

**REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSAL TO THE ANNUAL
GENERAL MEETING OF THE RATIFICATION AND APPOINTMENT
AS INDEPENDENT DIRECTOR OF MS. CRISTINA GARMENDIA MENDIZÁBAL**

I

By a resolution of the General Shareholders Meeting of the Company on 4th June, 2014, Mrs. Cristina Garmendia Mendizábal was appointed Director of the Company for the period – then in accordance with the Bylaws – of five years.

Law 31/2014 of 3rd December modified Article 529 undecies of the Capital Companies Act, fixing the maximum term of office of Directors of listed companies at four years.

The Annual General Shareholders Meeting held in March 21st, 2018 re-elected Ms. Garmendia as Director for the statutory term of office of four years.

Ms. Garmendia's term of office will therefore end in March 2022, four years after her appointment.

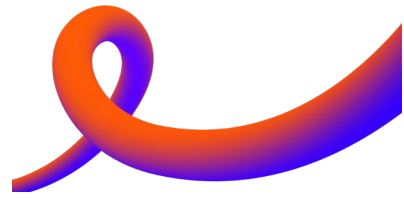
Under Article 529 duodecies 4 of the Capital Companies Act, Mrs. Garmendia holds the category of independent Director.

II

The Appointments and Remuneration Committee, in its meeting of today, has evaluated again the professional profile of Ms. Garmendia, and has noted that:

- i) still fulfils the requirements of the Law and of the Company's Policy on the Selection of Directors of 19th December, 2017, (knowledge, professional experience, recognized soundness and competence, responsibility for the exercise of her office, and absence of conflicts of interest) well enough to be appointed Director;
- ii) is not involved in any case involving prohibition or incompatibility under the Law or under the Company's Policy on the Selection of Directors;
- iii) continues to fulfil the legal and statutory requirements for inclusion in the category of independent director.

In addition, the Committee highly valued her performance in the role of Director of the Company, her extensive experience in different Companies, as well as her contribution to the profile of the Company's Board of Directors and its skill matrix, especially in matters of innovation.



Consequently, the Appointments and Remuneration Committee unanimously reports favourably on the proposal for the re-election of Ms. Cristina Garmendia Mendizábal as an independent Director for the statutory term of four years.

III

Mrs. Cristina Garmendia Mendizábal will be an independent director in accordance with Article 529 duodecies 4 of the Capital Companies Act and Article 4.1 c) of the Company's Policy on the Selection of Directors, of 19th December, 2017.

IV

In view of the foregoing, and with the abstention of Mrs. Garmendia, the Board of Directors unanimously agreed to adopt the above-mentioned Report of the Appointments and Remuneration Committee, related to the proposal of ratification and appointment by the General Shareholders Meeting of Ms. Garmendia, and considered that Mrs. Garmendia has the appropriate skill, experience and merits, and fulfils the requirements, to be re-elected as an independent Director of the Company, and to perform adequately in the role of Director; and therefore proposed that the General Shareholders' Meeting re-elect her as an independent Director for the statutory period of four years.

This report was unanimously approved by the Board of Directors, with the above mentioned abstention, in accordance with the provisions of the Capital Companies Act, and will be joined to the General Meeting Minutes that may approve her re-election as Director.

Leganés, December 2nd, 2021

The Secretary of the Board,

María Echenique Moscoso del Prado