

Policy for selecting Directors and diversity for the Board of Directors

Introduction

The Board of Directors of Elecnor recognises that transparency in all its actions, including the process for selecting directors, is key to its corporate governance strategy.

To this end, the Board of Directors has approved this policy for the selection of Directors, which ensures that proposed appointments of Directors of the Company are based on a prior analysis of needs.

Elecnor's Board of Directors shall be made up of the number of Directors which, within the limits established by the Bylaws and by Regulations of the Board of Directors, is approved by the General Shareholders' Meeting.

The persons proposed for appointment as Directors must satisfy the requirements established under prevailing legislation, in the Bylaws, and in the Regulations of the Board of Directors.

In light of the above, the Directors must satisfy the requirements and possess the skills to carry out their duties, be honest and have an appropriate personal and professional reputation, be upright professionals whose conduct and professional career reflect the principles established in our Code of Ethics and the vision and values of the Group and possess the knowledge and experience required to perform their duties and, ultimately, practice good governance of the Company.

Objectives

The selection objectives for members of the Board of Directors must help to achieve an appropriate composition of the governing bodies of Elecnor, so that they are able to correctly exercise the powers attributed to them by Law, the Bylaws and the Regulations of the Board of Directors.

The Board of Directors shall aim to identify the most suitable candidates at all times, according to the needs of the governing bodies of the company and its business activities.

Procedures

The Board of Directors and the Appointments and Remuneration Committee shall be responsible for the selection processes for Board members.

The procedures for selection shall be formulated so as to foster diversity of experience, knowledge, skills and gender; and so that, in general, they do not suffer from implicit biases that may entail any discrimination.

Particular attention will be paid to ensure that the selection procedures do not entail any form of discrimination during the selection of Directors, in keeping with our Corporate Governance goals.

When the Appointments and Remuneration Committee or the Board of Directors is seeking a professional profile, it will first take into consideration the company's interests. However, if there are 2 professional profiles which are similar, the one of the least represented gender will be selected.

Every effort will also be made to ensure that there is a reasonable balance between the different types of Directors in the composition of the Board of Directors, and that non-executive Directors represent a broad majority over executive Directors, endeavouring in addition to ensure that the number of Independent Directors is in line with Corporate Governance goals.

When selecting candidates efforts shall also be made to ensure an appropriate overall balance in the Board of Directors which enriches decision-making and provides a plurality of perspectives when debating matters within its authority.

Regarding the procedures for appointing, re-electing and/or renewing Directors that the Board of Directors submits to the General Shareholders' Meeting or for appointments that are made directly to fill vacancies, by exercising the powers of co-opting, will require a proposal or report from the Appointments and Remuneration Committee, depending on the type of Director.

All of these procedures will also wholly comply with the provisions of the company's Bylaws and of the Regulations of the Board of Directors, as well as with the provisions on good corporate governance.

The Company may receive independent external advice both for prior analysis of the Group's needs and for the validation or proposal of candidates for Director.

Requirements

Proposed candidates for appointment as Directors of Elecnor must have the appropriate skills, experience and qualifications, both personal and professional; be persons of recognised personal and professional repute, have the necessary aptitude and ability to fulfil their duties; and have the availability and commitment required to properly exercise their functions.

Candidates must also fulfil the requirements established in the company's Bylaws, in the Regulations of the Board of Directors and in the provisions on Good Corporate Governance, in order to properly perform their duties as Director, and in particular those related to the duty of care and loyalty, avoiding situations of conflict of interest or of incompatibility.

Supervision of the policy

The Board of Directors shall periodically evaluate the effectiveness of this policy and take appropriate measures to address deficiencies, making any changes it deems appropriate.

Without prejudice to the foregoing, the Appointments and Remuneration Committee shall verify compliance with this policy on an annual basis, reporting its findings to the Board of Directors.

Entry into force

This policy, at the proposal of the Appointments and Remuneration Committee, was approved by Elecnor's Board of Directors at its meeting on the 22 of november 2017 and entered into force at the time of its approval.