



## **Cox ABG Group, S.A.**

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### **Rules of Procedure of the Appointments and Remuneration Committee**

17 September 2024



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## TITLE I. NATURE AND PURPOSE OF THE COMMITTEE

### Article 1. Nature and purpose

1. Under the corporate governance principles of Cox ABG Group, S.A. (the "**Company**") governing the actions of the Company and the subsidiaries and associates comprising the Cox ABG Group (the "**Group**"), the Board has established the Appointments and Remuneration Committee (the "**Appointments and Remuneration Committee**" or the "**Committee**"), as provided by law and governed by the rules contained in the Articles of Association, the Board's Rules of Procedure and these Rules of Procedure (the "**Rules**").
2. Under article 16 of the Board's Rules of Procedure, the Committee will be an internal informational and consultative body, without executive functions, with information, advisory and proposal-making powers within its scope of action.
3. The purpose of these rules is to promote the independence of the Committee and to determine its principles of action, as well as the basic rules of its organisation and operation and the rules of conduct for its members.
4. These Rules have been drawn up taking into account the recommendations of the Code of Good Governance of Listed Companies of the Spanish Securities Market Commission (CNMV) on appointments and remuneration committees.
5. For the purposes of these Rules, the term "Group" will be understood as defined in section 42 of the Spanish Commercial Code [*Código de Comercio*].
6. These Rules will enter into force on the date when the Company's shares are admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Stock Exchange Interconnection System (Continuous Market) and will remain in force indefinitely.



## **Article 2. Approval, modification and prevalence**

1. These Rules and any amendments to them must be approved by resolution of the Board on its own initiative, on the initiative of its Chair, of the Chair of the Committee, of one third of the directors or of the Committee itself.
2. These Rules implement and supplement the rules of the Articles of Association and the Board's Rules of Procedure applicable to the Committee. In the event of any discrepancy between these Rules and the Articles of Association or the Board's Rules of Procedure, the Articles of Association will always prevail in the first place, or, in the second place, the Board's Rules of Procedure.

## **TITLE II. COMPOSITION, CONVENING AND FUNCTIONING**

### **Article 3. Composition**

1. The Committee will be composed of a minimum of three and a maximum of five non-executive and mostly independent directors, appointed by the Board itself.
2. The Committee will in any case be chaired by an independent director. The Board will appoint the Chair of the Committee from among the independent directors who are part of that Committee. The members of the Committee will be appointed on the basis of their sectoral knowledge, skills, professional experience, diversity and personal abilities appropriate to the duties they will be called upon to perform.
3. Furthermore, the Board may appoint a deputy chair if it considers it appropriate, and the rules on appointing the chair will apply to the deputy chair.
4. The office of Secretary of the Committee will be held by a person appointed by the Board, who need not be a member of the Committee or a director. The office of Secretary of the Committee may be held by the Secretary of the Board or by a different person.



5. Directors on the Committee will hold office for as long as their appointment as Board members remains in force, unless the Board resolves otherwise. The renewal, re-election and removal of the directors on the Committee will be governed by that resolved by the Board.
6. The position of Chair will be held for a maximum period of four years, at the end of which the Chair may not be re-elected as such until one year after being removed, without prejudice to continuity or re-election as a member of the Committee.

#### **Article 4.      Functioning**

1. Before the start of each year, the Committee will adopt an annual work plan setting out the specific objectives to be established for the year in relation to each of the Committee's competencies, as well as the issues to be dealt with on a recurrent or *ad hoc* basis during the year.
2. Once the annual calendar of Board meetings has been approved, the Chair and the Secretary of the Committee will be responsible for drawing up a proposal for the annual calendar of meetings within the first month of the year.
3. The Committee will meet: (i) when its schedule of meetings so determines; (ii) as often as it is convened by decision of the committee itself or its chair; (iii) when requested by any of its members; and (iv) at least twice a year. Its Chair will convene the Committee whenever the Board or its Chair requests a report or the adoption of a proposal and, in any case, whenever appropriate for the proper performance of its duties.
4. In drawing up the proposed calendar, the time to be devoted to the various functions of the Committee will be considered and will take into account the scheduled Board meetings and the date of the General Meeting, to prepare, where appropriate, the reports or proposals to be submitted on the matters to be discussed.



#### **Article 5. Calling Meetings**

1. The Chair of the Committee must send out meeting calls at least three days in advance, except in the case of urgent meetings. The Secretary of the Committee may also send out meeting calls for the Committee by order of its Chair.
2. The notice of the meeting will be sent by any means that allows its receipt and will include the agenda for the meeting and the documentation to be made available to the members of the Committee.
3. It will not be necessary to call a meeting of the Committee in advance if all members are present and unanimously agree to hold the meeting and on the items on the agenda.

#### **Article 6. Meeting venue**

1. The meetings of the Committee will be held in person at the place indicated in the notice of meeting.
2. When, exceptionally, the Chair of the Committee so decides, the meeting may be called to be held in several connected places or remotely, using remote communication systems that allow the recognition and identification of the attendees, permanent communication between them and for them to speak and cast votes, all in real time, with the meeting being understood to be held at the registered office. The members of the Committee attending at any of the interconnected locations will for all purposes be considered to be attending the same single meeting of the Committee.

#### **Article 7. Quorum**

1. The Committee will be quorate when at least half of its members are present or represented. In the case of an odd number of members, half of its members will be considered to be two out of three or three out of five.
2. The members of the committee may delegate another member of the committee as a proxy, by any means that allows its receipt, addressed to the secretary of the committee, including the terms of the proxy. However, they



may not delegate proxies in relation to matters concerning them personally or in relation to which they have a conflict of interest.

3. The meeting will be chaired by the Chair of the Committee. In the event of the vacancy, illness, impossibility or absence of the Chair of the Committee, the Committee's most senior director and, in the event of equal seniority, the oldest director, will preside.
4. The Secretary of the Committee will act as Secretary of the meeting. In the event of the vacancy, illness, impossibility or absence of the Secretary of the Committee, the person designated by the Committee will act as the Secretary.
5. Exceptionally, the Chair of the Committee may, taking into account the circumstances of each case, authorise the attendance at the meeting of one or more members by means of the use of remote connection systems that enable their recognition and identification, permanent communication with the place where the meeting is being held and for them to speak and cast votes, all in real time. Members connected remotely will be considered for all purposes as attending the meeting of the Committee.

## TITLE III. DUTIES AND PASSING OF RESOLUTIONS

### **Article 8. Resolutions**

1. The Committee's resolutions will be passed by a majority of those in attendance, present or represented. The Chair will cast the tie-breaking vote if there is a tie.
2. When the topics to be discussed in Committee meetings directly affect any of its members or related parties, and in general, when that member has in a conflict of interest (within the meaning of the Board's Rules of Procedure), they must leave the meeting until the resolution is passed, discounting them from the number of Committee members for quorum and majority calculation purposes regarding the matter in question.
3. The resolutions of the Committee will be recorded in a book of minutes, which must be signed for each minutes, by the Chair and the Secretary. A copy of the minutes will be sent to all members of the Board and to the Secretary of the Board.



4. The Committee should consult the Chair of the Board and the Company's CEO, especially when it refers to matters concerning the executive directors and managers.

#### **Article 9. Attendance**

1. At the request of the Chair of the Committee to the Chair of the Board, any director may be ordered to attend its meetings.
2. Upon justified request, the Chair of the Committee may also require the attendance of any director, member of the management team or staff of the Company, who will be obliged to attend the meetings of the Committee and to cooperate with it and provide it access to the information available to them, provided that there is no legal impediment to this.
3. The Committee may also, through its Chair, demand the attendance of the external auditor, provided that there is no legal impediment to this.
4. The presence of members of senior management, professionals or other directors, executive or otherwise, at meetings of the Committee will be occasional.

#### **Article 10. Duties**

Without prejudice to any other duties that may be assigned to it at any given time by the Board, the Committee will perform the following basic functions:

- i. Evaluating the capabilities, expertise and experience required by the Board. To this end, it will define the roles and skills required of the candidates to fill each vacancy and assess the time and dedication necessary for them to perform their duties effectively, taking into account a pre-developed competency matrix defining the most appropriate roles, competencies, knowledge and experience for the position;
- ii. Analysing the other occupations of each director of the Company, ensuring that the directors devote sufficient time in practice, or conversely proposing the appropriate measures;
- iii. Establishing a representation objective for the under-represented gender on the Board and developing guidelines on how to achieve this objective;
- iv. Submitting proposals to the Board for the appointment of independent directors for their designation by co-option or for their submission to the decision of the General Meeting, including proposals for re-election or the discharge of these directors by the General Meeting;





- v. Reporting on appointment proposals of the remaining directors for their designation by co-option or for their submission to the decision of the General Meeting, as well as proposals for their re-election or discharge by the General Meeting;
- vi. Reporting on proposals to appoint, re-elect and remove senior managers and the basic terms of their contracts;
- vii. Examining and organising the succession of the Chair of the Board and the CEO of the Company and, if appropriate, making proposals to the Board to ensure that this succession takes place in an orderly and planned manner, in consultation with the Chair of the Company, and involving the coordinating director, if any, provided that that director is not a member of the Committee;
- viii. Proposing to the Board the remuneration policy for directors and general managers, or those who perform the functions of managers under the direct supervision of the Board, of executive committees or of CEOs, including individual remuneration and other contractual terms of the executive directors, verifying and ensuring its compliance;
- ix. Verifying compliance with the Company's remuneration policy;
- x. Periodically reviewing the remuneration policy applied to directors and senior managers, including remuneration systems with shares and their application, ensuring that their individual remuneration is proportionate to that paid to the other directors and senior managers;
- xi. Proposing to the Board a policy for selecting directors and, where appropriate, senior managers, which should include measures to promote the Company having a significant number of senior managers;
- xii. Ensuring that any conflicts of interest do not undermine the independence of the external advice provided to the Committee;
- xiii. Verifying information on the remuneration of directors and senior managers contained in the various corporate documents, including the annual report on remuneration; and
- xiv. Participating in possible updates of the Board's Rules of Procedure in relation to the matters within its competence.



#### **Article 11. Interaction of the Committee with the Board and shareholders**

The Chair of the Committee will act as its spokesperson at Board meetings and, where applicable, at the Company's General Shareholders Meeting.

In this connection, if, after reviewing the financial and non-financial information, the Committee is not satisfied with any aspect, it must communicate its opinion to the Board.

### **TITLE IV. RELATIONS BETWEEN COMMITTEES AND EVALUATION**

#### **Article 12. Relations with other committees in the Company**

1. The relations of the Committee with the other committees of the Company will be channelled through the Chair of the Committee and the Chair of the committee in question and will be aimed at informing the Committee of any matters with a possible significant impact for the Committee that are being dealt with by those committees.
2. Any information or appearance of members of the other committee in question that is required by the Committee to carry out its duties will be processed and carried out through the committee concerned, reporting directly to the Chair of the Committee.
3. The committees will ensure the independence and effectiveness of their respective functions.

#### **Article 13. Duties of the members of the Committee**

1. Committee members must act with independent judgement and action with regard to the rest of the organisation and perform their work with maximum care and professional skill. Before attending meetings of the Committee, members must put in sufficient effort to analyse and assess the information received.
2. In the exercise of their powers, the members of the Committee must comply with these Rules and the current legislation regarding professional scepticism and a critical attitude towards the conclusions reached by the Company's executive directors and senior managers, taking into account the arguments for and against and with each member, and the Committee as a whole, forming their own position.



The members of the Committee will be subject to compliance with all duties applicable to directors under the law, the Articles of Association and the Board's Rules of Procedure, insofar as they apply to the duties carried out by the Committee.

**Article 14. Evaluation by the Committee**

1. As part of the Board's annual evaluation, the Committee will assess its performance autonomously. For these purposes, it must request the opinion of the other directors and, if it considers it appropriate, it may use the help of an external consultant.
2. The Committee must inform the Board of the aspects evaluated and the result of the evaluation, so that they are taken into account in the Board's annual evaluation.

**Article 15. Reports to be issued**

The Committee must, without prejudice to any other reports that may be requested, prepare an annual report on the remuneration of the Company's directors and a report on the functioning of the Committee, which will enable shareholders and other interested parties to understand the activities carried out by the Committee during the year, which will be published on the Company's website sufficiently in advance of the annual general shareholders' meeting in accordance with Recommendation 6 of the Good Governance Code of Listed Companies.

**Article 16. Resources**

1. To best carry out its duties, the Committee may obtain the advice of external experts when it considers it necessary, ensuring that possible conflicts of interest do not harm the independence of the external advice provided to the Committee. To this end, the Committee will have sufficient financial resources to enable the members of the Committee to receive external legal, accounting, valuation, risk or any other type of advice they may require.
2. The members of the Committee may receive adequate remuneration commensurate with this responsibility and dedication. The level of this remuneration must in no way compromise the independence and objectivity of the members of the Committee.