governance Report, the 2022 report on the Committee's own activity, the report concerning the independence of the external auditor PriceWaterHouseCoopers ("External Auditor") and the 2022 report on related-party transactions. The Company's 2022 annual financial accounts, informed by the Committee, once formulated by the Board of Directors, were presented and approved in the Annual General Shareholders' Meeting on the 25th of April, 2023.
- b. Financial Information. The Committee has periodically reviewed the financial information of the Company, particularly that which is published quarterly, having been favourably informed before its submission to the Board of Directors. Specifically, it has analysed in detail, along with those responsible for its preparation, the most significant financial and non-financial aspects during the fiscal year, the new developments introduced in the accounting standards and the criteria applied by the Company. On the occasion of the annual financial

information for 2022 and the semi-annual for 2023, the Committee met with the External Auditor and the asset valuers Savills and CBRE.

- c. Related-party transactions. The Committee has regularly been informed about the related party transactions conducted by the Company with certain significant shareholders and other companies related to directors. In particular, the Committee has favourably reported on related transactions carried out by the Company with financial entities that are shareholders of the Company (Banco Santander, S.A. and Banco Bilbao Vizcaya Argentaria, S.A.), with the majority of these transactions being of a credit nature (mainly project financings and their corresponding guarantee lines). However, it has also reported on other transactions such as the signing with Banco Santander as the dividend agent, the provision of brokerage services in the renewal of a commercial paper program (Banco Santander), the signing of a marketing agreement for the land portfolio with DIGLO (a wholly-owned subsidiary of Banco Santander), or the signing of a cybersecurity service contract with Factum (a company linked to Banco Santander). Additionally, an operation involving the development of a project for constructing an energy transformation centre with FCC Industrial was discussed. The transactions submitted to the Committee were favourably reported once it was verified that the terms and conditions were fair and reasonable from the perspective of the Company and the other shareholders who were not related parties, also analysing that the principles of concurrency and competition were reasonably met. In 2023, the Committee approved the annual report on related party transactions 2022.

- d. External Advisors, Appraisers, and External Auditors. Hiring, meetings and remunerations.

The Committee has favourably reported on hiring certain external advisors related to matters within its scope of functions. Specifically, it has favourably reported on the renewal of the External Auditor and the renewal of contracts with the Company's appraisers for the fiscal year 2023, including their respective remunerations.

- e. Risk analysis and control systems. Risk map.

Throughout 2023, the Committee has controlled and monitored the company's most significant economic-financial and non-financial aspects. Among other things, it has monitored issues related to asset valuation and the most relevant financial, strategic, and operational risks by reporting indicators, including specific assurance activities to mitigate these risks, especially those that could exceed the established tolerance limits. The leading risk indicators have been reported by the various managers responsible for their management. Risk analysis was also conducted for other group companies.

Similarly, the Committee has reviewed the Company's risk management and control policy and has supervised the update of the risk map prepared by the Company, reporting favourably to the Board of Directors.

- f. Compliance

The Committee has regularly monitored the Company's compliance with norms related to its area of responsibility, mainly money laundering and counter-terrorist financing, criminal risks, and data protection. It has also reported on the actions taken by the Company in these areas, and it has favourably informed about various modifications introduced to adapt to regulatory changes.

Specifically, the Committee has favourably informed on the activity report prepared by the MLPU (Money Laundering Prevention Unit), the report prepared by the external expert Apreblanc Asesores, S.L. for 2022, and the new Internal Information System and Whistleblower Defence Policy, as well as modifications to the Metrovacesa Group's Money Laundering and Countering Terrorist Financing Prevention Policies and Procedures Manual and the composition of the Internal Control Body.

- g. Internal Audit

The Company's Internal Auditor has informed the Committee about the actions, procedures, and controls regularly carried out.

Among other issues, the Internal Audit has presented reports on compliance with financial information control systems and the annual sustainability report review; review of the risk taxonomy with the different managers and an update of the Company's risk map; monitoring of the main KRIs to monitor the most relevant risks and establishment of necessary action plans to mitigate these risks, as well as quarterly financial information closure reviews; review of operational controls associated with the most relevant business processes, Biannual Audit of the ML and CFT system. It has also presented and explained the self-assessment questionnaire completed.

The Internal Audit has presented reports on various issues, including compliance with financial information control systems and the annual sustainability report review. They have reviewed the risk taxonomy with different managers and updated the Company's risk map. They have monitored the main KRIs to track the most relevant risks and established necessary action plans to mitigate these risks. Additionally, they have conducted quarterly financial information closure reviews and they have reviewed operational controls associated with the most relevant business processes. They also conducted a Biannual Audit of the ML and CFT system, and it presented and explained the self-assessment questionnaire carried out.

Furthermore, the Committee has reviewed and approved the 2023 Internal Audit Plan and has favourably reported on the achievement of the 2022 objectives and set objectives for 2023.

h. Sustainability

The Committee has periodically analysed the role of the Internal Audit in terms of ESG, reviewing the work done and to be done, assigning new tasks in the ESG area to this division, and promoting collaboration in this field with the Appointments, Remunerations, and Sustainability Committee.

On September 20, 2023, a working meeting was held between both Committees to establish coordination actions regarding sustainability. Members of the Appointments, Remunerations, and Sustainability Committee joined the meeting on October 23, 2023, to study the content of the new ESG regulation and establish the necessary steps to implement a solid action plan in this area. During the meeting, both Committees analysed the Company's compliance level and identified future objectives to meet the requirements of the new regulations. They agreed on a timeline of projects to be undertaken during 2024 and 2025, with challenging targets to meet all the criteria established in the new legislation.

i. Litigation

The Committee has periodically received updates on the company's major legal cases, including details on how provisions are allocated, quantified, and risks assessed.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.

Names of directors with experience	Ms Azucena Viñuela Hernández, Mr Carlos Manzano Cuesta y Ms Beatriz Puente Ferreras.
Date of appointment of the chairperson	Ms Azucena Viñuela Hernández was appointed Chairwoman of the Audit Committee on February 6 th , 2022, with her appointment being formalized in a public deed on February 8 th , 2022, before the notary of Madrid, D. Ignacio Paz-Ares Rodríguez, under number 729 of his protocol, being registered in the Company's registry sheet as entry 80.

Observations
N/A

APPOINTMENTS, REMUNERATIONS, AND SUSTAINABILITY COMMITTEE

Name	Position	Current
D ^a . Emma Fernández Alonso	Chairwoman	Independent
D. Ignacio Moreno Martínez	Member	Other external
D. Cesáreo Rey-Baltar Oramas	Member	Proprietary
D. Vicente Moreno García-Mansilla	Member	Independent

% of proprietary directors	25%
% of independent directors	50%
% of other external directors	25%

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

<p>The CNRS has various functions, aside from other competencies:</p> <ol style="list-style-type: none"> i. Assessing the skills, knowledge, and experience within the Board, defining the roles and qualifications of candidates to fill each vacancy, as well as evaluating the time and dedication of the directors; ii. Develop guidelines to increase gender diversity on the Board. iii. Proposing to the Board the appointment, re-election or separation of independent directors to be designated through co-option or submission to the General Meeting; iv. Reporting on the proposals for the appointment (or re-election or separation) of the other directors for their designation by co-option or submission to the General Meeting;
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- v. Reporting on the proposals for the appointment and separation of executive staff and the basic conditions of their contracts;
- vi. Examining and organizing the succession of the Chair of the Board and the Chief Executive Officer, making proposals to the Board for an orderly and planned succession;
- vii. Proposing to the Board the remuneration policy for directors, the remuneration and other contractual conditions of the executive directors, and those who perform managerial functions under the direct dependency of the Board or the Chief Executive Officer;
- viii. Periodically reviewing the remuneration policy and ensuring its observance;
- ix. Ensuring that potential conflicts of interest do not affect the independence of the external advice provided to the Committee;
- x. Verifying the information on remuneration of directors and senior managers contained in corporate documents;
- xi. Supervising and evaluating, without prejudice to the functions of the Audit Committee, the processes of preparation and integrity of non-financial information and sustainability policies in environmental and social matters, as well as the methods or systems for monitoring compliance with policies, associated risks and their management, non-financial risk supervision mechanisms, and communication, participation, and dialogue channels with stakeholders;
- xii. Ensuring that the Company's environmental and social practices conform to the established strategy and policies;
- xiii. Preparing an annual report on its operations.

The CNRS, consisting of four directors, two of whom are independent, meets at least every three months (8 times in 2023), with the main actions during 2023 including:

- i. Reviewing within its competencies and favourably reporting on the Company's corporate governance documentation for 2022, specifically: (i) the annual remuneration report; (ii) the annual CNRS activity report; and (iii) the annual corporate governance report;
- ii. Reviewing the Board of Directors competency matrix to determine their capacities, competencies, incompatibilities, seniority, diversity, and degree of occupation;
- iii. Analysing and favourably reporting on the self-assessment of the Board of Directors and its Committees for 2022;
- iv. Analysing and updating the succession plan for the Chairman and the Chief Executive Officer;
- v. Monitoring the development, succession and contingency plans of the management team;
- vi. Favourably reporting the appointment of Mr. Juan Antonio Franco Díez as a new proprietary director of the Company at the proposal of FCC, previously analysing the potential conflict of interest between the Company and the FCC Group, the advisability of the General Meeting dispensing with the non-competition obligation of the new director, and the implications of increasing the number of directors;
- vii. In terms of remuneration:

- a. Reviewing and favourably reporting on the remuneration policy for its directors for 2024-2026;
 - b. Reviewing and favourably reporting on the general salary increase for 2023 as well as the review of salaries (including the LTIP) of members of the management team;
 - c. Favourably reporting the proposal for directors to receive an increase in their remuneration;
 - d. Analysing the degree of compliance with LTIP 1.3 (cycle 2020-2022);
 - e. Analysing the compliance estimate of the three cycles of LTIP 2;
 - f. Reviewing, proposing, and favourably reporting on the metrics and compliance parameters of cycle 3 of the long-term incentive 23-25 (LTIP 2);
 - g. Preliminarily designing some aspects (metrics, beneficiaries, and amounts) of the new LTIP 2024-2026;
 - h. Reviewing the package of shares of the Company belonging to directors and managers as well as the main variations;
 - i. Preliminarily reviewing the possible implementation of a share purchase plan directed at employees as payment of their variable remuneration; and
 - j. Analysing the Company's wage gap, reviewing actions taken in this regard in 2022, and identifying the main areas of work for 2023.
- viii. Analysing the Company's work environment through the conclusions of the Querygo survey;
 - ix. Updating the Diversity and Selection of Directors Policy;
 - x. Reviewing the 2023 training plan for both the Board of Directors and the rest of the employees;
 - xi. Regularly reviewed the employment plan for 2023, including workforce evolution, open selection processes, gender ratios, and variation indices, and likewise proposed and analysed the employment plan and budget for 2024;
 - xii. Analysed the degree of achievement of the 2022 Strategic Plan's objectives in terms of new launches, commercial and land sales, deliveries, urban milestones, closing of commercial agreements EBITDA, and objectives by the business areas, the Management Committee, and the CEO, as well as reviewed and approved these objectives for the 2023 Strategic Plan;
 - xiii. In terms of sustainability:
 - a. Monitored the ESG strategic plan by periodically analysing the dashboards of environmental, social, and governance values, as well as strategic projects and identifying actions to be undertaken in 2023 regarding climate change, biodiversity, customers, cybersecurity, human rights, and ESG analysts;
 - b. Reviewed the non-financial information report for 2022;
 - c. Reviewed the report on the Net Zero Transition Plan prepared by KPMG, which analyses the metrics and objectives of the Company with respect to climate neutrality;

- d. Reviewed the impact of the latest ESG regulation on the Company's business processes and control, as well as how to orient the organization towards achieving strategic objectives;
- e. Favourably reported the ESG budget for 2024; and
- f. Analysed the results and conclusions of the Sustainalytics report, which assesses the company's performance according to the degree of risk it faces due to ESG factors.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	Year 2023		Year 2022		Year 2021		Year 2020	
	Number	%	Number	%	Number	%	Number	%
Audit Committee	2	66.66	2	66.66	1	33.33	1	33.33
Appointments, Remunerations, And Sustainability Committee	1	25.00	1	25.00	1	33.33	1	33.33

Observations

It is noted that, at the proposal of the Appointment, Remuneration, and Sustainability Committee, the Board of Directors agreed in its meeting of February 27, 2024, to change the category of another external director to independent for Mr. Ignacio Moreno Martínez.

C.2.3 Indicate, where applicable, any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

The Regulations of the Board of Directors' Committees are provided in the Articles of Association and the Regulations of the Board of Directors (article 14 for the Audit Committee and article 15 for the Appointments, Remuneration and Sustainability Committee).

Both texts are published on the Company's corporate website.

In addition, the Company's Board of Directors has approved the two regulations governing the composition, functioning, competencies and powers of the Audit Committee and the Appointments and Remuneration Committee. These two committees also issue annual activity reports.

On 26 October 2021, the Company's Board of Directors unanimously approved the amendments to the Regulations of the Board and of the Committees of the Board, in this latter case favourably reported by the respective Committees. The main objective of the amendments is to reflect, in the Regulations, the amendments introduced to the Unified Code of Good Governance and the Corporate Enterprises Act regarding the duties of the Board and its Committees, as well as to attribute to the Appointments and Remuneration Committee the supervision and monitoring duties over the sustainability policies. Said Committee will now be known as the Appointments, Remuneration and Sustainability Committee.

D RELATED PARTY AND INTRAGROUP TRANSACTIONS

- D.1 Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intragroup parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

In accordance with Article 28 of the Regulations of the Board of Directors, directors must report the existence of a conflict of interest to the Board and must refrain from intervening in the transaction to which the conflict refers, with the exceptions established in applicable legislation. Moreover, the Company shall inform, when it is legally so mandated, in regard to any conflict of interest in which directors (or their related persons) have been involved during the fiscal year in question. Conflicts of interest shall be notified in the report accompanying the Company's annual financial statements.

A conflict of interest shall be considered to exist in those situations in which the interests of the Company or its Group clash with the personal interest of a director. The personal interest of a director will exist when the matter affects that director or a related person.

The following are understood as persons related to directors:

- a) The director's spouse or someone with a similar bond of affection.
- b) The director's parents, children and siblings or those of his spouse or person with a similar bond of affection.
- c) The spouse (or person with a similar bond of affection) of the director's parents, children and siblings.
- d) Companies or entities in which the director directly or indirectly holds, including through an intermediary, a shareholding that gives him or her significant influence or where he or she holds a position on the governing body or senior management of said companies or their parent. For these purposes, it is presumed that any shareholding equal to or greater than 10% of the share capital or of the voting rights confers significant influence;
- e) In addition, in the case of proprietary directorson, shareholders on the basis of whose proposals they were appointed.

The aforementioned notwithstanding, Article 529 vices of the LSC sets forth that related-party transactions will be understood as those carried out by the company or its subsidiaries with directors, with shareholders who hold 10% or more of the voting rights or who are represented on the company's board of directors or with any other persons who should be considered related parties pursuant to International Accounting Standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council, of 19 July 2002, on the application of international accounting standards.

Article 30 of the Regulations of the General Shareholders' Meeting establishes the obligation of shareholders to abstain from exercising the voting rights corresponding to their shares whenever it concerns the adoption of a resolution whose purpose is the following:

- a) Releasing them from an obligation or granting them a right;
- b) Providing them with any assistance, including furnishing guarantees in their favour; or
- c) Exempting them from the obligations derived from their duty of loyalty, in accordance with the applicable regulations.

Barring those transactions whose approval corresponds to the General Meeting due to the nature thereof, the approval of related-party transactions corresponds to the Board, and a prior report from the Audit Committee will be

required. In any event, they must evaluate if the transaction is fair and reasonable from the viewpoint of the Company and, if applicable, of the various shareholders of the related party.

Without prejudice to the preceding, the Board may delegate the approval of certain related-party transactions, in the cases legally provided for. In those cases, the Board shall establish an internal reporting and periodic control procedure, which shall involve the Audit Committee, which must verify the fairness and transparency of such transactions and, if applicable, compliance with the legal criteria applicable to the above exceptions.

In practice, the Audit Committee examines and analyses all related-party transactions and reports to the Board of Directors for approval or rejection of the transaction in question.

Finally, it should be mentioned that the Board of Directors of the Company in its meeting on July 28, 2022, approved the internal Policy on Related Party Transactions with directors, significant shareholders, and other related parties, in which the necessary procedures are established to ensure the application of commercial regulations for the approval and publication of related transactions.

D.2 Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or company name of the shareholder or any of its subsidiaries	% Shareholding	Name or company name of the company or entity within its group	Amount	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
			(thousands of euros)			
Banco Santander, S.A.	49.36%	Metrovacesa, S.A.	179,013	Board of Directors	Mr Mariano Olmeda Sarrión Mr Carlos Manzano Cuesta Ms Ana Bolado Valle Mr Javier García-Carranza Benjumea	No

Banco Bilbao Vizcaya Argentaria, S.A.	20.85%	Metrovacesa, S.A.	414,092	Board of Directors	D. Cesáreo Rey-Baltar Oramas D. Enrique Migoya Peláez	No
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Name or company name of the shareholder or any of its subsidiaries	Nature of the relationship	Type of operation and other information relevant for its analysis
Banco Santander, S.A.	Commercial	Financing-commercial
Banco Bilbao Vizcaya Argentaria, S.A.	Commercial	Financing-commercial

Observations
<p>The detail of loans granted by significant shareholders differs from that reflected in the Annual Accounts, insofar as the latter reflects the balances available at the end of the fiscal year and the fees accrued for loans signed with related parties since the Audit Committee presents the limits to be signed with each related entity.</p> <p>Banco Santander: The Company has requested approval to subscribe to 9 developer loans for 25,000, 5,400, 14,500, 22,000, 21,500, 10,500, 14,100, 7,000, and 14,000 thousand euros. Approval has also been requested for the subscription of 6 guarantee lines to comply with current legislation for amounts received as advance payments from clients for 5,700, 8,300, 9,800, 9,800, 5,700, and 5,500 thousand euros. Finally, approval has also been requested for the subscription of a service provision contract for 213 thousand euros.</p> <p>BBVA: The Company has requested approval to subscribe to 12 developer loans for 19,950, 19,950, 6,000, 17,800, 9,000, 9,000, 60,000, 26,000, 14,000, 8,600, 8,600, and 8,500 thousand euros. Approval has also been requested for the subscription of 9 guarantee lines to comply with current legislation for amounts received as advance payments from clients for quantities of 7,000, 6,700, 6,600, 5,300, 3,000, 2,300, 21,100, 13,000, 3,000 thousand euros. Finally, approval has also been requested for the subscription of 11 confirming contracts for 16,200, 12,675, 8,012, 6,034, 22,500, 16,000, 13,875, 8,501, 7,680, and 6,515 thousand euros.</p>

D.3 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or company name of the administrators or managers or their controlled or jointly controlled entities	Name or company name of the company or entity within its group	Relationship	Nature of the operation and other information necessary for its evaluation	Amount (thousands of euros)	Approving body	Identity of the shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Observations

D.4 Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Company name of the entity within the group	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
N/A	N/A	N/A

D.5 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Company name of the related party	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
N/A	N/A	N/A

D.6 Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other associated parties.

Article 28 of the Regulations of the Board of Directors defines and regulates conflict of interest.

A conflict of interest shall be considered to exist in those situations in which the interests of the Company or companies belonging to its Group clash, directly or indirectly, with the personal interest of a director. A director's personal interest means that a matter affects him, or a person related to him, or, in the case of a proprietary director, the shareholder or shareholders who proposed or effected his appointment, or persons directly or indirectly related thereto.

Directors must report a conflict of interest, whether direct or indirect, to the Board of Directors. They must refrain from intervening as representatives of the Company in the transaction to which the conflict refers, with the exceptions established in the applicable legislation. Moreover, the Company shall inform, when it is legally so mandated, regarding any conflict of interest in which directors (or their related persons) have been involved during the fiscal year in question and of which it is aware pursuant to a notification from the affected person or by any other means. Conflicts of interest involving directors shall be notified in the report accompanying the Company's annual financial statements.

Likewise, article 15, concerning the Appointments, Remuneration and Sustainability Committee, includes ensuring that possible conflicts of interest do not undermine the independence of the external advice provided to the Company. Likewise, it may call upon external experts for their advice when it deems it necessary to properly discharge its duties, preventing potential conflicts of interest from undermining the independence of the external advice provided to the Appointments, Remuneration and Sustainability Committee.

In addition, Metrovacesa's Internal Regulation of Conduct, available on its website, establishes the rules of conduct applicable in relation to proprietary trading, insider information, market manipulation and treasury share transactions, and applies to, among others, the members of the Company's Board of Directors and senior management.

D.7 Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

Yes

No

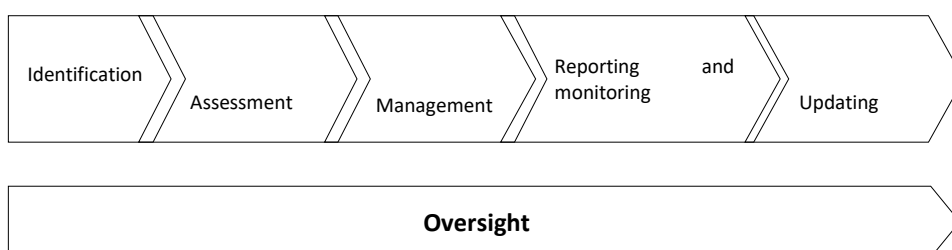
E RISK MANAGEMENT AND CONTROL SYSTEMS

E.1 Explain the scope of the company's financial and non-financial risk management and control system, including tax risk.

The cornerstone of the Integral Risk Management System of Metrovacesa, S.A. and its subsidiaries (hereinafter and indistinctly "Metrovacesa", "the Company" or "the Group") is the Risk Management and Control Policy, approved by the Board of Directors. It aims to define the principles used to identify, analyse, assess, manage and communicate risks associated with Metrovacesa's strategy and operations, providing a general framework for managing the threats and uncertainties inherent to the Group's business processes and the environment in which it operates.

The Company implements an integral Risk Management Model, considering all significant risks to which it may be exposed, particularly any strategic or operational risks (financial or non-financial) or risks relating to compliance with the primary standards and regulations concerning the Group.

The risk control and management model adopted by Metrovacesa is based on a continuous process that is developed over the following stages:



On the basis of this continuous risk control and management process, Metrovacesa's Risk Map was updated in the year, in a process involving the entire organisation, from the Management Committee to the managers of specific risks.

E.2 Identify the bodies within the company responsible for preparing and executing the financial and non-financial risk management and control system, including tax risk.

All Metrovacesa executives and employees must comply with the Risk Management and Control Policy in their operative areas and coordinate risk response actions with any other departments or areas affected.

The following are the functions and duties of the bodies and persons involved in risk management:

Board of Directors

The Board of Directors of Metrovacesa has the non-delegable competency to determine the Risk Management and Control Policy, including tax risks, and to supervise the internal systems of information and control.

Audit Committee

The tasks relating to the supervision of internal control and risk management systems, aimed at ensuring that the main risks are identified, managed and maintained at approved levels, have been delegated to the Audit Committee, namely, to supervise the effectiveness of the internal control of the Company and its group, the internal audit and the risk management systems.

The Audit Committee is also responsible for keeping the Board of Directors apprised of all matters resulting from monitoring and supervising the system which could affect Company management.

Management

Metrovacesa Management has the following responsibilities and duties in relation to the Risk Management and Control System:

- To identify and assess risks, to assign duties with regard to any risks identified, and to confirm the results of assessments to define their criticality level.

- To approve and apply the actions proposed by each risk manager, to evaluate them in depth and implement response plans.
- To facilitate the functions of the Internal Audit, giving it the necessary resources.
- To give the Audit Committee regular information on risk control and management in the Company.

Internal Audit

Internal Audit supports the Audit Committee in discharging its duties, by means of performing the following tasks:

- Coordinating and supervising the operation of the risk management and control system.
- Standardising and consolidating reports related to the identification and assessment of risks, and the results of the corresponding follow-up actions prepared by each person responsible for risks, thereby giving the Audit Committee confidence about the consistency and reliability of the reported results.
- Ensuring the Risk Management and Control System operates correctly, providing methodological support, if necessary, to risk managers to identify and assess them.
- Monitoring the results of scheduled risk management actions in the annual work plan and reporting them to the Audit Committee.

Risk Managers

At Metrovacesa, risk management is undertaken by the heads of the business areas, information systems, legal, financial and other operating areas. As risk managers, it is their responsibility:

- To make an in-depth analysis of any risks falling within their scope of competence.
- To propose and report risk monitoring indicators.
- To propose and implement risk mitigation action plans.
- To report on the efficacy of said plans.

E.3 Indicate the main financial and non-financial risks, including tax risks, as well as those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant and may affect the achievement of business objectives.

During the 2023 financial year, Metrovacesa has conducted an in-depth review of the categories and taxonomies of risks. The main aspects analysed that have allowed for proposing reasonable modifications to the existing taxonomy up to now have been:

- Adjustments in the naming of some risks and alignment with the process map.
- Subcategorizing strategic risks into internal, external and operational risks (process execution, labour relations, asset damage, and IT).
- Identification of new risks due to emerging or unidentified events and disaggregating already existing events/risks (especially in compliance risks to optimise their management).
- Special focus on ESG risks, including the specific risk of climate change, corporate governance, or the reliability of non-financial information.

Metrovacesa classifies risks into four categories: Strategic, Operational, Financial and Compliance.

Strategic risks are those associated with vital long-term goals. In this financial year, a distinction has been made between environmental and internal risks.

Environmental Strategic Risks: related to external factors (regulatory changes, economic cycles, levels of competition, climate change...) that may arise from the actions of other key market participants (customers, competitors, regulators).

Internal Strategic Risks: losses resulting from incorrect decision-making related to business plans and the Company's future strategies, or issues associated with Corporate Governance or corporate image management.

Operational Risks: those related to the usual operations carried out in Metrovacesa, including all risks related to operational procedures, personnel, or internal systems. The main ones are those related to the operational development of projects, the transformation of investment and divestment of land, commercialisation, availability and suitability of people, and business continuity.

Financial Risks are related to the financial management of Metrovacesa, as well as the processes for obtaining financial information and the forecasts thereof, the main ones being asset valuation, the availability of financing and liquidity, and the reliability and integrity of financial and management information.

Compliance Risks relate to Company management or employees' compliance with internal and external rules and regulations.

The Company has implemented mechanisms to identify risk events for higher impact and probability. This helps provide continuous monitoring of risks and ongoing supervision of plans to prevent and mitigate risks.

E.4 Indicate whether the entity has risk tolerance levels, including for tax risk.

The Risk Management and Control Policy approved by the Board of Directors defines the guidelines to be followed to identify and maintain risks within tolerance limits and to determine the indicators so that the Board can decide on the risk acceptable to Metrovacesa at any given time.

During 2023, the Company continued identifying, defining, and adapting quantitative and qualitative indicators for the most critical risks, aiming to obtain optimal risk indicators aligned with the Company's strategy. Once defined and agreed upon with the areas, automating them was simultaneously initiated to achieve a dashboard that ensures continuous monitoring of the SGIR (Integrated Risk Management System). The automation process for all indicators will conclude in the first quarter of 2024.

The most critical risks have been monitored during the year, and action plans have been established for those that exceeded the set tolerance levels. The results of these risk monitoring reports have been periodically sent to the members of the Management Committee and the Audit Commission.

E.5 Indicate which risks, including tax risks, have materialised during the year.

Regarding the risks that materialised during the financial year, it is essential to highlight that although there were price increases in construction costs, these began stabilising. On the other hand, the upward variations in interest rates led to an increase in financing costs during the year. From an investment perspective, the real estate sector experienced a cooling off in 2023, with a more significant impact on segments such as the office market, where the reduction compared to 2022 exceeded 50%, according to publications by independent experts.

Additionally, in the more operational part, there has been a focus on managing the risk of land transformation due to delays in achieving certain urban milestones. The company is actively monitoring the main economic and sectoral variables that may impact the real estate market in the context of high-interest rates and inflation.

E.6 Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise

Internal Audit has reported to the Audit Committee on the operation of the management and control system and its suitability to the current circumstances of Metrovacesa. As previously explained, the Company has carried out an in-depth review of the risk catalogue that makes up the risk management model during 2023, as well as its categorisation and naming, to improve its understanding and align the taxonomy with specific aspects that affect the Company. As a

result of this review, a more systematic risk model oriented towards risk assessment has been obtained. The outcome of this re-evaluation has been presented to the Audit Committee and the Board of Directors.

During 2023, Metrovacesa carried out the following tasks to update and improve the fiscal risk management and control model:

- Integration of the model into the GRC (Governance, Risk Management, and Compliance) tool, which has allowed for the identification of the model's Key controls, detection, and leverage of existing synergies with other risk models (SCIIF and Penal Compliance), and primarily, systematisation of the execution and reporting of key controls, identifying responsible parties, frequency, and evidence to be provided.

- Review and update of the model with the support of an external tax advisor through the following activities:

- Complete review of the fiscal risk catalogue by the tax department and annual update of the taxonomy of all inventoried risks as contemplated in the corporate tax standard.

- Model Evaluation: a review of each risk assessing the impact, likelihood, and criticality level.

- Obtaining an updated Fiscal Risk Map, identifying the most critical risks.

These activities have contributed to Metrovacesa's updated fiscal risk control and management system, subject to continuous monitoring and aligned with best practices.

The result of this re-evaluation and the testing of key controls carried out by Internal Audit has been presented to the Audit Committee and the Board of Directors.

Metrovacesa has integrated climate change as an emerging risk into the corporate risk map in 2023, in accordance with the risk assessment methodology applicable to other risks in the Company and has updated its analysis of risks and opportunities arising from climate change and the energy transition, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This includes physical and transition risks classified according to their level of criticality and the likelihood of affecting their projects and identifies opportunities for the business based on their execution horizon and potential impact.

All risks considered relevant by Metrovacesa in the current context have been duly monitored, with associated controls identified and, where necessary, updated, as well as specific management procedures and action plans for which a responsible party has been assigned. These action plans have been reported to the Audit Committee to address those risks that have exceeded the set tolerance level.

F INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

F.1 The entity's control environment

Report on at least the following, describing their principal features:

F.1.1. The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

The Internal Control System over Financial Reporting (hereinafter, ICFR) of Metrovacesa is designed as the set of processes carried out by the entity to provide reasonable assurance regarding the reliability of the financial information prepared and reported by the Group. The IC involves all levels of the organisation and is carried out by all staff members involved in operations and the preparation of financial information. The main functions and responsibilities related to the Group's Internal Control System over Financial Reporting are summarised in the following points:

- The formulation and approval of financial information is the responsibility of the Board of Directors, based on the proposal of the CEO and the Finance Department.
- The Audit Committee supervises the ICFR.
- The design and implementation of the ICFR are the responsibility of the Finance Department.

Below is a summary of the functions and responsibilities related to the SCIIF as established by the Group's SCIIF Manual:

Management Bodies

- **Board of Directors**, responsible for formulating and approving regulated financial information.
- **Audit Committee**, whose responsibilities include i) supervision of financial reporting; ii) supervision of internal audit activities and external auditors; iii) deciding what and when to supervise and how to evaluate the SCIIF supervision; and iv) supervision and conclusion on the effectiveness of the ICFR.
- **Management Committee**, whose responsibilities include i) overseeing and analysing reports on the effectiveness of the SCIIF reported by the finance department and/or internal audit; ii) monitoring incidents, deficiencies, and areas for improvement of the SCIIF reported by the Finance Department and/or Internal Audit.

Finance Department, whose responsibilities include i) design, implementation, evaluation, and overall monitoring of the SCIIF; ii) reporting on the effective operation of the SCIIF to the CEO and the Audit Committee.

Departments and Areas

- **Process owners**, whose responsibilities include i) identifying risks that may affect financial information in the process; ii) proposing and implementing the most appropriate controls to mitigate risks; iii) ensuring that controls are functioning effectively; iv) reporting on the operation of internal control in the process; v) executing recommendations.
- **Control owners**, whose responsibilities include i) executing controls and ii) reporting on any incidents.

Internal Audit, whose responsibilities include i) planning internal audits on the SCIIF; ii) executing audit tests on the SCIIF and communicating the results; iii) monitoring issued recommendations; iv) preparing reports for the Management and the Audit Committee on the reviews carried out.

It falls to the Board of Directors, as detailed in its Regulations, among other functions:

- Determining the Policy on Control and Risk Management, including taxes, and supervising internal information and control systems.

- Formulating the Annual Accounts, management report, the proposal for applying the company's results, the consolidated accounts and management report, and their presentation to the General Shareholders' Meeting.

- The approval of the financial information that the company must make public periodically due to its status as a listed company.

- Determining the Corporate Governance Policy of the company and the Group, its organisation, and functioning.

The functions attributed to the Audit Committee in relation to internal control as stated in the Regulation of the Board of Directors of Metrovacesa are as follows:

- To inform the General Shareholders' Meeting about issues raised by shareholders within its competence and about the audit results, explaining how it has contributed to the integrity of the financial information and the role that the Audit Committee has played in this process.

- To supervise the effectiveness of the company's and the Group's internal control, internal audit, and risk management systems, as well as to discuss with the auditors the significant weaknesses in the internal control system detected during the audit, all without compromising their independence. For such purposes, in case of identifying significant weaknesses, they will present recommendations or proposals to the management body and the corresponding timeframe for their follow-up.

- To supervise and evaluate the process of preparing financial and non-financial information, as well as the control and risk management systems for financial and non-financial risks related to the Company and its group—including operational, technological, legal, social, environmental, political, and reputational risks, or those related to corruption—reviewing the compliance with regulatory requirements, the appropriate delimitation of the consolidation perimeter, and the correct application of accounting criteria.

- To establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors, or subcontractors, to report potential significant irregularities, including financial and accounting ones, or of any other nature, related to the Company that they notice within the company or its group. This mechanism must guarantee confidentiality and, in any case, foresee scenarios in which communications can be made anonymously, respecting the rights of the whistleblower and the accused.

- In relation to information systems and internal control: (a) ensure in general that the policies and systems established for internal control are effectively applied in practice; (b) supervise the process of preparation and the integrity of the financial and non-financial information related to the Company and, where applicable, the group, reviewing the compliance with regulatory requirements, the appropriate delimitation of the consolidation perimeter, and the correct application of accounting criteria; and (c) establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors, or subcontractors, to report potential significant irregularities, especially financial and accounting ones, that they notice within the Company or the group.

F.1.2. Indicate whether the following exist, especially in relation to the drawing up of financial information:

- Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.

The Board of Directors, the body ultimately responsible for financial reporting, has established the necessary organisational structure to monitor it by delegating this task to the Audit Committee. Accordingly, the Audit Committee ensures the proper fulfilment of the responsibilities defined and assigned to both the Finance Department (responsible for preparing financial information) and the other departments and areas related to the company's Internal Control over the Financial Reporting System, which must ensure the transparency and veracity of this information.

- Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention

of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.

Metrovacesa has an Ethics Code, updated in 2023, with the aim of adapting its content to the operational changes implemented in the Group to comply with the regulatory requirements arising from the enactment of Law 2/2023, of February 20, on the protection of persons who report regulatory infringements and the fight against corruption (hereinafter, the Whistleblower Protection Law). The ethics code is available on the intranet and the corporate website. It constitutes the reference framework for the basic principles the companies belonging to the Group and all their employees and administrators must adhere to in developing their activities.

The Ethics Code must be accepted by all employees and persons who are subject to it under any circumstances (members of the Board of Directors of Metrovacesa and the remaining companies of the Group or other companies participated by said Group, the administrators who have been proposed, directly or indirectly, by Metrovacesa, members of the Management Committee of Metrovacesa, and the rest of the components of the Group's Senior Management, employees working in any of the companies forming part of the Metrovacesa Group).

As a rule, contracts with suppliers will explicitly mention this Ethics Code, which can be accessed on the corporate website. Any modification of the Code is approved upon the proposal of the Control Committee by the Board of Directors after a report, where applicable, from the Audit Committee and communicated to the employees via intranet so that all obligated subjects can immediately know such modifications.

- Whistleblower channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistleblower and the person reported.

Metrovacesa has a Whistleblower Hotline available on the web and the Company's intranet. This hotline allows for the reporting of irregular conduct and other aspects related to non-compliance with laws, internal regulations, the Ethics Code, and any similar fact.

Additionally, Metrovacesa has a specific procedure that was updated in 2023 in compliance with the new requirements arising from the enactment of the Whistleblower Protection Law and submitted to the governing bodies. This procedure regulates the processing of complaints received so that any employee or third party with a grounded knowledge of the commission of an illicit act as previously described must report it directly to the Control Committee through the Whistleblower Hotline to initiate an investigation and, where appropriate, take the necessary measures.

Metrovacesa has strengthened the anonymity and confidentiality of its reporting channel to protect the whistleblower and ensure the absence of retaliation against the whistleblower and conflicts of interest with any members of the Control Committee. Messages from the reporting channel are directed to an email account accessible only to an independent third party who commits to daily access to the mailbox and, after conducting a preliminary analysis on the criteria of impact and admissibility of the complaint, forwards it to the members of the Control Committee, the Head of the Compliance Unit, and the Head of Internal Audit unless one or several of the recipients were affected by the complaint presented, in which case the affected individuals are excluded from the forwarding process.

Additionally, a register book and custody of all received complaints are maintained. This information is treated in accordance with the current data protection regulations. It is reported at least quarterly in the Control Committee sessions by the responsible for the System in collaboration with the Head of the Compliance Unit.

Annually, the Control Committee reports the list of received complaints to the Audit Committee, detailed in the Control Committee's Annual Report, with none impacting the financial information.

- Training and periodic refresher programmes for personnel involved in preparing and revising financial information, as well as in assessing the ICFR system, covering at least accounting standards, auditing, internal control and risk management.

The finance area, Internal Audit, and the members of the Audit Committee have received a training course on the main novelties in accounting and non-financial information, taught by a third party.

All new employees assigned controls of the ICFR (Internal Control System over Financial Reporting) and the criminal compliance model receive specific training on both models regarding the content, purpose, and scope of the ICFR/Criminal Policy, as well as on the risk and control matrix, the reporting methodology, and the process of archiving and custody of the documentation that certifies the proper execution of the implemented controls.

Among the training subjects received by the financial area during the 2023 exercise, the following courses stand out:

- Technical: Updates to the General Accounting Plan, New housing law;
- Compliance: Ethics code and whistleblower hotline; Prevention of money laundering and terrorist financing, Occupational Risk Prevention (PRL);
- Information Security: Internet security, Password leakage;
- Others: Sustainability; Healthy habits, ...

F.2 Assessment of risks in financial reporting

Report on at least the following:

F.2.1. The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- Whether the process exists and is documented.

During the 2023 financial year and as established in the risk control and management policy approved by the Board of Directors, the Company has proceeded to update the Risk Map. This map was presented to the Audit Committee for review and subsequent approval by the Board of Directors. The Company has a Criminal Risk Prevention System to comply with the best practices of corporate governance. The risk and control matrix that structures the system contains specific risks that impact financial information (among other risks of fiscal nature, accounting falsity, and fraud).

Furthermore, in the Risk Map updated by the Company, those specific risk events that affect the reliability of the financial information have been identified, as well as the necessary controls to mitigate these risks. Additionally, a risk identification process, including errors or fraud, is documented in the Corporate ICFR policy.

The Company has a formalised procedure specifying the quantitative and qualitative criteria for the determination and annual update of the SCIIF scope, which allows identifying the processes and sub-processes to be documented in relation to the balance sheet and profit and loss account items and the companies within the consolidation perimeter for which there may be a significant associated risk and whose potential impact on the financial information could be material. Each process identified in the SCIIF is duly documented, with risk and control matrices for all cycles, responsible for the execution and reporting of all defined controls and the documentary evidence supporting those controls, which are inventoried in the GRC tool. Similarly, to allow the efficient execution of the designed controls, the recorded operations are traceable from the occurrence of the economic event to its accounting registration.

- Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.

The risk identification process defined by Metrovacesa within the framework of the ICFR covers all the objectives of financial information:

- Existence and Occurrence (EO): The transactions, events, and other occurrences reflected in the financial information exist and have been recorded at the appropriate time.
- Completeness (I) of the information: The information reflects all the transactions, events, and other economic or financial significance occurrences.

- Accuracy (E): The amounts and other data related to the recorded transactions and events have been adequately reflected.

- Cut-Off (C) of operations: The transactions and events have been recorded in the correct period.

- Proper Valuation (V): The transactions, events, and other occurrences are recorded and valued in accordance with applicable regulations.

- Adequate Presentation, Disclosure, and Comparability (P, D, C): The transactions, events, and other occurrences are classified, presented, and reflected in the financial information in accordance with applicable regulations.

- Proper Reflection of Rights and Obligations (D, O): The financial information reflects, at the corresponding date, the rights and obligations through the corresponding assets and liabilities in accordance with applicable regulations.

The safeguarding of assets and the prevention and/or detection of fraud are also considered ICFR's underlying objectives due to their impact on the aforementioned basic objectives.

Both the determination of the scope of the Internal Control System over Financial Reporting and the process of identifying and updating the documentation of risks and controls are carried out with a minimum annual frequency and, in any case, whenever there is a significant change in the consolidation perimeter of the Group.

- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.

Metrovacesa has a Policy of Review and Approval of Information regarding the consolidation perimeter, which includes, among other aspects, the periodic review of said perimeter and the main changes that have occurred.

This task falls under the responsibility of the Finance Department, which, in case of any changes, periodically reports to the Audit Committee the changes in the consolidation perimeter and their impact on the consolidated financial information.

Additionally, control mechanisms have been established in the finance area to ensure that the consolidation process is carried out monthly and that the recorded consolidation perimeter aligns with the corporate map provided by the Legal Area.

During the 2023 financial year, the Audit and Control Committee analysed Metrovacesa's corporate map and the principal financial magnitudes, contingencies, and risks of each subsidiary company that make up the perimeter.

- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.

The Risk Control and Management Policy adopted by Metrovacesa covers all types of relevant risks that could threaten the achievement of the Group's objectives, in such a way that it considers not only financial risks but also non-financial, strategic, and environmental risks, operational risks, and compliance risks. The risks included in the Risk Map are aligned with the risks detailed in the SCIIF (Internal Control System over Financial Reporting) to the extent that they may impact the preparation of financial information. Within the scope of the ICFR, general IT controls (systems cycle), as well as automatic controls identified in each of the cycles, are included. Controls that fall within the framework of responsibility of the Legal Advice are also integrated into the various cycles of the ICFR.

Regarding the fiscal or tax area, the Company has a system of control and risk management of fiscal risks (designed in 2022). This has allowed, among other aspects, an exhaustive inventory of fiscal risks by type of tax and periodic controls on the effectiveness and compliance of all tasks necessary to settle and present the corresponding taxes, thus complementing those included in the SCIIF and the Criminal Risk Prevention Model.

In 2023, a further step was taken to reinforce the model of control and management of fiscal risks by integrating it into the GRC (Governance, Risk Management, and Compliance) tool, as this has allowed for synergies with the rest of

the models. The critical controls of the fiscal risk control and management model and those that are part of the SCIIF's fiscal cycle have been subject to specific testing in 2023 following the update carried out.

- The governing body within the company that supervises the process.

The Board of Directors Regulation assigns to the Audit Committee the responsibility of supervising the ICFR (Internal Control System over Financial Reporting) to ensure that risks can be identified, managed, valued, and adequately communicated. Section E of this report explains the entire risk control and management process.

The Audit Committee has various mechanisms to determine if Management has implemented an effective system for supervising the ICFR. The primary sources of analysis are the following:

- Questions and observations about the management carried out by the Direction.
- Reports from the Finance Department.
- Reports from Internal Audit.
- Supervision of the effectiveness of the ICFR by internal audit.
- Reports from external auditors.

These tools and sources provide the Audit Committee with comprehensive insights into how the ICFR is functioning, ensuring that any risks affecting financial reporting are effectively overseen and managed.

F.3 Control activities

Report on whether the company has at least the following, describing their main characteristics:

- F.3.1. Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

Quarterly, supervision of the quarterly closings is carried out according to a defined procedure:

Once the quarterly closing of each of the companies that make up the group has been carried out according to a closing schedule established by the Financial Management, the Consolidation Unit proceeds to prepare the consolidated information of the Group per the International Financial Reporting Standards (IFRS).

The Financial Management, once the consolidated financial statements have been reviewed and supervised, sends the information to the Audit Committee, which is responsible for overseeing the process of preparing, presenting, and ensuring the integrity of the regulated financial information, the appropriate definition of the consolidation perimeter, and the correct application of accounting principles. The Audit Committee will report the conclusions of its review to the Board of Directors, the body that must analyse, discuss, modify if necessary, and finally approve such information. Quarterly, the Audit Committee will also gather the conclusions of the review carried out by Internal Audit. In the case of semi-annual/annual accounting closings, the audit findings carried out by the external auditor will also be considered.

For the closure of the annual year, the Board of Directors approves the formulation of the annual accounts, the management report, and the proposal for the application of the company's results, as well as the consolidated accounts and management report and their presentation to the General Shareholders' Meeting.

The Financial Information Review and Approval Policy of Metrovacesa aims to define the internal review and approval practices of financial information necessary for the members of the Board of Directors and the Audit Committee to carry out their functions. The policy contemplates, among other aspects, those estimates that involve judgments or subjective valuations (such as the market value of real estate assets and provisions). The policy addresses these issues, given their relevance and the control mechanisms implemented to review and approve such judgments, requirements, and estimates by the Company's Governing Bodies.

The Company also has a policy related to the ICFR supervised by the Audit Committee and elevated to the Company's Board of Directors. This policy establishes the basis for the design, maintenance, review, monitoring, and supervision of Metrovacesa Group's Internal Control System. As a result of this update, eight key processes that may have a significant impact on the Group's financial information have been identified:

- Real Estate Investments and Inventory Cycle.
- Billing and Accounts Receivable Cycle.
- Treasury and Financing Cycle.
- Asset Valuation Cycle.
- Taxation Cycle.
- Purchasing and Accounts Payable Cycle.
- Consolidation, Closing, and Reporting Cycle.
- Information System Cycle.

Each process identified in the ICFR is duly documented, with risk and control matrices for all cycles.

All this information is available to those responsible for each cycle and controls in the risk, controls, and indicators management tool.

Each of the controls defined within the Risk and Control Matrix of the ICFR has a file detailing all relevant information: Execution Responsible, Reporting Responsible, frequencies, traceability of modifications, and all information and evidence the responsible parties consider necessary to certify their proper execution and reporting.

Each process and sub-process of the ICFR has an assigned person responsible for ensuring the management and control of each of the risks associated with their area. The responsible parties for the various processes and sub-processes of the ICFR keep the documentation of each cycle up to date, proposing and implementing the most appropriate controls to mitigate the risks and ensure that the controls function effectively.

The evaluation of the operation begins in the risk, controls, and indicators management tool, where the reporting responsible for each of the processes, sub-processes, and controls confirms to the Financial Management the following points:

1. The policies, procedures, controls, and internal regulations detailed in the approved and current manuals have been followed.
2. The details of the processes and controls defined in the Risk and Control Matrices have been reviewed, and these have been adequately implemented and have been effective in mitigating the associated risks.
3. Any modifications or new control mechanisms associated with each process's risks have been identified, described, and, where applicable, implemented as described in this report.
4. As indicated in this report, all internal control incidents identified have been communicated at the appropriate level and resolved, or an action plan has been implemented. An incident includes both the non-execution or implementation of a control and failures or errors in its effectiveness.

The tool also provides a series of fields and tabs for reporting changes and modifications to any of the controls' attributes and possible incidents detected.

During 2023, each of the responsible parties for the defined controls actively reported quarterly in the tool to Financial Management the Self-Assessment Reports. This active involvement ensures that the controls were operational, risks were adequately mitigated, and any modification or incident was promptly notified.

Additionally, during 2023, a thorough review of the most relevant processes of the ICFR (asset valuation, billing, and taxation) was carried out, confirming that the defined control environment is appropriate and updating the flowcharts and associated narratives. This process will continue in 2024 covering the rest of the processes to improve their documentation and identify potential deficiencies or areas for improvement in the existing control environment.

F.3.2. Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

In the information systems environment, Metrovacesa has policies, procedures, and control matrices to cover the risks that may affect the systems when preparing financial information and obtain reasonable assurance about the functioning of the ICFR.

To formalise and specify Metrovacesa's commitment to information security, the Company established a computer security committee in October 2022, which is responsible for defining the security requirements and objectives based on the criteria derived from Metrovacesa's policies and the specific needs determined by the information asset managers and the business process managers. An example is the annual review of the particular risk matrix for information security or the approval of the cybersecurity policy. Additionally, the Company has specific policies and procedures associated with the Company's information systems:

- **Access policy:** Definition of rules for physical and logical access control to information systems.
- **Authentication and password policy:** A system of keys or passwords to access the company's Information Systems. The passwords will be verified through a dual authentication system, which will send a message to the corporate mobile.
- **Segregation of duties policy:** This policy defines the systems' accesses and authorizations and includes the management of necessary licenses.
- **Registration and traceability policy:** Maintenance, whenever possible, of access and user modification records in the information systems protected by the LOPD, as well as changes in applications that contain confidential or relevant information.
- **Non-intrusion policy:** The company prohibits intrusion into its own systems and those of the Metrovacesa Group from the resources provided by the Company. Utmost diligence is required in updating and improving the efficiency of firewalls, anti-spyware software, antispam, and other intrusion protection measures for information systems.
- **Backup policy:** Maintenance of server backups with daily, semi-annual, and annual backups, as well as data recovery and restoration services.
- **Disaster recovery policy:** This includes managing a data processing centre, systems, and anti-fall processes, as well as elaborating the Business Continuity Plan.
- **Information systems control policy:** Conducting external systems audits to discover possible risks.
- **Intellectual property policy:** Prohibition of using programs and/or information protected by third-party intellectual or industrial property without having licenses.
- **Unattended equipment policy:** Logical controls for screen locking, both at the user level and program.
- **Clean desk policy:** users must keep their equipment's desktop clean and thus avoid having confidential information. All documentation must be contained in the official repositories.
- **Policies related to supplier management:** Efficient supplier management requires establishing specific procedures for controlling outsourced services.

To review compliance with the conditions stipulated in the contracts and service level agreements, the Systems and Telecommunications Department is responsible for monthly compliance with service level agreements in the Operational Monitoring Committees of the service maintained by the provider. In these Committees, the level of follow-up, the resolution times of incidents from the User Attention Centre (CAU), and the delivery times of evolutions of the maintenance service of applications are reviewed. Internal or external compliance audits are carried out at least once a year.

Additionally, numerous actions were carried out during 2023, but the following can be highlighted as having contributed to strengthening the information security control environment:

- Achievement of ISO 27001 certification, the Information Security and Privacy Management System, resulting in "0 Non-conformities".
- In 2023, the policy of training employees in cybersecurity continued (the average score in the employee awareness exams conducted since 2021 was 8.55).
- Since the beginning of 2023, work has been done to increase the security of the devices provided to employees so that double-factor authentication was implemented not only on the devices but also on the VPN.

- Finally, it is worth highlighting the independent audit carried out by external providers to the current ones to analyse possible failures/security breaches. The conclusions of this review have been analysed by the Security Committee and reported to the Audit Committee.

F.3.3. Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

Metrovacesa has a corporate purchasing standard for hiring external suppliers, in which levels of approval are established based on the category and amount of the purchase. This standard applies to all individuals within Metrovacesa, S.A. and those companies or entities that comprise its group and over which management is maintained. During the 2023 financial year, Internal Audit reviewed compliance with this corporate standard, with no significant incidents detected. The proposed improvements have been presented to the Audit Committee, with follow-up on their implementation throughout the year.

Asset valuation is one of the activities subcontracted to third parties that has the most impact on the Financial Information of the Group and involves valuation work by independent experts. There is a specific Corporate Standard that regulates the activities to be carried out to supervise this process, from the selection and hiring of valuation companies to the review of the results obtained, as well as the supervision of the entire process by the Company's Governing Bodies. In this sense, the standard considers the recommendations of the CNMV (Spanish National Securities Market Commission) to valuation and listed real estate companies regarding the valuation of real estate assets.

The asset valuation process is one of the cycles identified as a critical process in Metrovacesa's ICFR. In this sense, like the rest of the processes, it has a specific risk and control matrix that includes the description of the activities and controls that mitigate the risks that could materially affect the financial statements. During the year, the flowcharts of this cycle have been updated and the traceability of controls and documentation of evidence improved. During 2023, Internal Audit has successfully tested the operational effectiveness of the controls applicable in this cycle given the relevance of the cycle and its impact on the financial statements. The proposed improvements have been presented to the Audit Committee, with follow-up on their implementation throughout the year.

Other external consultations, specifically the work carried out by the Company's auditor, are subject to the policy of contracting and relations with the auditor, where, among other things, the reasonableness of the fees for the external audit and the independence for their realization are analysed, being subject to review by the Audit Committee.

F.4 F.4 Information and communication

Report on whether the company has at least the following, describing their main characteristics:

F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

The accounting policies implemented by Metrovacesa are adapted to the applicable accounting requirements (Spanish GAAP and IFRS). The Finance Department determines and periodically reviews any new developments and changes in accounting regulations that will apply to the entire organisation and all the companies managed by Metrovacesa. The Finance Department is also responsible for liaising between the various departments involved in preparing financial information and resolving any doubts arising from the interpretation of accounting policies. For these purposes, it may request the advice of independent experts (tax advisors, legal advisors, internal auditors, and others).

F.4.2. Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

The Consolidation Unit centralises the consolidation and preparation of financial information. The entire process of aggregating and consolidating the Group's financial statements is based on SAP BPC (Business Planning Consolidation) software. Data is uploaded to the consolidation software consistently for all subsidiaries included in the consolidation scope. SAP BPC is parametrised to run controls on checks and balances to detect errors in the data entered before the data is approved.

In this regard, control mechanisms are in place in the Finance Department to ensure that the consolidation process has been carried out satisfactorily monthly. These controls aim to validate asset items, significant changes, and other checks that the Consolidation Unit considers necessary to ensure that the financial information has been correctly captured. Moreover, there is a monthly closing calendar with the proper assignment of tasks and roles to meet the established deadlines.

The Finance Department conducts analytical reviews in the closing and consolidation procedure and reviews the estimation criteria, valuation, and hypotheses used. Every month, the person responsible for accounting and administration communicates, with sufficient notice, a closing calendar with all the necessary tasks, an assignment of roles and responsibilities, and the deadlines for executing these tasks to ensure compliance with the established monthly schedule.

To meet the objectives of transparency, comparability, and homogeneity in financial information required by the European Union's European Single Electronic Format (ESEF) (Directive 2013/50/EU), Metrovacesa has implemented a reporting tool for the Consolidated Financial Statements and Notes to the Annual Accounts in XHTML (eXtensible HyperText Markup Language) format.

This tool allows the Group's financial information to be adapted in a structured manner based on a common taxonomy, resulting in XBRL tagging of the Consolidated Financial Statements and the Notes to the Annual Accounts.

This reporting process has implemented a series of relevant controls, documented in the Consolidation, Closing, and Reporting Cycle of the ICFR, which ensure the proper generation of financial information.

F.5 Supervision of the functioning of the system

Report on at least the following, describing their principal features:

F.5.1. The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

As detailed in the Regulations of the Board of Directors, the following tasks are attributed to the Audit Committee in relation to internal control and information systems:

- Report to the General Meeting of Shareholders regarding questions posed by shareholders concerning the Committee's sphere of competency and the audit result, explaining how the audit has contributed to comprehensive financial reporting and the role played by the Audit Committee in that process.
- Supervise the efficacy of the internal control of the Company and its group, the internal audit, and the risk management systems, and discuss with the external auditor any significant weaknesses in the internal control system detected during the audit, all without compromising its independence. For this purpose, if material weaknesses are

detected, recommendations or proposals must be presented to the governing body, along with the corresponding follow-up period.

- Monitor the preparation, presentation and completeness of the financial and non-financial information prepared on the company, as well as the control and management systems in place for financial and non-financial risk pertaining to the company and the group—including operational, technological, legal, social, environmental, political and reputational risks and those linked to corruption—checking for compliance with legal provisions, the accurate boundary of the consolidation scope, and the correct application of accounting principles.
- Ensure the independence of the unit performing the internal audit function and propose the selection, appointment and removal of the head of the internal audit service; propose the budget for this service; approve or propose that the Board approve its approach and work plans, ensuring that it focuses primarily on the main risks to which the company is exposed (including reputational risk); receive periodic information on its activities and check that senior management takes into account the conclusions and recommendations of its reports.
- Establish and supervise a mechanism whereby employees and other persons related to the company, such as directors, shareholders, suppliers, contractors, or subcontractors, can report any significant irregularities that they detect at the Company or its group in the course of their duties, in particular financial or accounting irregularities. This mechanism must ensure confidentiality and, in any event, provide for communications to take place anonymously, upholding the rights of the complainant and respondent.
- In relation to the information and internal control systems: (a) generally ensure that the internal control policies and systems established are effectively implemented in practice; (b) supervise the preparation process and ensure the comprehensiveness of the financial and non-financial information relating to the Company and, where appropriate, the group, reviewing compliance with regulatory requirements, the appropriate differentiation of the consolidation scope and the proper application of accounting standards; and (c) establish and oversee a mechanism that allows employees to anonymously and confidentially report any potentially significant irregularities, primarily financial and accounting irregularities, that they may notice within the Company.

The Company has an Internal Audit department which reports hierarchically to the Chairman of the Company and functionally to the Audit Committee.

During the 2023 financial year, Internal Audit carried out tasks related to the support for the design, implementation, and operational effectiveness of the Internal Control over Financial Reporting (ICFR), support tasks in the design, implementation, and support of risk indicators (KRIs), and the updating of the corporate Risk Map. In relation to the ICFR's fiscal cycle, and following improvements in processes driven by the tax department, a complete understanding of the cycle was achieved with all involved departments beyond just the tax unit itself (administration, accounting, and treasury) to understand the role of all participants, ensure a proper understanding and management of the different applications involved in the various identified sub-processes, and assess the impact on financial information (authorisation, review of inputs, recording, and payment). As a result of the previous review, the Risk and Control Matrix for the ICFR's fiscal cycle was updated and redesigned, providing a higher degree of maturity and concluding satisfactorily on the testing.

Additionally, in 2023, the operational effectiveness of the critical controls within the systems cycle was reviewed (with a particular focus on reviewing users, roles, and permissions of the ERP conducted by the systems department) and the asset valuation cycle. Furthermore, Internal Audit conducted closing reviews on financial information, testing the most relevant controls of the model with a semi-annual frequency.

Both in the semi-annual reviews and in the specific reviews of the cycles mentioned above, Internal Audit has reported the results and the corrective measures derived from these reviews and has followed up on the recommendations identified in previous works, reporting their status to the audited parties, the Financial Department, and the Audit Committee.

- F.5.2. Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

The company has a review, approval, maintenance, and reporting procedure for the Metrovacesa Group's financial information that complies with current regulations and good governance recommendations concerning the

responsibilities of preparation, supervision, and approval of this information, as well as its internal control and periodic reports.

For the proper performance of its supervisory function, as contemplated in the mentioned procedure, and to ensure that the Audit Committee can know and understand the decisions of the Management regarding the application of the most significant criteria as well as the results of the reviews carried out by Internal Audit, meetings have been held with both parties. Furthermore, fluid communication has been maintained with the external auditor to understand their opinion on the financial information, intervening on several occasions.

Communications and meetings with the internal auditor and with the external auditor, especially with the latter, are respectful of independence and address, among other things, the following issues:

- Adequacy of the consolidation perimeter.
- Judgments, criteria, valuations, and estimates that significantly impact the related financial and non-financial statements.
- Changes in significant criteria applied.
- Significant adjustments identified by the statutory auditor or resulting from the reviews carried out by internal audit and management's stance on them.
- Significant internal control weaknesses.

The Policy of Engagement and Relations with the Accounts Auditors was approved during the 2023 financial year. This policy regulates the company's interactions with the external auditor, including their nature, fees, and the quality of work that is developed. The review of this procedure did not reveal any incidents regarding these relations.

In compliance with this policy, the Company's external auditors periodically appear before the Audit and Control Committee to present recommendations related to internal control weaknesses that could be identified during the review process.

During the 2023 financial year, the auditors have not reported significant control weaknesses.

Regarding the reviews carried out by Internal Audit, this department regularly follows up with the affected departments on incidents and internal control recommendations included in its reports.

Subsequently, the Executive Committee and the Audit Committee are informed of the status of the principal outstanding issues and the evolution of the action plans derived from the reviews carried out.

F.6 Other relevant information

F.7 External auditor's report

F.7.1. Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

Metrovacesa has deemed it appropriate to request the external auditor to issue a report related to the information concerning the Internal Control over Financial Reporting (ICFR) in accordance with the Guide on the auditor's report related to the ICFR information of listed entities, published by the National Securities Market Commission on its website.

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.

- 1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.**

Complies **Explain**

- 2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:**

- a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.**
- b) The mechanisms in place to resolve any conflicts of interest that may arise.**

Complies **Complies partially** **Explain** **Not applicable**

- 3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:**

- a) Changes that have occurred since the last General Shareholders' Meeting.**
- b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.**

Complies **Complies partially** **Explain**

When the Annual General Meeting is held, the most relevant corporate matters that occur during the financial year are reviewed, and explicit verbal reference is made to the fact that the Annual Corporate Governance Report has been at the shareholders' complete disposition since the Meeting was called. Thus, shareholders can ask questions and request clarification that they deem appropriate.

- 4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated**

shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies **Complies partially** **Explain**

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies **Complies partially** **Explain**

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:
- a) Report on the auditor's independence.
 - b) Reports on the workings of the audit and nomination and remuneration committees.
 - c) Report by the audit committee on related party transactions.

Complies **Complies partially** **Explain**

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies **Complies partially** **Explain**

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies Complies partially Explain

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies Complies partially Explain

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

- a) Should immediately distribute such complementary points and new proposals for resolutions.
- b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.
- c) Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies Complies partially Explain No applicable

11. 11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies Complies partially Explain **Not applicable**

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies Complies partially Explain

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies Explain

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:

- a) Is concrete and verifiable;
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and
- c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies **Complies partially** **Explain**

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies **Complies partially** **Explain**

Throughout the majority of 2023, the Board had 33.33% female directors, close to the 40% target referenced in the recommendation. However, at the Extraordinary General Meeting on November 28, 2023, due to the appointment of a new proprietary director, the proportion slightly decreased to 30.77%.

In any case, female directors play a very active role in developing the Board's functions and Committees. Women chair the Audit Committee and the CNRyS (Appointment, Remuneration, and Sustainability Committee). Additionally, 75% of the independent directors are women.

16. That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

- a) In large-cap companies where very few shareholdings are legally considered significant.
- b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies **Explain**

- 17. That the number of independent directors should represent at least half of the total number of directors.**

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies

Explain

The company, not having a high market capitalisation, complied with this recommendation for most of the 2023 financial year by having 4 independent directors out of a total of 12 directors. However, at the Extraordinary General Shareholders' Meeting on November 28, 2023, a new proprietary director was appointed, increasing the number of directors to 13. Therefore, at the end of the 2023 financial year, the independent directors were 4 out of 13, representing 30.77% of the directors, a figure very close to the recommended one.

In any case, it is noted that at the proposal of the Appointment, Remuneration, and Sustainability Committee, the Board of Directors agreed, in its meeting of February 27, 2024, to change the category of another external director to independent, Mr. Ignacio Moreno Martínez, so that from that date the percentage of independent directors will be 38.46%.

- 18. That companies should publish the following information on its directors on their website, and keep it up to date:**

a) Professional profile and biography.

b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.

c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.

d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.

e) Company shares and share options that they own.

Complies

Complies partially

Explain

- 19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.**

Complies

Complies partially

Explain

Not applicable

- 20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.**

Complies Complies partially Explain Not applicable

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies Explain

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

Complies Complies partially Explain

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies Complies partially Explain Not applicable

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies Complies partially Explain Not applicable

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies Complies partially Explain

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies Complies partially Explain

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies Complies partially Explain

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies Complies partially Explain Not applicable

29. That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies Complies partially Explain

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies Explain Not applicable

31. 31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies Complies partially Explain

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies Complies partially Explain

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies Complies partially Explain

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies Complies partially Explain **Not applicable**

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies Explain

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:
- a) The quality and efficiency of the Board of Directors' work.
 - b) The workings and composition of its committees.
 - c) Diversity in the composition and skills of the Board of Directors.
 - d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.
 - e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies Complies partially Explain

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies Complies partially Explain **Not applicable**

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies Complies partially Explain **Not applicable**

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies Complies partially Explain

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies Complies partially Explain

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies Complies partially Explain Not applicable

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

- a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if

applicable, the group - including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

- b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.
- c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
- d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. 2. With regard to the external auditor:

- a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.
- b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
- c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.
- e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies **Complies partially** **Explain**

- 43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.**

Complies **Complies partially** **Explain**

- 44. 44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior**

report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies Complies partially Explain Not applicable

45. That the risk management and control policy identify or determine, as a minimum:

- a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.
- b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.
- c) The level of risk that the company considers to be acceptable.
- d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.
- e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies Complies partially Explain

46. 46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
- b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
- c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies Complies partially Explain

47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies **Complies partially** **Explain**

All recommendations are met, except for the one suggesting that independent directors should constitute a majority. All members of the CNRyS (Appointment, Remuneration, and Sustainability Committee) possess deep knowledge and extensive experience regarding the functions they perform within the Committee. Notwithstanding the above, only half of the Committee's members are independent directors, although the Chair of the Committee is of such nature.

48. 48. That large-cap companies have separate nomination and remuneration committees.

Complies

Explain

Not applicable

Not applicable since the company's capitalisation does not require the Appointment, Remuneration, and Sustainability Committee to be split into two separate committees.

49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies

Complies partially

Explain

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) **Proposing the basic conditions of employment for senior management to the Board of Directors.**
- b) **Verifying compliance with the company's remuneration policy.**
- c) **Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.**
- d) **Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.**
- e) **Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.**

Complies

Complies partially

Explain

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies

Complies partially

Explain

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

- a) **That they be composed exclusively of non-executive directors, with a majority of independent directors.**
- b) **That their chairpersons be independent directors.**

- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and their minutes be made available to all directors.

Complies Complies partially Explain **Not applicable**

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies **Complies partially** Explain

All recommendations are met, except for the one suggesting that independent directors should constitute a majority. All members of the CNRyS (Appointment, Remuneration, and Sustainability Committee) possess deep knowledge and extensive experience regarding the functions they perform within the Committee. Notwithstanding the above, only half of the Committee's members are independent directors, although the Chair of the Committee is of such nature.

54. The minimum functions referred to in the foregoing recommendation are the following:

- a) **Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.**
- b) **Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.**
- c) **The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.**
- d) **Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.**
- e) **Supervision and evaluation of the way in which relations with the various stakeholders are handled.**

Complies **Complies partially** **Explain**

55. That environmental and social sustainability policies identify and include at least the following:

- a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct.
- b) Means or systems for monitoring compliance with these policies, their associated risks, and management.
- c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.
- d) Channels of communication, participation and dialogue with stakeholders.
- e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies **Complies partially** **Explain**

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies **Explain**

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies **Complies partially** **Explain**

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.
- b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.

c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies **Complies partially** **Explain** **Not applicable**

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies **Complies partially** **Explain** **Not applicable**

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies **Complies partially** **Explain** **Not applicable**

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies **Complies partially** **Explain** **Not applicable**

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies **Complies partially** **Explain** **Not applicable**

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies **Complies partially** **Explain** **Not applicable**

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has

been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies **Complies partially** **Explain** No applicable

Although in relation to the Executive Director, the unilateral termination of their contract by the Company will entitle him to receive a gross compensation equivalent to two years of the total remuneration received during the previous year (fixed plus variable) that he was receiving at the time of the contract's termination (unless such termination is due to a legal infringement, internal regulation or social agreement, or a breach of their obligations under the contract), the contract of said director also includes a non-compete agreement for one year, compensated with half of the remuneration package corresponding to one year.



FURTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.

The Company adhered to the Code of Good Tax Practices on February 7, 2018, having collaborated and complied with all the requirements outlined in the code. The Company has complied with the Code of Good Tax Practices principles during the 2023 fiscal year.

This Annual Corporate Governance Report was approved by the Board of Directors of the company in its meeting held on 27 of February 2024.

Indicate whether any director voted against or abstained from approving this report.

Yes

No