



**REGULATIONS OF THE BOARD OF DIRECTORS OF INMO CEMENTO, S.A.**

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## **CHAPTER I. INTRODUCTION**

### ***Article 1. Purpose***

The purpose of these Regulations is to determine the principles of action of the Board of Directors of INMOCEMENTO, S.A. (hereinafter, the "**Company**" or "**INMOCEMENTO**"), the basic rules of its composition, organisation and operation and the rules of conduct of its members, in order to achieve the greatest efficiency and transparency in its management and to contribute to the best administration of the Company.

### ***Article 2. Scope of application and dissemination***

1. These Regulations apply both to the Board of Directors of the Company and its delegate bodies and internal Committees, as well as to the members thereof and, insofar as they are concerned, to the Senior Executives of the Company and its Group.

For the purposes of these Regulations, the INMOCEMENTO Group shall be understood as comprising those companies in which, directly or indirectly, INMOCEMENTO holds a stake of more than fifty per cent (50%) of their share capital or in which, without exceeding this percentage, INMOCEMENTO has direct or indirect control of their management.

The principles of action and the system of organisation and operation of the administrative bodies existing in other companies of the Group shall be regulated, where appropriate, in their corresponding internal regulations, which shall conform to the principles contained in these Regulations, without prejudice to such adaptations as may be necessary in view of the specific circumstances of each company and shall respect, in all cases, the principles of coordination and information that should govern relations between the administrative bodies of the different companies of the Group, for the best performance of their respective functions.

2. The persons to whom these Regulations apply, particularly the Directors and Senior Executives of the Company and, insofar as they are affected, of its Group, are obliged to know, comply with and enforce compliance with the contents of these Regulations, and the Secretary of the Board of INMOCEMENTO shall be responsible for delivering a copy of these Regulations to each of them.

For the purposes of these Regulations, Senior Executives of the Company are considered to be those who report directly to the Board, the chief executive of the Company and, in any case, the internal auditor. Senior Executives shall also be those who, without meeting the aforementioned circumstances, are, where appropriate, declared as such by the Board of Directors, following a favourable report from its Appointments and Remuneration Committee.

3. The Board of Directors shall adopt the appropriate measures to ensure that these Regulations are widely disseminated among the shareholders and the investing public in general, so that they are aware of the commitment assumed by the members of the Board and the Senior Management of INMOCEMENTO. To this end, the full content of these Regulations shall be notified to the National Securities Market Commission and registered with the Companies Registry, and shall also be published on INMOCEMENTO's website.

### ***Article 3. Interpretation***

These Regulations complete the provisions established for the Board of Directors in current mercantile legislation and in the Articles of Association of INMOCEMENTO and must be interpreted in accordance with the general criteria for the interpretation of legal rules, basically taking into account their spirit and purpose, and the Board itself may clarify their content. In the event of any discrepancy between the provisions of these Regulations and the Bylaws, the provisions of the Bylaws shall always prevail.

### ***Article 4 - Amendment***

1. The Board of Directors shall be responsible for introducing amendments to these Regulations, in accordance with the requirements set out in this Article.
2. The Chairman, the Chief Executive Officer, one third of the members of the Board or the majority of the members of the Audit and Compliance Committee may request the modification of these Regulations when, in their opinion, there are circumstances that make it appropriate or necessary. The proposed amendment shall be accompanied by a report justifying the causes and scope of the proposed amendment.
3. Proposed amendments shall be reported on by the Audit and Control Committee.
4. The text of the proposal, the supporting memorandum and, where appropriate, the report of the Audit and Compliance Committee shall be attached to the notice of the meeting of the Board that is to deliberate on the proposal.
5. Amendments to the Regulations shall be valid only if they are approved by at least an absolute majority of the members of the Board, with any fractions rounded upwards.
6. The Board of Directors shall inform the next General Meeting of Shareholders of any amendments to the Regulations.

## **CHAPTER II. COMPOSITION, COMPETENCE AND FUNCTIONS OF THE BOARD OF DIRECTORS**

### ***Article 5. Quantitative composition***

1. The Board of Directors shall consist of such number of Directors as may be determined by the General Meeting within the limits set by the Company's Articles of Association.
2. The Board shall propose to the General Meeting the number of Directors which, in accordance with the circumstances of the Company at any given time, is most appropriate to ensure due representation and the efficient functioning of the body, without prejudice, in any case, to the shareholders' right to proportional representation.

### ***Article 6. Qualitative composition. Categories of Directors***

1. Persons appointed as Directors shall, in addition to the conditions required by law and the Articles of Association, fulfil the conditions set forth in these Regulations, and shall formally undertake, at the time of taking office, to comply with the obligations and duties set forth herein.

2. Directors shall be classified as executive or non-executive, distinguishing between proprietary, independent or other external directors, in accordance with the relevant legal provisions:

- a) Independent directors, those who, appointed on the basis of their personal and professional qualifications, may perform their duties without being conditioned by relationships with the Company or its Group, its significant shareholders or its executives.

Under no circumstances may independent directors be appointed if they are in any of the following situations:

- (i) Have been employees or executive directors of INMOCEMENTO Group companies, unless three (3) or five (5) years have elapsed, respectively, since the termination of that relationship.
- (ii) Receive from the Company, or from the same Group, any amount or benefit other than Director's remuneration, unless it is not significant for the Director.

For the purposes of the provisions of this section, neither dividends nor pension supplements received by the Director as a result of his previous professional or employment relationship shall be taken into account, provided that such supplements are unconditional and, consequently, INMOCEMENTO or the Group company that pays them may not, at its discretion, suspend, modify or revoke their accrual, without breach of duty.

- (iii) Are, or have been during the last three (3) years, partners of the external auditor or the person responsible for the audit report, whether it is the audit during that period of INMOCEMENTO or of any other company of the Group.
- (iv) Are executive directors or senior managers of another company in which an executive director or senior manager of the INMOCEMENTO Group is an external director.
- (v) Maintain or have maintained during the last year, a significant business relationship with INMOCEMENTO or with any company in its Group, either in their own name or as a significant shareholder, Director or senior manager of an entity that maintains or has maintained such a relationship.

Business relationships shall be considered to be that of a supplier of goods or services, including financial services, and of an adviser or consultant.

- (vi) Are significant shareholders, executive directors or senior managers of an entity that receives, or has received during the last three (3) years, donations from INMOCEMENTO or another Group company.

Those who are merely trustees of a foundation receiving donations shall not be deemed to be covered by this paragraph.

- (vii) Are spouses, persons linked by an analogous relationship of affection or relatives up to the second degree of an executive Director or senior manager of the Company.
- (viii) Have not been proposed, either for appointment or renewal, by the Appointments and Remuneration Committee.

- (ix) Have been Directors for a continuous period of more than twelve (12) years.
- (x) They are, with respect to any significant shareholder or shareholder represented on the Board, in any of the situations indicated in sections (i), (v), (vi) or (vii) of this point. In the case of the kinship relationship indicated in letter (vii), the limitation shall apply not only to the shareholder, but also to his proprietary directors in the investee company.

Proprietary Directors who lose such status as a result of the sale of their shareholding by the shareholder they represented may only be re-elected as independent Directors when the shareholder they represented until that time has sold all of its shares in INMOCEMENTO.

A Director who holds a shareholding in INMOCEMENTO may have the status of independent Director, provided that he/she satisfies all the conditions set out in this letter and, in addition, his/her shareholding is not significant.

b) Proprietary directors:

- (i) Those who hold a shareholding greater than or equal to that legally considered as significant or who have been designated as shareholders, even if their shareholding does not reach that amount.
- (ii) Those who represent shareholders of those indicated in section (i) above.

c) Executive directors:

Those who perform management functions in INMOCEMENTO or its Group, regardless of the legal relationship they maintain with it. However, Directors who are senior managers or directors of companies belonging to the group of the Company's parent company shall be considered proprietary directors in the Company.

When a Director performs management functions and, at the same time, is or represents a significant shareholder or is represented on the Board of Directors of INMOCEMENTO, he/she shall be considered as an executive.

d) Other Councillors:

Those non-executive directors who cannot be considered proprietary or independent, explaining this circumstance in the Annual Corporate Governance Report and, if applicable, the links of such directors with the company, its executives or its shareholders.

3. The category of each Director shall be explained by the Board before the General Meeting of Shareholders which is to make or ratify his appointment, and shall be confirmed or, as the case may be, reviewed annually in the Annual Corporate Governance Report, after verification by the Appointments and Remuneration Committee, explaining in addition, in the case of external Directors who cannot be considered proprietary or independent, the reasons for such circumstance and their links, either with the Company or its executives, or with its shareholders. Likewise, the Annual Corporate Governance Report shall explain the reasons for the appointment of proprietary Directors at the request of shareholders whose shareholding is less than that legally considered as significant and shall explain the reasons for not having complied with, where appropriate, formal requests for



The Board of Directors shall be composed of shareholders whose shareholding is equal to or greater than that of others at whose request proprietary directors have been appointed.

4. The Board of Directors must ensure that the procedures for the selection of its members favour equality between women and men, as well as diversity with respect to issues such as age, disability or professional training and experience, and do not suffer from implicit biases that could imply any discrimination and, in particular, that they facilitate the selection of female directors in a number that allows a balanced presence of women and men, complying in all cases with the applicable regulations.
5. The Board of Directors shall ensure that, in the composition of this body, proprietary and independent Directors represent an ample majority of the Board and that the number of executive Directors is the minimum necessary.
6. In particular, the Board of Directors shall have the number of independent Directors deemed most appropriate from time to time, who shall be appointed by the General Meeting based on the application of criteria of rigorous professionalism and full independence, and shall be proposed for election by the Appointments and Remuneration Committee. The selected candidates shall be proposed to the Board of Directors and by the latter to the General Meeting of Shareholders, unless vacancies are directly filled by co-option.

***Article 7. Powers of the Board of Directors. Catalogue of non-delegable matters***

1. The Board of Directors is competent to adopt resolutions on all matters not attributed by law or the Articles of Association to the General Meeting, and has the highest powers and authority to manage, direct, administer and represent the Company, focusing its activity mainly on the supervision of the day-to-day management of the Company entrusted to the executive directors and senior management, as well as on the consideration of all matters of particular importance to the Company.
2. The Company has a Compliance Model, consisting of a structured set of rules, procedures and actions aimed at the prevention and management of criminal risks and other illegal acts or acts contrary to the law, the Code of Ethics and Conduct of INMOCEMENTO and other internal regulations, which is managed by the Compliance Function. In addition, the companies in charge of managing the core businesses of the INMOCEMENTO Group have their own Compliance Function, which has full responsibility for managing their respective compliance models.
3. In any case, the Board of Directors shall be responsible for dealing with the following matters, which are established as a formal catalogue of matters reserved to its exclusive knowledge and may not be delegated, by adopting resolutions to be approved in each case as provided by law or the Articles of Association:
  - (i) The appointment and removal of the Chairman, Vice-Chairmen, Secretary and Vice-Secretary of the Board of Directors, the appointment and removal of the Chief Executive Officer of the Company, as well as, where appropriate, other Senior Executives of the Company, and the establishment of the basic conditions of their contracts, including their remuneration.

- (ii) Propose to the respective governing bodies, at the initiative of the Chief Executive Officer and through the Company's representatives therein, the appointment and possible removal, as well as, where appropriate, the indemnity clauses, of the chairmen of the board of directors and general managers of the area holding companies of the INMOCEMENTO Group, acting in this respect in accordance with the corporate interest of each of them.
- (iii) The delegation of powers to any of the members of the Board of Directors under the terms established by law and the Articles of Association, and their revocation.
- (iv) The appointment and removal of the Directors who are to form the different Committees provided for in these Regulations, subject to a report from the Appointments and Remuneration Committee.
- (v) The supervision of the effective functioning of the internal Board Committees that it has set up and of the performance of the delegated bodies and of the directors that it has appointed.
- (vi) The appointment of Directors by co-option in the event of vacancies until the first General Meeting is held.
- (vii) Acceptance of the resignation of Directors.
- (viii) The preparation of the annual accounts, the management report and the proposal for the allocation of the Company's profit, as well as the consolidated accounts and management report, including the mandatory non-financial information, for submission to the General Meeting.
- (ix) The convening of the General Meeting and the drawing up of the Agenda and the proposal of resolutions.
- (x) The formulation of any kind of report required by law from the Board of Directors provided that the transaction to which the report refers cannot be delegated.
- (xi) The dividend policy for presentation and proposal to the General Meeting, agreeing, where appropriate, the payment of interim dividends.
- (xii) The treasury stock policy, setting out in particular its limits.
- (xiii) The definition of the structure of the Group of which the Company is the controlling entity and the coordination, within the legal limits, of the general strategy of said Group in the interests of the Company and its subsidiaries with the support of the Chief Executive Officer, making public through the Annual Corporate Governance Report the respective areas of activity and possible business relations between the Company and the listed subsidiaries integrated in its Group, as well as those of the latter with the other companies of the Group and the mechanisms foreseen to resolve possible conflicts of interest that may arise.
- (xiv) The investment and financing policy and the approval of investments, divestments, credits, loans, lines of guarantees or sureties and any other financial facility within the limits established by the Board itself, as well as investments or operations of all kinds which, due to their high amount or special characteristics, are of a strategic nature or have a special fiscal risk, unless their approval corresponds to the General Meeting.

(xv) The powers of organisation and operation of the Board and, in particular, the approval and amendment of these Regulations.

(xvi) The powers conferred on the Board of Directors by the General Meeting, which may only be delegated by the Board if expressly provided for in the resolution of the General Meeting.

**Article 8. General functions. Balance in the performance of the functions**

1. The Board of Directors shall be responsible for carrying out such acts as may be necessary to achieve the corporate purpose set out in the Articles of Association, in accordance with the applicable legal provisions.
2. The delegation of powers, within the limits permitted by law, by the Board to any of its members does not deprive the Board of such powers.
3. In particular, the following powers, which may not be delegated, shall be vested in the plenary of the Board:
  - (i) Coordinate the development of the activities of the INMOCEMENTO Group in the interests of the Company and its subsidiaries.
  - (ii) Approve the general policies and strategies of the Company, and in particular, the strategic or business plan, as well as the annual management objectives and budget, the corporate governance policy of the Company and its Group, the sustainability policy and the determination of the Company's tax strategy.
  - (iii) Determining the risk control and management policy, including tax risks, identifying the Company's main risks and implementing and monitoring the appropriate internal control and information systems, in order to ensure its future viability and competitiveness, adopting the most relevant decisions for its best development, as well as supervising the internal information and control systems.
  - (iv) Approve the authorisation or waiver of obligations arising from the duty of loyalty in accordance with the provisions of the law.
  - (v) Ensure the ethical climate within the Company and approve the internal regulations or codes of conduct of INMOCEMENTO, including the Code of Ethics and Conduct, and, to the extent legally required, of its subsidiaries.
  - (vi) To determine INMOCEMENTO's Compliance policy as well as the main policies that regulate the general strategy, supervision and coordination of the Compliance Function in the INMOCEMENTO Group, establishing in the Company a Compliance Model that includes surveillance and control measures suitable for preventing crimes and other illegal acts or acts contrary to the law, the Code of Ethics and Conduct of INMOCEMENTO and other internal regulations, which shall include, in turn, an Internal Information System for the detection and prevention of such conduct.
  - (vii) Designate the body responsible for the management of the aforementioned Model, and thus appoint and/or dismiss its members, and ensure that it enjoys the powers, autonomy and independence necessary for the correct performance of its functions, also guaranteeing that it has the material and human resources necessary for the development of its competences.
  - (viii) Approve the diversity policy for the Board of Directors and the selection of Directors.

- (ix) Approve the policy of communication, contacts and involvement with shareholders, institutional investors and proxy advisors, including that relating to the communication of economic-financial, non-financial and corporate information, ensuring the quality of the information provided.
  - (x) Approve the financial information that the Company, as a listed company, must periodically publish, as well as supervise the process of preparation and presentation of the financial information and the management report, which shall include, where appropriate, the mandatory non-financial information.
  - (xi) Approve decisions regarding Directors' remuneration, within the framework of the Articles of Association and the remuneration policy approved by the General Meeting.
  - (xii) Approve the remuneration policy for the Company's Senior Executives and, where appropriate, members of the Company's Management Committee, as well as evaluate their management.
  - (xiii) Approve the creation or acquisition of shares in special purpose vehicles or entities domiciled in countries or territories considered tax havens, as well as any other transactions or operations of a similar nature which, due to their complexity, could undermine the transparency of the Company and its Group.
  - (xiv) Approve Related-Party Transactions within its competence, without prejudice to the possibility of delegation, in the cases and under the terms established by law and in these Regulations.
4. The powers referred to in numbers (xi), (xiii), (xiv) of article 7.3 above and numbers (ii), (iii), (x), (xi) and (xiv) of this article may be exercised for reasons of urgency, duly justified, by the Chief Executive Officer and, where appropriate, by the Executive Committee, and must be ratified at the first Board meeting held after the adoption of the decision, following a report by the Executive Committee and/or the Chief Executive Officer on the case and circumstances giving rise to the urgency and the measures adopted.
  5. The Board of Directors shall perform its duties in accordance with the principle of a balance of powers and responsibilities. This principle shall also apply to the Directors and Committees to whom the Board delegates powers.
  6. The Board of Directors shall establish such mechanisms as may be appropriate and adequate or necessary to supervise the decisions taken by any of its members or Committees.

***Article 9. Representative functions***

1. The Board of Directors holds the power to represent INMOCEMENTO, both in and out of court, under the terms established by law and the Articles of Association.
2. The Committees and the members of the Board to whom the power of representation has been delegated shall keep the Board promptly informed of all acts performed by them in execution of such power of representation and which exceed the scope of ordinary administration.

***Article 10. Specific functions relating to the Annual Accounts and the Directors' Report***

1. The Board of Directors shall prepare the Annual Accounts and the Management Report, both individual and consolidated, in such a way that they give a true and fair view of the net worth, financial position and results of INMOCEMENTO, in accordance with the provisions of the law, having previously received the report of the Audit and Control Committee.

Control. Such accounts shall first be certified as to their completeness and accuracy by the Head of General Corporate Functions.

2. The Board of Directors, having studied the reports referred to in the preceding paragraph, may request such clarifications as it deems appropriate from those who have issued them.
3. The Board of Directors shall, in particular, ensure that the above accounting documents are drafted in clear and precise terms so as to facilitate a proper understanding of their contents. In particular, they shall include all such comments as may be useful for that purpose.
4. All members of the Board of Directors shall record in the minutes that, before signing the Annual Accounts required by law, they have been provided with the report to be drawn up by the Audit and Compliance Committee, as well as, in general, with the information necessary to carry out this act, and may record any observations they deem appropriate.
5. On a quarterly basis, the Board shall monitor the development of the Company's accounts, subject to a report from the Audit and Compliance Committee.

***Article 11. Specific functions relating to the Securities Market***

2. The Board of Directors shall perform the functions imposed on INMOCEMENTO by its status as a listed company.
3. In particular, the Board shall perform, in the manner provided for in these Regulations, the following specific functions in relation to the Securities Market:
  - a) The performance of such acts and the adoption of such measures as may be necessary to ensure INMOCEMENTO's transparency in the financial markets.
  - b) The performance of such acts and the adoption of such measures as may be necessary to promote the correct formation of INMOCEMENTO share prices, avoiding in particular market manipulation, insider trading and the unlawful communication of inside information, all in accordance with the terms set out in the regulations on market abuse.
  - c) Approval and updating of the Internal Code of Conduct in the Securities Market.
  - d) Approve the Annual Corporate Governance Report and prepare the Annual Report on Directors' Remuneration in accordance with the terms established by law.

**CHAPTER III. RELATIONS OF THE BOARD OF DIRECTORS**

***Article 12. Relations with shareholders***

1. The Board of Directors shall promote communication between INMOCEMENTO and its shareholders. In this regard, it shall promote the holding of informative meetings with institutional shareholders on the progress of the INMOCEMENTO Group, with the attendance of any of the Directors and/or members of Senior Management it deems appropriate. Under no circumstances shall these meetings entail the provision of any information that could give them a privileged situation or an advantage over other shareholders.

2. In its relations with shareholders, the Board of Directors shall ensure the application of the principle of equal treatment of shareholders who are in the same position.

***Article 13. Information to shareholders on the occasion of General Shareholders' Meetings***

1. The Board of Directors shall make available to the shareholders, prior to each General Meeting, all legally required information and, through the department responsible, shall respond in writing to requests for information, clarifications or questions from shareholders in relation to the items on the Agenda up to the fifth day prior to the date scheduled for the holding of such General Meetings; It shall likewise deal with requests for information, clarifications or questions submitted to it in connection with information accessible to the public that has been provided to the National Securities Market Commission (CNMV) since the previous general meeting was held, as well as those made in respect of the auditor's report. The information referred to in this paragraph shall be provided in writing to shareholders who have requested it up to the date of the General Meeting in question.

The Chairman, directly or, by appointment of the Chairman himself, the Secretary of the Board or a member of the Company's senior management present at the General Meeting, as designated by the Chairman, shall respond to requests for information from shareholders in relation to the matters indicated in the preceding paragraph, either verbally at the General Meeting itself or in writing from the fourth calendar day prior to the date scheduled for the holding of the General Meeting. If it is not possible to satisfy the shareholder's right at that time, the Board of Directors, through the department responsible, shall provide the requested information in writing within seven (7) days following the end of the General Meeting. All of the above within the limits established by current legislation.

2. The Board of Directors shall promote the informed participation of shareholders in General Meetings and shall adopt such measures as may be appropriate to facilitate the effective exercise by the General Meeting of its functions in accordance with the law, the Articles of Association and other internal regulations of the Company.

***Article 14. Relations with markets***

1. The Board of Directors shall adopt the necessary measures to ensure that the public is informed immediately, by means of the submission to the CNMV and simultaneous publication on INMOCEMENTO's website, of:
  - a) Communications of privileged information capable of significantly influencing the formation of the stock market price of INMOCEMENTO's shares, as well as communications of other relevant information.
  - b) Changes that significantly affect the shareholding structure of INMOCEMENTO.
  - c) Substantial changes to INMOCEMENTO's governance rules, currently consisting of the Articles of Association, the General Meeting Regulations, the Board of Directors Regulations and the Code of Ethics and Conduct of the INMOCEMENTO Group.
  - d) Treasury share transactions in accordance with legal provisions.

2. The Board of Directors shall adopt the necessary measures to ensure that the periodic financial information and any other information made available to the markets is prepared in accordance with the same principles, criteria and professional practices as the Annual Accounts and is as reliable as the latter. In parallel terms, non-financial information shall be prepared in accordance with the applicable regulations.

#### ***Relations with the Auditors***

1. The Board's relations with INMOCEMENTO's external auditors shall be channelled through the Audit and Control Committee.
2. The Board of Directors shall refrain from engaging audit firms where the fees expected to be paid by the Company and its Group companies, for all concepts, exceed ten per cent (10%) of the revenues of the audit firm in Spain during the immediately preceding financial year.
3. The Board of Directors shall endeavour to formulate the final accounts in such a way that there are no qualifications or reservations in the audit report.

### **CHAPTER IV. APPOINTMENT AND REMOVAL OF DIRECTORS**

#### ***Article 16. Appointment, ratification or re-election of Directors***

1. Proposals for the appointment or re-election of directors submitted by the Board of Directors for consideration by the General Meeting, and the appointment decisions adopted by said body by virtue of the powers of co-option legally attributed to it, shall be made by the Board on the proposal of the Appointments and Remuneration Committee, in the case of independent directors, and after a report from the Appointments and Remuneration Committee, in the case of other directors.

In the case of re-election, the Appointments and Remuneration Committee must also include in its report an evaluation of the quality of the work and dedication to the post of the Directors proposed during the previous term of office.

2. The proposal shall in all cases be accompanied by a supporting report from the Board assessing the competence, experience and merits of the proposed candidate, which shall be attached to the minutes of the General Meeting or of the Board itself.
3. From the time of publication of the announcement of the call of the General Meeting, the Board of Directors shall make public on its website the following information on the persons proposed for appointment, re-election or ratification as Directors:
  - (i) the professional and biographical profile;
  - (ii) other Boards of Directors to which he/she belongs, whether or not they are listed companies, as well as on other remunerated activities of any kind;

- (iii) indication of the category of director to which they belong, indicating, in the case of proprietary directors, the shareholder at whose request they have been appointed, re-elected or ratified or with whom they are related;
  - (iv) date of his first appointment as a Director of the Company, as well as subsequent re-elections;
  - (v) shares of the Company and derivative financial instruments having as their underlying the shares of the Company, held either by the Director whose position is to be ratified or re-elected or by the candidate for the first appointment as Director.  
This information shall be kept up to date; and
  - (vi) the reports and proposals of the competent bodies in each case.
4. The Secretary of the Board of Directors shall provide each new Director with a copy of the Articles of Association, these Regulations, the Code of Ethics and Conduct of the INMOCEMENTO Group, the latest Annual Accounts and management reports, both individual and consolidated, approved by the General Shareholders' Meeting, the audit reports corresponding to these and the latest economic and financial information sent to the markets. They shall also be provided with the identification of the current auditors and their interlocutors.
  5. Each Director shall sign a receipt for such documentation, undertaking to take immediate cognizance thereof and to faithfully discharge his duties as a Director.
  6. The Company shall establish orientation programmes to provide new Directors with a rapid and sufficient knowledge of the Company and its Group, as well as of the rules of corporate governance, and shall also offer refresher programmes when circumstances so require.

***Article 17. Term of office***

1. Directors shall hold office for the term of office established in the Articles of Association.
2. Directors appointed by co-option shall hold office until the date of the first General Meeting. In the event of a vacancy occurring after the General Meeting has been convened and before it is held, the Board of Directors may appoint a Director until the next General Meeting is held.
3. Directors who terminate their term of office or who, for any other reason, cease to hold office, may not render services in another entity competing with INMOCEMENTO for a period of two (2) years.
4. The Board of Directors may, if it deems it appropriate, exempt the outgoing Director from this obligation or shorten his term of office.

***Article 18. Removal and resignation of Directors***

1. Directors shall cease to hold office at the end of the term for which they were appointed or when so decided by the General Meeting in exercise of the powers conferred on it by law and the Articles of Association.
2. Directors must tender their resignation to the Board of Directors and formalise, if the Board deems it appropriate, the corresponding resignation in the following cases:



- a) When they cease to hold the posts, positions or functions with which their appointment as executive directors was associated.
  - b) In the case of proprietary directors, when the shareholder at whose request they were appointed transfers the entire stake held in INMOCEMENTO or reduces it to a level that requires a reduction in the number of its proprietary directors.
  - c) When they are involved in any of the cases of incompatibility or prohibition provided for by law.
  - d) When the Council itself so requests by a majority of at least two thirds (2/3) of its members:
    - if, for having breached their obligations as Directors, they are seriously reprimanded by the Board, following a proposal or report from the Appointments and Remuneration Committee; or
    - when their continuance on the Board may jeopardise the Company's credit and reputation.
3. In particular, Directors must inform the Board and, if appropriate, resign, when situations arise that affect them, whether or not related to their actions in the Company itself, that may damage the credit and reputation of the Company and, in particular, of any criminal proceedings in which they are under investigation, as well as the progress of the proceedings.

In any case, having been informed or otherwise having become aware of any of the situations mentioned in the preceding paragraph, the Board shall examine the case as soon as possible and, in view of the specific circumstances, shall decide, following a report from the Appointments and Remuneration Committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the Director or proposing his or her removal. This shall be reported in the Annual Corporate Governance Report, unless there are special circumstances that justify it, which shall be recorded in the minutes, without prejudice to the information that the Company must disclose, if appropriate, at the time the corresponding measures are adopted.

4. The Board of Directors may not propose the removal of any independent Director before the expiry of the statutory period for which he/she has been appointed, except where just cause is found by the Board following a report from the Appointments and Remuneration Committee. In particular, just cause shall be deemed to exist when the Director takes up new posts or incurs new obligations that prevent him/her from devoting the necessary time to the performance of the duties inherent to the post of Director, has failed to comply with the duties inherent to his/her post or has incurred in any of the circumstances described in article 6.2.a) of these Regulations that prevent his/her appointment as an independent Director.

The removal of independent directors may also be proposed as a result of takeover bids, mergers or other similar corporate operations involving a change in the capital structure of the Company when such changes in the structure of the Board are brought about by the proportionality between the number of proprietary directors and independent directors in relation to the capital represented by proprietary directors and the rest of the share capital.

5. When, either by resignation or by resolution of the General Meeting, a Director leaves office before the end of his term of office, he shall sufficiently explain the reasons for his resignation or, in the case of non-executive Directors, his views on the reasons for the removal by the General Meeting, in a letter to be sent to all members of the Board. In addition, and without prejudice to the disclosure in the Annual Corporate Governance Report, to the extent relevant for investors, the Company shall publish the resignation as soon as possible, including sufficient reference to the reasons or circumstances provided by the Director. In particular, in the event that the resignation of the Director is due to the Board having adopted significant or reiterated decisions on which the Director has expressed serious reservations and as a result opts to resign, the letter of resignation addressed to the other members shall expressly state this circumstance.

## **CHAPTER V. DUTIES OF THE DIRECTOR**

### ***Article 19. General obligations of the Director***

1. Directors shall perform the duties imposed by law, the Articles of Association and other internal rules of the Company applicable to Directors, guided by the corporate interest, understood as the achievement of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the Company, and respecting the principle of parity of treatment of shareholders, performing their duties with unity of purpose and independence of judgement.

The role of the Director is to guide and control the management of INMOCEMENTO in order to maximise its value in a sustained manner for the benefit of all shareholders, guided by the corporate interest. Likewise, in the pursuit of the corporate interest, in addition to respecting the laws and other internal rules of the Company applicable to Directors, he/she shall ensure that obligations and contracts are fulfilled in good faith and in accordance with ethics, and that the commonly accepted uses and good practices of the sectors and territories in which he/she operates are respected, endeavouring to reconcile its own corporate interest with, as appropriate, the legitimate interests of its employees, its suppliers, its customers and other stakeholders that may be affected, as well as the impact of the Company's activities on the community as a whole and on the environment.

2. In the performance of his duties, a Director shall act with the diligence of an orderly businessman and the loyalty of a faithful representative, in good faith and in the best interests of the Company.

### ***Article 20. Duty of care***

1. Directors shall perform their duties and duties imposed by law and the Articles of Association with the diligence of an orderly businessman, taking into account the nature of the office and the functions attributed to each of them, and shall in all cases subordinate their private interests to the interests of the Company.
2. Directors must be suitably dedicated and shall adopt the measures necessary for the proper management and control of the Company. In particular, the duty of diligence obliges the Director to:

- a) Be informed and prepare adequately for meetings of the Board and of the delegated bodies and Committees of which he/she is a member. To this end, he/she must obtain the appropriate and necessary information to enable him/her to comply with his/her legal obligations.
  - b) Attend meetings of the bodies of which it is a member and actively participate in the deliberations so that its judgement contributes effectively to decision-making.  
  
Directors' absences shall be kept to the bare minimum and shall be quantified in the Annual Corporate Governance Report. However, when they must occur, proxies shall be granted with instructions.
  - c) To attend General Meetings.
  - d) To perform any specific task entrusted to him/her by the Board of Directors that is reasonably within his/her duties and commitment of dedication.
  - e) To urge the persons with the power to call an extraordinary meeting of the Board or to include on the agenda of the first meeting to be held, the points it deems appropriate.
  - f) Clearly express their opposition when they consider that any proposed decision submitted to the Board may be contrary to the law, the Bylaws, these Regulations and other internal rules of the Company, the corporate interest or when it does not respond to a reasonable need of the Company and is adopted by the majority in their own interest and to the unjustified detriment of the other shareholders, especially the independent and other Directors who are not affected by the potential conflict of interest, in the case of decisions that may be detrimental to shareholders not represented on the Board.
3. In the area of strategic and business decisions, which are subject to corporate discretion, the standard of due diligence of a prudent businessman shall be deemed to be met when the Director has acted in good faith, without personal interest in the matter being decided, with sufficient information, and in accordance with an appropriate decision-making procedure.
  4. Directors must inform the Appointments and Remuneration Committee of their other professional obligations, in case they might interfere with the dedication proper to their position.

***Article 21. Duty of loyalty***

1. Directors must perform their duties with the loyalty of a faithful representative, acting in good faith and in the best interests of the Company, subordinating, in all cases, their own interests to those of the Company, and must adopt the necessary measures to avoid incurring in situations of conflict of interest as established by law.
2. In particular, the Director, in compliance with the duty of loyalty, shall:
  - a) Not to exercise its powers for purposes other than those for which they were granted.
  - b) To keep secret any information, data, reports or background information to which he or she has had access in the performance of his or her duties, even after he or she has left office, except where permitted or required by law.
  - c) Refrain from participating in the deliberation and voting on resolutions or decisions in which he or she or a related person has a direct or indirect conflict of interest. The following shall be excluded

The above obligation to abstain shall not apply to resolutions or decisions affecting him in his capacity as Director, such as his appointment or removal from office on the Board of Directors or others of similar significance.

- d) Perform their duties on the principle of personal responsibility with freedom of judgement and independence from instructions and third party involvement.
- e) Adopt the necessary measures to avoid incurring in situations in which their interests, whether on their own account or on behalf of others, may conflict with the corporate interest and with their duties to the Company.

***Article 22. Conflicts of interest***

1. Within the framework of the duty to avoid situations of conflict of interest referred to in section 2.e) of the preceding article, the Director must abstain from:
  - a) Carry out transactions with the Company or with companies in its Group, except in the case of ordinary transactions, carried out under standard conditions for customers and of little relevance, understood as transactions whose information is not necessary to give a true and fair view of the net worth, financial position and results of the Company and without prejudice to the rules on Related-Party Transactions set out in Article 23 of these Regulations.
  - b) Use the name of the Company or invoke their status as Director to improperly influence the conduct of private transactions.
  - c) Making use of corporate assets, including the Company's confidential information, for private purposes.
  - d) Take advantage of the Company's business opportunities.
  - e) Obtain advantages or remuneration from third parties other than the Company and its Group in connection with the performance of their duties, except in the case of mere courtesy.
  - f) Engage in activities for their own account or for the account of others which involve effective competition, whether actual or potential, with the Company or which otherwise place them in permanent conflict with the interests of the Company.
2. The above provisions shall also apply in the event that the beneficiary of the prohibited acts or activities is a person related to the Director.
3. In any case, Directors must notify the Board of Directors, through the Secretary of the Board, with due notice, of any situation of direct or indirect conflict that they or persons related to them may have with the interests of the Company or those of the companies forming part of the INMOCEMENTO Group or its related companies.
4. The Company may waive the prohibitions contained in this article in individual cases by authorising a Director or a related person to carry out a specific transaction with the Company, to use certain corporate assets, to take advantage of a specific business opportunity, or to obtain an advantage or remuneration from a third party, without prejudice to the provisions of the law and these Regulations in relation to Related-Party Transactions.
5. The authorisation must necessarily be approved by the General Meeting when it is intended to waive the prohibition on obtaining an advantage or remuneration from third parties, concerns

a transaction the value of which exceeds ten per cent (10%) of the corporate assets or relates to the obligation not to compete with the Company. In the latter case, it may only be waived if no damage to the Company is to be expected or if the expected damage is outweighed by the expected benefits to be obtained from the waiver, and the waiver must be granted by express and separate resolution of the General Meeting.

6. In other cases affecting the prohibitions contained in this article, authorisation may also be granted by the Board of Directors, subject to a favourable report from the Appointments and Remuneration Committee, provided that the independence of the members granting the authorisation with respect to the Director dispensed with or the related person affected is guaranteed. Furthermore, the harmlessness of the authorised transaction for the company's assets or, as the case may be, its execution under market conditions and the transparency of the process must be ensured. The Directors affected or who represent or are related to the shareholders affected must abstain from participating in the deliberation and voting on the resolution in question.

In the case of Related-Party Transactions, the provisions of the law and these Regulations shall apply.

7. In any case, situations of conflict of interest in which Directors are involved shall be disclosed in the notes to the financial statements, in accordance with the terms established by law.
8. For the purposes of this provision, related persons shall be understood to be those included in the Capital Companies Act.

#### ***Article 23. Related-party transactions***

1. The Board of Directors shall be responsible for the knowledge and approval, subject to a report from the Audit and Compliance Committee, of the transactions that the Company or its subsidiaries carry out with Directors or with shareholders holding at least ten per cent (10%) of the voting rights or represented on the Board of Directors of the Company or with other persons who are considered related parties under the terms provided by law ("**Related-Party Transactions**"), unless their approval corresponds to the General Shareholders' Meeting.
2. For these purposes, transactions that are not qualified as such under the law shall not be considered as a Related Party Transaction and, in particular: transactions between the Company and its directly or indirectly wholly-owned subsidiaries, the approval by the Board of Directors of the terms and conditions of contracts to be entered into with Directors who are to perform executive functions, including, where appropriate, the Chief Executive Officer or Senior Executives, as well as the determination by the Board of the specific amounts or remuneration to be paid under such contracts.

Nor shall any transaction carried out by the Company with its subsidiaries or investees be considered a Related Party Transaction, provided that no other party related to the Company has an interest in such subsidiaries or investees.

3. Approval of Related-Party Transactions whose amount or value is equal to or exceeds ten per cent (10%) of the total asset items according to the latest balance sheet approved by the Company shall be the responsibility of the General Meeting of Shareholders. Approval of all other Related-Party Transactions shall be the responsibility of the Board of Directors, which may not delegate this power except in respect of transactions between companies belonging to the Group.

INMOCEMENTO's ordinary management and under market conditions, as well as transactions entered into under contracts with standardised conditions that are applied en masse to a large number of customers, are carried out at prices or rates generally established by whoever acts as supplier of the good or service in question and whose amount does not exceed zero point five per cent (0.5%) of the net turnover of the Company.

4. The Audit and Compliance Committee shall issue a report prior to the approval, by the General Meeting or by the Board of Directors, of the implementation of a Related-Party Transaction. In this report, the Committee shall assess whether the transaction is fair and reasonable from the point of view of the Company and, if applicable, of the shareholders other than the related party, and give an account of the assumptions on which the assessment is based and the methods used.

Directors who are members of the Audit and Compliance Committee affected by the Related Party Transaction may not participate in the preparation of the report.

This report shall not be mandatory in relation to the conclusion of Related-Party Transactions whose approval has been delegated by the Board of Directors in the cases legally permitted and provided for in these Regulations.

5. In those cases in which, in accordance with the provisions of section 3 of this article, the Board of Directors delegates the approval of Related-Party Transactions, the Board of Directors itself shall establish an internal procedure of information and periodic control in which the Audit and Compliance Committee shall intervene to verify the fairness and transparency of these transactions and, where appropriate, compliance with the applicable legal criteria.
6. The Board of Directors shall ensure the public disclosure of Related-Party Transactions entered into by the Company or companies of its Group, the amount of which reaches or exceeds five per cent (5%) of the total amount of the asset items or two and a half per cent (2.5%) of the annual amount of the Company's turnover.

To this end, a notice with the legally stipulated content must be placed in an easily accessible place on the Company's website, which, in turn, must be communicated to the CNMV. The announcement must be published and communicated, at the latest, at the time the Related Transaction is entered into and must be accompanied by the report issued, where appropriate, by the Audit and Compliance Committee.

7. To determine the amount of a Related Transaction, transactions entered into with the same counterparty in the last twelve months shall be counted in aggregate.

#### ***Article 24. Duties of information of the Director***

The Director must inform the Appointments and Remuneration Committee of INMOCEMENTO, through the Secretary of the Board, of the following points:

- a) Shares held in INMOCEMENTO Group companies listed on the Stock Exchange, either directly or through companies in which it has a significant shareholding. This information shall be extended to share options or derivatives relating to the value of the shares, as well as to any changes in such shareholding or related rights, within the period and in the manner provided for in its Internal Code of Conduct in the Securities Market.

- b) Positions held and activities performed in other companies or entities.
- c) Significant changes in his professional situation affecting the category by virtue of which he was appointed as Director.
- d) Judicial, administrative or any other type of claims which, due to their importance, could seriously affect INMOCEMENTO's reputation.
- e) In general, of any fact or situation that may be relevant to his or her performance as a Director of INMOCEMENTO.

**Article 25. *Liability of Directors***

1. Directors shall be liable to the Company, shareholders and creditors for any damage caused by acts or omissions contrary to the law or the Articles of Association or for those carried out in breach of the duties inherent in their office, provided there has been fraud or negligence.
2. The liability of directors also extends to de facto directors. For this purpose, a de facto director shall be deemed to be both the person who, in the actual course of business, performs the duties of a director without title, with a null and void title, or with another title, and, where appropriate, the person on whose instructions the directors of the company act.
3. Where there is no permanent delegation of powers of the Board to a Chief Executive Officer, all provisions concerning the duties and liability of Directors shall apply to the person, by whatever name called, who has the most senior management powers of the Company, without prejudice to the actions of the Company based on its legal relationship with the Company.
4. All the members of the Board of Directors who carried out the harmful act or adopted the harmful resolution shall be jointly and severally liable, except those who prove that, not having intervened in its adoption and execution, they were unaware of its existence or, being aware of it, did everything appropriate to avoid the damage or, at least, expressly opposed it.
5. In no case shall the fact that the harmful act or agreement has been adopted, authorised or ratified by the General Meeting exonerate from liability.

**CHAPTER VI. INFORMATION OF THE ADVISER**

**Article 26. *Powers of information and inspection***

1. In order to perform his duties, every Director has the duty to demand and the right to obtain from the Company the appropriate and necessary information that he needs to fulfil his obligations regarding any aspect of INMOCEMENTO and its subsidiaries and investee companies, whether domestic or foreign, whenever possible and within the legally stipulated limits. For such purposes, it may examine the documentation it deems necessary, contact the heads of the departments concerned and visit the corresponding facilities.
2. In order not to disrupt the day-to-day management of the INMOCEMENTO Group, the request for information shall be channelled through the Chairman of the Board, who shall deal with requests from the

Adviser, either by providing the information directly or by providing appropriate interlocutors at the appropriate level of the organisation.

3. In the event that the request for information has been refused, delayed or defectively dealt with, the requesting Director may repeat his request to the Audit and Compliance Committee, which, after hearing the Chairman and the requesting Director, shall decide what is appropriate for the above purposes.
4. The information requested may only be refused if, in the opinion of the Chairman and the Audit and Compliance Committee, it is unnecessary or detrimental to the interests of the company. Such refusal shall not apply if the request is supported by an absolute majority of the members of the Board.

***Article 27. Expert assistance***

1. In order to be assisted in the exercise of their duties, the Directors are entitled to obtain from the Company the necessary advice for the performance of their duties and, where necessary, advice at INMOCEMENTO's expense from legal, accounting, financial or other experts.
2. The request to engage external advisers or experts must be made to the Chairman of the Board of Directors and shall be authorised by the Board of Directors if, in the opinion of the Board of Directors, the Board of Directors considers it necessary:
  - a) is necessary for the diligent performance of the duties entrusted to the non-executive Directors;
  - b) its cost is reasonable, in view of the importance of the problem and INMOCEMENTO's assets and revenues; and
  - c) the technical assistance received cannot be adequately provided by INMOCEMENTO's experts and technicians.
3. In the event that the request for the assistance of experts is made by any of the Committees of the Board, it may not be refused, unless the Board, by a majority of its members, considers that the circumstances provided for in paragraph 2 of this Article are not met.

**CHAPTER VII. DIRECTOR'S REMUNERATION**

***Article 28. Remuneration of Directors***

1. The Board of Directors, following a report from the Appointments and Remuneration Committee, is responsible for the individual determination of the remuneration of each director in his capacity as such within the framework of the Articles of Association and the remuneration policy, as well as the individual determination of the remuneration of each director for the performance of the executive duties attributed to him within the framework of the remuneration policy and in accordance with the provisions of his contract.
2. The remuneration of the Directors shall in any case be in reasonable proportion to the importance of the Company, its economic situation at any given time and the market standards of comparable companies. The remuneration system established shall be aimed at promoting the long-term profitability and sustainability of the Company,



and incorporate the necessary safeguards to avoid excessive risk-taking and the rewarding of unfavourable outcomes.

3. The Board shall prepare an Annual Report on Directors' Remuneration, which shall include full, clear and understandable information on the Directors' remuneration policy applicable to the current financial year. It shall also include an overall summary of how the remuneration policy was applied during the financial year ended, as well as details of the individual remuneration earned by each of the Directors in that financial year.

This Report will be circulated and submitted to a consultative vote at the Annual General Meeting of shareholders as a separate item on the agenda.

4. The Directors' remuneration policy must comply with the remuneration system set out in the Articles of Association and shall be approved by the General Meeting of the Company as a separate item on the Agenda, to be applied for a maximum period of three (3) financial years. However, the proposal for a new Directors' remuneration policy must be submitted to the General Meeting of Shareholders prior to the end of the last year of application of the previous policy, and the General Meeting may determine that the new policy shall apply from the date of approval and for the following three (3) years. Any modification or replacement of the same during said period shall require the prior approval of the General Shareholders' Meeting in accordance with the procedure established for its approval.

In the proposal of the aforementioned remuneration policy of the Board of Directors, which shall be reasoned and must be accompanied by a specific report from the Appointments and Remuneration Committee, the Board shall follow the following criteria: (i) that the remuneration of Directors should be such as is necessary to attract and retain Directors with the desired profile and to reward the dedication, qualifications and responsibility that the post demands, but not so high as to compromise the independence of judgement of the non-executive Directors; (ii) if remuneration is paid in the form of shares in the Company or Group companies, options or rights on shares or instruments referenced to the share value, variable remuneration linked to the Company's performance and personal performance or long-term savings systems such as pension plans, retirement systems or other social welfare systems, these are limited to executive Directors, unless, in the case of the delivery of shares as remuneration to non-executive Directors, such delivery is conditional upon the Directors holding them until they cease to be Directors (this does not apply to shares that the Director needs to dispose of, if any, to meet the costs related to their acquisition); (iii) that any remuneration linked to the Company's results should take into account any qualifications stated in the external auditor's report and reduce such results; (iv) and that in the event of variable remuneration, the remuneration policies should include the limits and technical safeguards necessary to ensure that such remuneration is linked to the professional performance of the beneficiaries and not simply to the general progress of the markets or the Company's sector of activity or other similar circumstances.

The remuneration policy, together with the date and result of the vote, will be accessible on the Company's website free of charge as soon as it is approved and at least for as long as it is applicable.

5. In the event that the Annual Directors' Remuneration Report is rejected in the advisory vote of the Annual General Meeting referred to in section 3 above, the Company may only continue to apply the remuneration policy in force at the date of the Annual General Meeting until the next Annual General Meeting. Furthermore, if the proposal for a new remuneration policy is rejected by the shareholders at the General Shareholders' Meeting, the Company shall continue to remunerate its Directors in accordance with the remuneration policy in force at the date of the General Shareholders' Meeting and shall submit a new proposal for a new remuneration policy for approval at the next Ordinary General Shareholders' Meeting.
6. When a member of the Board of Directors is appointed Chief Executive Officer or is attributed executive functions by virtue of another title, a contract must be concluded between him/her and the Company, which must first be approved by the Board of Directors with the favourable vote of at least two thirds (2/3) of its members. The Director concerned must abstain from attending the deliberation and from voting. The approved contract shall be annexed to the minutes of the meeting.

This contract, which must be in accordance with the Company's remuneration policy, shall contain all the information required by law and, in particular, shall include all the items for which the Director may obtain remuneration for the performance of executive duties, including, where appropriate, any compensation for early termination of such duties and the amounts to be paid by the Company as insurance premiums or contributions to savings schemes. Directors may not receive any remuneration for the performance of executive duties whose amounts or items are not provided for in the aforementioned contract.

## **CHAPTER VIII. STRUCTURE AND FUNCTIONING OF THE MANAGEMENT BOARD**

### ***Section 1. Positions on the Board of Directors***

#### ***Article 29. President***

1. The Chairman of the Board of Directors shall be elected by the Board of Directors from among its members, subject to a report from the Nomination and Remuneration Committee.
2. The Chairman, as the person ultimately responsible for the management of the Board of Directors and the effectiveness of its operation, has the following powers, among others:
  - (i) To call, set the Agenda and chair the meetings of the Board of Directors. Notwithstanding the foregoing, the Chairman must call a Board meeting and include on the Agenda the items indicated in the request for a meeting to be called by at least one third of the members of the Board or, where appropriate, the Executive Committee. In the first case, if the Chairman, without just cause, has not agreed to call a meeting within one month, the Board may be called by the directors who have requested the meeting, to be held in the place where the registered office is located.
  - (ii) To lead discussions and deliberations, as well as to prepare and submit to the Council a programme of dates and items to be discussed.

- (iii) Ensure, with the collaboration of the Secretary, that Directors receive in advance sufficient information to deliberate on the items on the Agenda, directing and stimulating debate and the active participation of Directors during Board meetings, safeguarding their freedom to take a position and express their opinion, and ensure that sufficient time is devoted to discussion of strategic issues.
- (iv) To organise and coordinate with the Chairmen of the Committees the periodic evaluation of the Board of Directors and its Committees, as well as, where appropriate, that of the Chief Executive Officer.
- (v) Agree and review refresher programmes for each Director, when circumstances make it advisable.

***Article 30. Vice-Presidents***

The Board may appoint one or more Vice-Chairmen, subject to a report from the Appointments and Remuneration Committee, who shall stand in for the Chairman in the event of impossibility or absence, in accordance with the provisions of the Articles of Association.

***Article 31. Coordinating Director***

1. When the Chairman of the Board is an executive director, the Board of Directors shall appoint, after a report from the Nomination and Remuneration Committee and with the abstention of the executive directors, a Coordinating Director from among the independent directors.

The office of Co-ordinating Director shall be compatible with that of member of the Committees of the Board.

2. Without prejudice to any other powers that may be entrusted to him by the Board of Directors or those attributed to him by law when the Chairman of the Board has the status of executive Director, the Lead Director shall be empowered to:
  - (i) Chair the Board of Directors in the absence of the Chairman and the Vice-Chairmen.
  - (ii) To request the Chairman of the Board of Directors to convene a meeting of the Board of Directors, as well as the inclusion of new items on the agenda when the Board has already been convened.
  - (iii) Coordinate, bring together and echo the concerns of the non-executive directors.
  - (iv) Directing the Board of Directors' periodic evaluation of the Chairman of the Board and coordinating the Chairman's succession plan, in collaboration with the Chairman of the Board of Directors.
  - (v) Maintain contacts, where appropriate, with investors and shareholders to ascertain their views in order to form a view on their concerns, in particular in relation to the Company's corporate governance.

***Article 32. Chief Executive Officer***

1. The Board of Directors may permanently delegate to one of its members powers that are vested in the Board of Directors, except for those powers reserved to it by law, the Articles of Association or these Regulations.

The permanent delegation of powers of the Board of Directors and the designation of the Director to whom the delegated powers are attributed, whatever his or her position may be called,

shall require for its validity the favourable vote of at least two thirds (2/3) of the members of the Board of Directors.

2. The Chief Executive Officer shall be responsible for the effective representation and management of the Company's business, in accordance with the decisions and criteria established by the General Meeting of Shareholders and the Board of Directors, within the scope of their respective competencies.

The effective representation and management of the Company's business includes, but is not limited to, the following competencies:

- (i) Support the Board of Directors in defining the Group's strategy.
  - (ii) To prepare the proposed business plan and annual budgets, to be submitted to the Board of Directors for approval.
  - (iii) To prepare and submit to the Board of Directors for approval proposals for investments, divestments, credits, loans, lines of guarantee or surety or any other type of financial facility whose individual amount exceeds eighteen months.  
(18) million.
  - (iv) The appointment and removal of all Company personnel, with the exception of those whose appointment corresponds to the Board of Directors, as established in these Regulations.
3. Once a year, at the first meeting of each financial year, the Chief Executive Officer shall report to the members of the Board on the degree of actual compliance with the forecasts made regarding the investment proposals submitted to the Board of Directors.
  4. The delegation of powers by the Board to the Chief Executive Officer is understood to be without prejudice to the powers of attorney that he may grant to any person, to the delegation of powers granted individually to any other Director and to his power to set up a delegated Executive Committee.

***Article 33. Secretary of the Board***

1. The Secretary of the Board of Directors may not be a Director. His appointment and removal shall be approved by the full Board following a report from the Appointments and Remuneration Committee.
2. The Secretary of the Board of Directors shall assist the Chairman in his duties for the proper functioning of the Board and, in particular:
  - (i) Assist the Chairman in ensuring that the Directors receive the information relevant to the exercise of their duties sufficiently in advance and in the appropriate format.
  - (ii) To keep the documents of the Board of Directors, to record the proceedings of the meetings and the content of the deliberations in the minute books, and to attest to their content and the resolutions adopted.
  - (iii) Ensure that the actions of the Board comply with the applicable regulations and are in accordance with the Articles of Association and other internal regulations of the Company.
  - (iv) Ensure that, in its actions and decisions, the Board of Directors takes into account the recommendations on good governance contained in the Company's Articles of Association and Regulations.

The Secretary, even if he/she is not a Director, shall act in accordance with the provisions of article 18.5, last paragraph, of these Regulations.

3. The Secretary may act as Legal Adviser to the Board, in accordance with the provisions of the applicable regulations.

**Article 34. Deputy Secretary of the Council**

1. The Board of Directors may appoint a Deputy Secretary, who need not be a Director, to assist the Secretary of the Board of Directors or to replace him/her in the event of absence or inability to perform such duties. The appointment and removal of the Deputy Secretary shall require a prior report from the Appointments and Remuneration Committee.
2. Unless otherwise decided by the Board of Directors, the Deputy Secretary may attend the meetings of the Board of Directors to assist the Secretary in drawing up the minutes of the meetings.

**Section 2. Functioning of the Board of Directors Article 35.**

**Sessions of the Board of Directors**

1. The Board of Directors shall meet as often as necessary to effectively perform its functions and, in any event, at least eight (8) times a year, holding at least one meeting per quarter, and whenever the interests of INMOCEMENTO so require, in accordance with the schedule of dates and matters established at the beginning of the financial year.
2. The calendar of ordinary meetings shall be set by the Board itself before the beginning of each year. The calendar may be modified by resolution of the Board itself or by decision of the Chairman, who shall inform the Directors of the modification no less than ten (10) days prior to the date initially scheduled for the meeting, or the new date set to replace the former, whichever is earlier.
3. Notice of ordinary meetings shall be sent by e-mail or any other means that allows proof of sending and receipt, and shall be authorised by the signature of the Chairman or whoever is acting in his stead, or that of the Secretary or Vice-Secretary, by order of the Chairman.

Without prejudice to the provisions of article 31 of the Articles of Association, it shall be ensured that the notice of meeting is issued no less than ten (10) days in advance. The notice of each meeting shall always include the Agenda for the meeting and the relevant documentation so that the members of the Board may form their opinion and, if appropriate, cast their vote on the matters submitted for their consideration.

In case of urgency, at the discretion of the Chairman, the meeting may be convened twenty-four (24) hours prior to the date and time of the Board meeting, in which case the agenda of the meeting shall be limited to the items giving rise to the urgency.

4. The Chairman shall decide on the Agenda for the meeting, which shall clearly indicate those points on which the Board must adopt a decision or resolution so that the Directors may study or obtain, in advance, the information necessary for its adoption. When, exceptionally, for reasons of urgency, the Chairman wishes to submit to the Board of Directors for approval decisions or resolutions not appearing on the Agenda, he shall clearly indicate those items on which the Board must adopt a decision or resolution so that the Directors may study or obtain, in advance, the information required for their adoption.

The prior and express consent of the majority of the Directors present shall be required, which shall be duly recorded in the minutes.

The Directors and any of the Committees of the Board may request the Chairman to include items in the Agenda that were not initially foreseen, and such proposal must be made no less than five (5) days prior to the date scheduled for the meeting, and the Chairman shall be obliged to comply with such request. When, at the request of the Directors, items are included on the Agenda, the Directors who have requested such inclusion must either send the relevant documentation together with the request or identify the same, so that it may be sent to the other members of the Board of Directors.

5. Unless the Board of Directors has been constituted or has been exceptionally convened for reasons of urgency, the Directors must have the necessary information beforehand and sufficiently in advance for deliberation and adoption of resolutions on the matters to be discussed, and the Chairman of the Board, with the collaboration of the Secretary, must ensure compliance with this provision.

***Article 36. Venue***

1. The meetings shall be held at the place indicated in the convening notice.
2. The Chairman of the Board may authorise the holding of Board meetings by telephone conference call, videoconference or any other similar system, so that one, several or all of the Directors may attend the meeting by means of the aforementioned system. To this end, the notice of the meeting, in addition to indicating the location where the physical meeting, if any, will be held, which must be attended by the Secretary of the Board, must state that the meeting may be attended by telephone conference call, videoconference or equivalent system, and the directors must indicate and make available the technical means required for this purpose, which in any case must enable direct and simultaneous communication between all those attending. The Secretary of the Board of Directors shall record in the minutes of the meetings thus held, in addition to the directors attending in person or, as the case may be, represented by another director, those attending the meeting by telephone conference call, videoconference or similar system.

***Rule 37. Conduct of business***

1. For the Board to be validly constituted, a majority of its members must be present or represented at the meeting.

The order in which meetings are held and the procedure for adopting resolutions shall be in accordance with the provisions of the Law, the Articles of Association and these Regulations.

2. Directors must attend Board meetings in person. Non-attendance by Directors shall, however, be kept to an absolute minimum and, when necessary, proxies shall be granted with instructions. The Chairman shall decide, in case of doubt, on the validity of proxies granted by Directors who do not attend the meeting. In any case, non-executive Directors may only be represented by another non-executive Director.
3. The full Board shall devote one of its annual meetings to evaluating the quality and efficiency of its own functioning during the previous year, assessing the quality of its work, evaluating the effectiveness of its rules and, where appropriate, proposing, on the basis of the outcome, a

action plan, correcting any deficiencies detected. Likewise, at this meeting, in view of the report submitted by the Appointments and Remuneration Committee, it shall also assess the performance of the duties of the Chairman of the Board and the chief executive of the Company, as well as the functioning of its Committees on the basis of the report submitted by the latter, and shall propose an action plan to correct the deficiencies detected, based on the results of the report.

4. Resolutions shall be adopted with the favourable vote of the absolute majority of the Directors attending the meeting, with the exception of the permanent delegation of all or some of the legally delegable powers of the Board of Directors to the Executive Committee, to the Chief Executive Officer, the appointment of the Directors who are to hold such positions and the approval of the contracts between the Directors with executive functions and the Company, which shall require the favourable vote of at least two thirds (2/3) of the members of the Board in order to be valid. Furthermore, amendments to the Regulations of the Board of Directors must be approved by the favourable vote of an absolute majority of all the members of the Board.
5. At the initiative of the Chairman, the Board of Directors may adopt resolutions in writing and without a meeting, when no Director objects to this procedure. When this voting procedure is followed, the Secretary of the Board of Directors shall record the resolutions adopted in the minutes, stating the names of the Directors and the system followed to form the will of the Board, with an indication of the vote cast by each Director. In this case, the resolutions shall be deemed to have been adopted at the place of the registered office and on the date of receipt of the last of the votes cast. It shall also be stated that no member of the Board of Directors has objected to this procedure.

The written vote must be submitted within ten (10) days from the date of receipt of the request to cast the vote, failing which it shall be invalid.

After the time limit for casting votes has elapsed, the Secretary shall notify the Directors of the result of the vote, or of the impossibility of using this voting procedure due to the opposition of any Director.

6. The Chairman of the Board of Directors may invite to the meetings of the Board of Directors or to certain items on the Agenda, as many persons as he deems appropriate.

***Article 38. Minutes. Minute Book of the Company***

1. Minutes of each meeting held by the Board of Directors shall be drawn up by the Secretary of the Board or, where appropriate, by the Deputy Secretary, stating those attending, the agenda of the meeting, the circumstances of the time and place of the meeting, the main points of the deliberations and the content of the resolutions adopted.
2. Any Director is entitled to request that his or her intervention or proposal be recorded in the minutes or transcribed in full, provided that he or she provides on the spot, or within the period indicated by the Chairman, the text that corresponds faithfully to his or her intervention, this requirement not being necessary when Board meetings are recorded on any medium that allows them to be stored and subsequently reproduced in full. In particular, any concerns expressed by directors or the Secretary regarding a proposal or, in the case of directors, regarding the company's performance, and such concerns are not resolved at the board meeting, shall be recorded in the minutes when so requested.

3. The minutes of the meeting shall be drafted by the Secretary by computer during the meeting, shall be read out by the Secretary at the end of the meeting, and shall be submitted for approval by the attendees. The Board may also authorise the Secretary to make any clarifications and stylistic corrections that may be necessary, except for the literal wording of the resolutions adopted.
4. Unless otherwise agreed by the Board, the Company shall keep a single book of Minutes in which the Minutes of the General Meeting of Shareholders, those of the Board and those of its Committees shall be entered.
5. The Secretary, under the supervision of the President, is responsible for the custody of the Minutes Book.

## **CHAPTER IX. COUNCIL COMMITTEES**

### ***Article 39. The Committees of the Board of Directors***

1. In order to achieve greater efficiency and transparency in the exercise of the powers and fulfilment of the functions attributed to it, the Board of Directors shall organise its work by setting up Committees, which shall have the powers established by law, in the Articles of Association, in these Regulations and, where appropriate, in the Regulations of the Committee itself approved by the Board of Directors.
2. Without prejudice to the Board's statutory power to create other Committees, the Board shall set up an Audit and Control Committee and an Appointments and Remuneration Committee, which shall be permanent in nature, with information, advisory and proposal-making powers within their scope of action and without executive functions.
3. The Committees shall be accountable for the performance of their duties to the Board of Directors, which shall deliberate on the proposals and reports of each Committee, and shall report to the Board at the first plenary session following the meetings of the Committees on the activities carried out by them. Minutes shall be taken of their meetings, a copy of which shall be sent to all the members of the Board.
4. The Committees shall have access to the information and documentation necessary for the exercise of their functions and may seek the advice of any external professionals they deem necessary for the performance of their functions, for which purpose the provisions of article 27 of these Regulations shall apply.
5. The Board of Directors shall appoint the members of the Committees taking into account the knowledge, skills and experience of the Directors and the duties of each Committee. In this respect, the Appointments and Remuneration Committee shall evaluate the profile of the persons proposed by the Board of Directors to form part of the Committees and shall issue the corresponding report prior to their appointment.
6. Any employee or officer of the INMOCEMENTO Group shall be obliged to attend the meetings of any of the Committees when required to do so by any of them, and must appear without the presence of any other officer when so requested by the Committee in question.
7. The Committees shall be validly constituted when the majority of their members are present or represented, and their resolutions shall be adopted by an absolute majority of the votes cast.



its members present or represented at the meeting. The Chairman of the Commission concerned shall have the casting vote in the event of a tie.

8. The Committees shall be governed by the rules of procedure established in the Articles of Association and in these Regulations, insofar as they are not incompatible with their nature, in relation to the functioning of the Board and, in particular, with regard to the convening of meetings, the delegation of representation in favour of another member of the Committee in question, constitution, meetings not called, holding and procedure for adopting resolutions, voting in writing and without a meeting and approval of the minutes of the meetings.

***Article 40. The Executive Committee***

1. The Board may set up and permanently delegate to an Executive Committee all the powers vested in the Board of Directors, except those reserved to it by law, the Articles of Association or these Regulations.

In particular, the Executive Committee shall be responsible for deciding on investments, divestments, credits, loans, lines of guarantee or surety or any other financial facility, the unit amount of which does not exceed the amount established by the Board, unless otherwise deduced from the content of the delegation conferred by the Board. The Executive Committee may also exercise, for duly justified reasons of urgency, the powers attributed to the Board of Directors, as provided in article 8 of these Regulations.

2. The Board of Directors, following a report from the Appointments and Remuneration Committee, shall appoint the Directors to form the Executive Committee. Its Secretary shall be the Secretary of the Board of Directors.
3. The Executive Committee shall consist of a minimum of three (3) and a maximum of five (5) members.
4. The members of the Executive Committee shall resign when they cease to be Directors or when the Board so decides. Vacancies shall be filled as soon as possible by the Board of Directors.
5. The Chairman of the Executive Committee shall be appointed from among its members by the Committee itself. In the event of the absence or inability of the Chairman of the Executive Committee, or in the event of this position becoming vacant, his functions shall be exercised by the member elected for this purpose by the majority of those attending the meeting.
6. The Executive Committee shall hold its ordinary meetings every month in which no meetings of the Board of Directors are scheduled to be held, excluding the month of August, and may hold extraordinary meetings whenever the interests of the company so require.
7. The Executive Committee shall be convened by its Chairman, on his own initiative or when requested by at least two (2) of its members, by e-mail or any other means that allows accreditation of its sending and receipt, addressed to each of its members at least forty-eight (48) hours prior to the date of the meeting, However, the meeting may be called twenty-four (24) hours prior to the date and time of the meeting for reasons of urgency, in which case, the Agenda of the meeting shall be limited to the points that gave rise to the urgency. The following shall be sent together with the notice of each meeting

members of the Executive Committee the relevant documentation to enable them to form their opinion and cast their vote.

8. In the event of the absence or impossibility of the Chairman of the Executive Committee, or in the event of this office becoming vacant, the meeting may be convened by the longest-serving member of the Committee and, in the case of equal seniority, the oldest.
9. Meetings shall be held at the registered office or at any place designated by the Chairman and indicated in the notice of meeting.
10. The Executive Committee shall be validly constituted when the majority of its members are present and represented. Those absent may be represented by another member of the Executive Committee. In any case, non-executive Directors may only be represented by another non-executive Director.
11. The deliberations shall be conducted by the Chairman, who shall give the floor to those who so request.
12. Resolutions shall be adopted by an absolute majority of the members of the Commission.

In the event of a tie, the matter shall be submitted to the Board of Directors, for which purpose the members of the Executive Committee shall request that it be convened in accordance with the provisions of article 29 of these Regulations, unless a meeting of said body has already been convened within the following thirty (30) calendar days, in which case the Committee shall request the Chairman of the Board to include the points on which there has been a tie on the agenda of said meeting.

13. The Executive Committee, through its Chairman, shall report to the Board on the matters dealt with and the decisions adopted by the Committee, and a copy of the minutes of its meetings shall be sent to all Directors.

#### ***Article 41. Audit and Control Committee***

1. The Audit and Control Committee shall be composed of a minimum of three (3) and a maximum of five (5) Directors, who shall be appointed by the Board of Directors, taking into account their knowledge and experience in accounting, auditing and risk management, both financial and non-financial, with all of its members being non-executive Directors and the majority of them being independent.
2. At least one of the independent members of the Audit and Control Committee shall be appointed on the basis of his or her knowledge and experience in accounting and/or auditing.

As a whole, the members of the Committee shall have relevant expertise in relation to the Company's sector of activity.

3. The term of office of the members of the Committee may not exceed their term of office as Directors, without prejudice to their being eligible for re-election indefinitely, insofar as they are also re-elected as Directors.
4. The Committee shall appoint the Chairman from among the independent Directors, and may also appoint a Vice-Chairman. The term of office of these positions may not exceed four years.  
(4) years, and may be re-elected after at least one year has elapsed since they ceased to hold office.

5. The Audit and Compliance Committee shall appoint a Secretary, who may not be a Director, who shall assist the Chairman and shall ensure the smooth running of the Committee, duly reflecting in the minutes the progress of the meetings, the content of the deliberations and the resolutions adopted. Minutes of each meeting shall be taken by the Secretary or whoever is exercising his or her functions and shall be signed by the Secretary of the Commission with the approval of the Chairman. The Committee may appoint a Deputy Secretary, who may not be a Director.
6. By way of example, and without prejudice to other duties that may be entrusted to it by the Board of Directors, the Audit and Compliance Committee shall be responsible for the Audit and Compliance Committee:
  - a) To report to the General Shareholders' Meeting on any issues raised in relation to matters within the Committee's competence and, in particular, on the outcome of the audit, explaining how the audit has contributed to the integrity of the financial information and the role that the Committee has played in this process.
  - b) To serve as a channel of communication between the Board of Directors and the external auditors of the Company, evaluating the results of each audit, and to be responsible for the external auditors:
    - (i) to submit to the Board of Directors proposals for the selection, appointment, re-election and replacement of the Auditor, being responsible for the selection process, in accordance with the provisions of Community law, as well as the terms and conditions of his engagement;
    - (ii) to obtain regular feedback from the external auditor on the audit plan and its implementation, to preserve its independence in the performance of its functions, and to verify that senior management takes its recommendations into account;
    - (iii) discuss with the Company's external auditor any material weaknesses in the internal control system identified in the course of the audit, without compromising the auditor's independence.

To this end, the Audit and Compliance Committee may submit recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up;

- (iv) Establish the appropriate relations with the external auditor to receive information on those matters that may pose a threat to its independence, for examination by the Committee, and any other matters related to the process of auditing the accounts and, where appropriate, the authorisation of services other than those prohibited, in the terms contemplated in the regulations governing the auditing of accounts on the independence regime, as well as those other communications contemplated in the legislation on auditing of accounts and in the auditing standards;
- (v) 1) to request and receive annually from the external auditor a declaration of its independence in relation to the Company or entities directly or indirectly related to it, as well as detailed and individualised information on the additional services of any kind rendered and the corresponding fees received from these entities by the external auditor or by the persons or entities related to it, in accordance with the provisions of the regulations governing the auditing of accounts; 2) to supervise that the external auditor's independence in relation to the Company or entities directly or indirectly related to it, as well as detailed and individualised information on the additional

services of any kind rendered and the corresponding fees received from these entities by the external auditor or by the persons or entities related to it, in accordance with the provisions of the regulations governing the auditing of accounts; 3) to supervise that the

The Company should notify any change of auditor through the CNMV, accompanied by a statement of any disagreements with the outgoing auditor and, if such disagreements exist, their content, and, in the event of resignation of the external auditor, to examine the circumstances giving rise to such resignation; 3) ensure that the Company and the external auditor comply with existing rules on the provision of non-audit services, limits on the concentration of the auditor's business and, in general, other rules on auditor independence, and ensure that the external auditor's remuneration for its work does not compromise its quality or independence; and

- (vi) to encourage the Company's auditor to take responsibility for the audits of the companies that make up the Group.
- c) Annually issue, prior to the issuance of the audit report, a report expressing an opinion on whether the independence of the auditors or audit firms is compromised. This report must contain, in any case, a reasoned assessment of the provision of each and every one of the additional services referred to in section b)(v)1) above, individually considered and as a whole, other than the statutory audit and in relation to the independence regime or to the regulations governing the activity of auditing accounts.
- d) Supervise the Company's internal audit unit, which oversees the proper functioning of the information and internal control systems and which will functionally report to the Chairman of the Committee, with the head of the internal audit function being obliged to submit to the Committee, for its approval, its annual work plan, to report directly to it on its execution, including possible incidents and limitations to the scope that may arise in its development, the results and follow-up of its recommendations, and to submit a report on its activities at the end of each financial year. The Committee shall ensure that its activities are primarily focused on relevant risks (including reputational risks).
- e) Supervise the internal risk management and control unit, which shall have at least the following functions:
  - (i) ensure the proper functioning of the risk control and management systems and, in particular, that all significant risks affecting the Company are identified, managed and adequately quantified;
  - (ii) actively participate in the development of risk strategy and major risk management decisions; and
  - (iii) ensure that risk management and control systems adequately mitigate risks within the framework of the policy defined by the Board of Directors.
- f) Supervise and analyse the effectiveness of the Company's internal control and of the risk control and management policy approved by the Board of Directors, at the proposal of the Committee, ensuring that the Committee identifies or determines at least:
  - (i) the different types of risks (inter alia, operational, technological, including cyber-security and other IT-related, legal, social, environmental, political and reputational, including those related to

corruption) faced by the Company, including financial or economic risks, contingent liabilities and other off-balance sheet risks;

- (ii) a tiered risk management and control model;
  - (iii) the level of risk deemed acceptable by the Company;
  - (iv) the measures envisaged to mitigate the impact of the identified risks, should they materialise; and
  - (v) the information and internal control systems to be used to monitor and manage these risks, including contingent liabilities or off-balance sheet risks.
- g) To supervise and periodically evaluate the Compliance Model established in the Company to prevent crimes, illegal acts or acts contrary to the law or to INMOCEMENTO's Code of Ethics and Conduct, as well as to propose to the Board of Directors the modifications and updates that contribute to its development and continuous improvement.

In particular, the Commission is responsible for this function:

- (i) Ensure the independence and effectiveness of the Compliance Function, proposing to the Board of Directors the appointment and removal of those responsible for the Compliance Function in the Company or, as the case may be, reporting on the proposals.
  - (ii) Report on the proposals made by the Appointments and Remuneration Committee on the appointment and removal of the members of the body in charge of managing the Compliance Model.
  - (iii) Supervise compliance with the Code of Ethics and Conduct and propose to the Board of Directors the necessary proposals for its improvement, receive information from those responsible for the Compliance Function in relation to initiatives to modify the Code of Ethics and Conduct and any other relevant matter for the promotion of knowledge of and compliance with the Code of Ethics and Conduct, proposing to the Board of Directors the appropriate actions for its approval.
  - (iv) Review, through the heads of the Compliance Function, the Company's internal policies and procedures to prevent inappropriate or unlawful conduct, proposing to the Board of Directors any policies or procedures that are more effective in promoting the highest ethical standards for its approval.
  - (v) Receive regular information on the activities of those responsible for the Compliance Function in the Company and annually evaluate their performance.
  - (vi) Approve the annual budget of the Company's Compliance Function, as well as its annual plan of activities, ensuring that it has the material and human resources necessary for the performance of its functions.
- h) Supervise the process of preparation and presentation of the annual accounts and management reports, both individual and consolidated, and of the periodic financial information disclosed to the markets, and submit recommendations or proposals to the Board of Directors, aimed at safeguarding their integrity; ensuring compliance with the

legal requirements and the correct application of generally accepted accounting principles, reporting to the Board of Directors in advance on:

- (i) the financial information and the management report, which shall include, where appropriate, the mandatory non-financial information that the Company must periodically disclose, ensuring that the interim accounts are prepared under the same accounting principles as the annual accounts; and
  - (ii) the creation or acquisition of shares in special purpose vehicles or entities domiciled in countries or territories considered tax havens, as well as any other transactions or operations of a similar nature which, due to their complexity, could undermine the transparency of the INMOCEMENTO Group.
- i) Ensure that the Annual Accounts that the Board of Directors submits to the General Shareholders' Meeting are drawn up in accordance with accounting regulations. In those cases in which the auditor has included a qualification in its audit report, the Chairman of the Audit and Compliance Committee shall clearly explain to the General Meeting the Committee's opinion on its content and scope, and a summary of said opinion shall be made available to the shareholders at the time of publication of the notice of the General Meeting, together with the rest of the proposals and reports of the Board.
- j) In relation to information systems and internal control:
- (i) supervise and assess the preparation process and the integrity of the financial and non-financial information relating to the Company and, where appropriate, its Group, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria;
  - (ii) supervise and periodically assess the internal control and financial and non-financial risk management systems relating to the Company and, where appropriate, its Group, including operational, technological, legal, social, environmental, political, reputational and corruption-related risks, so that the main risks are properly identified, managed and disclosed;
  - (iii) ensuring the independence and effectiveness of the internal audit function, proposing the selection, appointment and removal of the head of the internal audit service, as well as the internal audit service's budget, receiving regular information on its activities and verifying that senior management takes into account the conclusions and recommendations of its reports;
  - (iv) supervise the functioning of the Internal Reporting System established in the Company as a mechanism that allows employees and other persons related to the Company, such as Directors, shareholders, suppliers, contractors or subcontractors, to report potentially significant irregularities, including financial and accounting irregularities, as well as possible breaches of the law and applicable internal regulations detected within the scope of INMOCEMENTO's activities, or of any other nature, related to the Company that they notice within the Company or its Group. This mechanism guarantees confidentiality and provides for the possibility that communications may be made anonymously, respecting, in all cases, the rights of the whistleblower and the reported party; and

- (v) ensuring in general that the policies and systems in place for internal control are effectively implemented in practice.
  - k) Report on Related-Party Transactions to be approved by the General Meeting or the Board of Directors and supervise the internal procedure established by the Company for those whose approval has been delegated in accordance with the applicable regulations.
  - l) Supervise compliance with the Company's environmental, social and corporate governance policies and rules, as well as with internal codes of conduct and, in particular:
    - (i) supervising compliance with the Company's corporate governance rules and internal codes of conduct, and ensuring that the corporate culture is aligned with its purpose and values;
    - (ii) supervise the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. The Committee shall also monitor the way in which the Company communicates and relates to small and medium-sized shareholders;
    - (iii) periodically evaluate and review the Company's corporate governance system and environmental and social policy to ensure that they fulfil their mission of promoting the corporate interest and take into account, as appropriate, the legitimate interests of other stakeholders;
    - (iv) monitor that the Company's environmental and social practices are in line with its strategy and policy; and
    - (v) monitor and evaluate stakeholder engagement processes.
  - m) To issue such reports and proposals as may be requested by the Board of Directors or by the Chairman of the Board and such others as it deems appropriate for the better performance of its duties and, in particular, (i) to issue a report on proposed amendments to these Regulations, in accordance with the provisions of article 4 of these Regulations.3; (ii) to decide on requests for information that the Directors, in accordance with the provisions of article 26.3 of these Regulations, send to this Committee; and (iii) to request, where appropriate, the inclusion of items on the agenda of Board meetings under the conditions and within the time limits established in article 35.4 of these Regulations.
7. The Audit and Compliance Committee shall meet at least quarterly and, in addition, whenever convened by its Chairman, on his own initiative or at the request of two (2) of its members. Each year, the Committee shall draw up an action plan for the year, which it shall report to the Board of Directors, as well as a report on its activities during the year, which shall serve as the basis for the evaluation to be carried out by the Board of Directors.
  8. In the event of the absence or inability of the Chairman of the Audit and Control Committee, or in the event of this office becoming vacant, the meeting may be convened by the longest-serving member of the Committee and, in the event of equal seniority, the oldest.
  9. The deliberations shall be conducted by the Chairman, who shall give the floor to those who so request.



In the event of the absence or inability of the Chairman of the Audit and Compliance Committee, or in the event of this office becoming vacant, his functions shall be exercised by the member elected for this purpose by the majority of those attending the meeting, provided that he is independent.

10. The Audit and Compliance Committee shall regulate its own functioning in all matters not provided for in the Articles of Association and these Regulations.

***Article 42. Appointments and Remuneration Committee***

1. The Appointments and Remuneration Committee shall be composed of a minimum of three (3) and a maximum of five (5) Directors who shall be appointed by the Board of Directors, all of its members being non-executive Directors, of whom at least two (2) must be independent Directors.
2. The term of office of the members of the Appointments and Remuneration Committee may not exceed their term of office as Directors, without prejudice to the possibility of their being re-elected indefinitely, to the extent that they are also re-elected as Directors.
3. The Commission shall appoint the Chairman from among its independent members, and may also appoint a Vice-Chairman.

The Committee shall appoint a Secretary, who may not be a Director, who shall assist the Chairman and shall ensure the smooth running of the Committee, taking care to duly record the proceedings of the meetings, the content of the deliberations and the resolutions adopted in the minutes. Minutes of each meeting shall be taken by the Secretary or whoever is exercising his or her functions and shall be signed by the Secretary of the Commission with the approval of the Chairman. The Committee may appoint a Deputy Secretary, who may not be a Director.

4. By way of example, and without prejudice to other duties that may be entrusted to it by the Board of Directors, the Appointments and Remuneration Committee shall be responsible for the following:
  - a) Assess the skills, knowledge and experience required on the Board of Directors. To this end, it shall define the functions and skills required of the candidates to fill each vacancy and assess the time and dedication necessary for them to perform their duties effectively, ensuring that the non-executive Directors have sufficient time available for the proper performance of their duties.
  - b) Examine and organise the succession of the Chairman of the Board of Directors and the chief executive and, if necessary, make proposals to the Board of Directors to ensure that this succession takes place in an orderly and planned manner.
  - c) To submit to the Board of Directors proposals for the appointment of independent Directors for appointment by co-option or for submission to the decision of the General Meeting of Shareholders, as well as proposals for the re-election or removal of such Directors by the General Meeting of Shareholders.
  - d) To report on proposals for the appointment of the remaining Directors for appointment by co-option or for submission to the decision of the General Shareholders' Meeting, as well as proposals for their re-election or removal by the General Shareholders' Meeting.
  - e) To report on proposals for the appointment and removal of Senior Executives, as well as to propose the basic conditions of their contracts. And likewise, to propose the persons or

positions that

should be considered Senior Officers of the Company, in addition to those contemplated in article 2.2 of these Regulations, and drawing up the proposals for reprimands referred to in article 18.2.d) of these Regulations.

It shall also report in advance on appointments to posts or positions whose annual remuneration is equal to or greater than the figure established by the Committee in each case, and shall inform the Board of Directors of such appointments.

- f) Propose to the Board of Directors the remuneration policy for Directors and general managers or those who perform their senior management duties under the direct supervision of the Board, the Executive Committee or the Chief Executive Officer, as well as the individual remuneration and other contractual conditions of executive Directors, verifying compliance therewith.

It shall also report and make proposals on multi-year incentive plans affecting the Company's senior management and, in particular, those that may be established in relation to the value of the shares.

- g) Report to the Board of Directors, in advance, on the individual determination of the remuneration of each Director in his capacity as such within the framework of the Articles of Association and the remuneration policy, as well as on the individual determination of the remuneration of each Director for the performance of the executive duties attributed to him within the framework of the remuneration policy and in accordance with the provisions of his contract.
- h) Periodically review the remuneration policy applied to Directors and Senior Executives, including, where appropriate, share-based remuneration schemes and their application, and ensure that their individual remuneration is proportionate to that paid to other Directors and Senior Executives of the Company, as well as verify the information on remuneration of Directors and Senior Executives contained in the various corporate documents, including the Annual Report on Directors' Remuneration.
- i) Assist the Board in its function of ensuring that the procedures for selecting its members favour equality between women and men, as well as diversity with respect to matters such as age, disability or professional training and experience, and do not suffer from implicit biases that could imply any discrimination and, in particular, that they facilitate the selection of female directors in a number that allows a balanced presence of women and men, so that the company deliberately seeks and includes among the potential candidates, women who meet the professional profile sought, and the Board must explain, if appropriate, through the Annual Corporate Governance Report, the reason for the low or nil number of female directors and the initiatives adopted to correct such a situation.

For this purpose, it should set a target for representation of the under-represented sex on the board and develop guidance on how to achieve this target.

- j) To report on proposals for the appointment of members of the Board of Directors' Committees.

- k) To report on the appointment of the Chairman of the Board and the Vice-Chairmen, as well as to report on the appointment and removal of the Secretary and, where appropriate, Deputy Secretary of the Board.
  - l) Verify the category of Directors as set out in article 6.3.
  - m) To report, in advance, to the Board of Directors on all matters provided for by law, the Articles of Association and these Regulations of the Board.
  - n) Receive the updated situation register on personal information provided by Senior Officers and Directors, as set out in article 24 of these Regulations.
  - o) To request, where appropriate, the inclusion of items on the agenda of Board meetings, under the conditions and within the deadlines established in article 35.4 of these Regulations.
  - p) Ensure that potential conflicts of interest do not impair the independence of the external advice provided to the Commission.
5. When dealing with matters relating to executive Directors and Senior Executives, the Appointments and Remuneration Committee shall consult the Chairman and the chief executive of the Company. Likewise, any Director may request the Appointments and Remuneration Committee to consider potential candidates to fill vacancies on the Board.
  6. The Committee shall meet at least quarterly and, in addition, whenever convened by its Chairman, on his own initiative or at the request of two (2) of its members. Each year, the Committee shall draw up an action plan for the year, which it shall report to the Board, as well as a report on its activities during the year, which shall serve as the basis for the evaluation to be carried out by the Board of Directors.
  7. In the absence or inability of the Chairman of the Appointments and Remuneration Committee, or in the event of vacancy, the meeting may be convened by the longest-serving member of the Committee and, in the event of equal seniority, the oldest.
  8. The deliberations shall be conducted by the Chairman, who shall give the floor to those who so request.

In the event of the absence or inability of the Chairman of the Appointments and Remuneration Committee, or in the event of this position becoming vacant, his functions shall be exercised by the member elected for this purpose by the majority of those attending the meeting, provided that he holds the category of independent.

9. The Appointments and Remuneration Committee shall regulate its own functioning in all matters not provided for in the Articles of Association and these Regulations.

## **CHAPTER X. CORPORATE WEBSITE**

### ***Article 43. INMOCEMENTO corporate website***

1. The Company shall have a corporate website ("www.inmocemento.es") in accordance with the terms established in the Capital Companies Act, to enable shareholders to exercise their right to information and to publish the mandatory documents and information.

in accordance with the law, the Articles of Association and other internal regulations of INMOCEMENTO, as well as to disseminate all information that is relevant either to all those who have a direct or indirect interest in the Company, or for the purposes of securities market regulations.

2. The Board of Directors shall be responsible for establishing the content of the information that must appear on the website, in accordance with current legislation, the Articles of Association and other internal regulations of INMOCEMENTO, as well as its constant updating.
3. The modification and relocation of the Company's website is a matter for the Board of Directors.

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