

**REPORT BY THE BOARD OF DIRECTORS OF INTERNATIONAL  
CONSOLIDATED AIRLINES GROUP, S.A. IN RELATION TO ITEMS 11, 12 AND 13 ON THE  
AGENDA FOR THE 2024 ANNUAL SHAREHOLDERS'  
MEETING**

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The Board of Directors of International Consolidated Airlines Group, S.A. (the “**Company**”) has issued this report in relation to items 11, 12 and 13 on the agenda for the Shareholders’ Meeting called for 25 June 2024, on first call, and for 26 June 2024, on second call, referring to:

- a) the proposed authorisation to the Board of Directors, pursuant to the provisions of Article 297.1.b) of the Spanish Companies Act (*Ley de Sociedades de Capital*), to resolve to increase the share capital and issue new shares (item 11 on the agenda);
- b) the proposed authorisation to the Board of Directors to issue convertible and/or exchangeable securities, including warrants (item 12 on the agenda); and
- c) the proposed authorisation to the Board of Directors, pursuant to the provisions of Articles 506 and 511 of the Companies Act, to exclude the shareholders’ pre-emptive subscription rights in connection with the capital increases and issuances of convertible and/or exchangeable securities referred to, respectively, under paragraphs a) and b) above (item 13 a) and b) on the agenda).

In view of the interdependence of the limits to which these authorisations relate, the Board of Directors has considered it more appropriate to issue a single report covering the three items on the agenda, in order to facilitate the understanding of the explanations and justifications provided by the directors according to the applicable law.

**1. PROPOSED AUTHORISATION TO THE BOARD OF DIRECTORS, PURSUANT TO THE PROVISIONS OF ARTICLE 297.1.B) OF THE COMPANIES ACT, TO RESOLVE TO INCREASE THE SHARE CAPITAL**

**1.1 Introduction**

Under this section and in accordance with Articles 285, 296.1, 297.1.b) and 506 of the Companies Act, a detailed explanation and justification is provided, for the purposes required by the applicable legislation, in relation to the requested authorisation for the Board of Directors, in accordance with the provisions of Article 297.1.b) of the Companies Act (and with powers of substitution), to resolve to increase the share capital of the Company, which may be executed on one or more occasions and for a term ending at next year’s annual Shareholders’ Meeting (or, if earlier, fifteen months from the date of passing the resolution).

This proposed authorisation to increase the share capital is for an amount up to 50 per cent of the share capital on the date of passing the resolution (such amount to be reduced by the maximum amount that the share capital may need to be increased on the conversion or exchange of any securities issued under resolution 12).

It is to be noted that, pursuant to Spanish law as it applies to the Company, if this authorisation is used and a capital increase is executed pursuant to it, shareholders shall have pre-emptive rights (unless excluded as explained in section 3 below) and will therefore have the right to subscribe for the new shares in proportion to their existing shareholdings. These pre-emptive rights, as a matter of law, will be represented by securities decoupled from the shares to which they relate, and which may be separately traded for a period before payment for the subscription is due. Therefore, any such capital increase (unless the pre-emptive rights are excluded as explained in section 3 below) will take the form of a “rights issue” in accordance with the Listing Rules made under Part IV of the United Kingdom Financial Services and Markets Act 2000.

In this regard, the Company adheres to the provisions in the Investment Association Share Capital Management Guidelines as if they applied to a Spanish incorporated company. Under the Spanish Companies Act applicable to IAG, any capital increase pursuant this authorisation will consist entirely of a “rights issue” since under Spanish law preferential subscription rights are always separate transferable securities for a period prior to the completion of the subscription, so that this authority will be applied in its entirety to fully pre-emptive rights issues.

Article 297.1.b) of the Companies Act establishes that the shareholders’ meeting may delegate to the Board of Directors the power to resolve to increase the share capital on one or more occasions up to a fixed amount (not exceeding 50 per cent of the share capital at the date of passing the relevant resolution), at the time and in the amount it decides, without convening another shareholders’ meeting beforehand.

## **1.2. Justification for the proposal**

The Board of Directors considers that the proposed resolution is justified by the advisability of having a mechanism, provided for in the corporate legislation in force, that allows the Board to resolve to increase capital on one or more occasions, without having to subsequently call and hold another shareholders’ meeting, albeit within the limits, terms and conditions decided by this Shareholders’ Meeting.

Companies need to be able to use the options available to them under current legislation to respond quickly and efficiently to needs arising in the course of business. These needs undoubtedly include the need to provide the company with fresh funds, which may take the form of new capital contributions.

However, it is often impossible to determine a company’s capital requirements in advance, and a requirement to call a shareholders’ meeting in order to increase capital would obviously entail delays and increased costs, making it more difficult for the company to provide a quick and efficient response to the needs of the market. It is therefore advisable for the board to be able to use the authorised capital mechanism provided for in Spanish legislation. With this prior authority granted to the Board of Directors, the Company will be able to raise capital, in the terms previously approved by the Shareholders’ Meeting, without the delay and additional cost that would be involved if the Company was required to call another shareholders’ meeting.

The use of the delegation provided for in Article 297.1.b) of the Companies Act allows the Company to provide the Board of Directors with a quick and flexible mechanism to better respond to the needs of the Company, according to the circumstances of the market.

In view of the above, a proposal is submitted to the Shareholders' Meeting to delegate to the Board of Directors the power to resolve to increase the share capital of the Company, on one or more occasions, up to the maximum aggregate nominal amount of 50 per cent of the share capital as at the date of passing the resolution.

Capital increases carried out under the proposed delegation would be effected by the issue and placing on the market of new shares against cash contributions.

The power thus delegated shall also extend to the establishment of the various specific terms and conditions of each capital increase and the terms and conditions of shares to be issued, including the power to decide that, if the capital increase is not fully subscribed, the share capital will be increased only by the amount of the shares subscribed, in accordance with the provisions of Article 311.1 of the Companies Act, to amend the article of the bylaws relating to the share capital and to apply for the listing of the new shares.

The authorisation proposed to the Shareholders' Meeting will expire once fifteen months have elapsed from the date of the passing of the resolution or at the conclusion of the annual Shareholders' Meeting of the Company held in 2025, whichever is earlier.

## **2. PROPOSAL TO GRANT AUTHORISATION TO THE BOARD OF DIRECTORS TO ISSUE CONVERTIBLE AND/OR EXCHANGEABLE SECURITIES**

### **2.1 Introduction**

Under this section, justification is provided for the proposal to grant authorisation to the Board of Directors, with powers of substitution, to issue securities (including, in particular, warrants, debentures and bonds) exchangeable for or giving the right to acquire shares of the Company and/or convertible into or giving the right to subscribe new shares of the Company, pursuant to the general provisions governing the issuance of debentures and the provisions of Articles 286, 297 and 511 of the Companies Act, and Article 319 of the Mercantile Registry Regulations (*Reglamento del Registro Mercantil*), up to a maximum nominal amount of 1,500,000,000 euros or the equivalent thereof in another currency, provided that the total share capital to be increased upon conversion or exchange of all such securities shall not exceed 50 per cent of the share capital as at the date of passing the resolution (such amount to be reduced by the amount by which the share capital has been increased under resolution 11).

It is to be noted that, pursuant to Spanish law as it applies to the Company, if this authorisation is used and convertible securities are issued pursuant to it, shareholders shall have pre-emptive rights (unless excluded as explained in section 3 below) and, therefore, will have the right to subscribe for the new convertible securities in proportion to their prior shareholdings and that such pre-emptive rights, as a matter of law, will be represented by securities decoupled from the shares to which they relate and which may be separately traded for a period before payment for the subscription is due.

The Company adheres to the provisions in the Investment Association Share Capital Management Guidelines as if they applied to a Spanish incorporated company. Under the Spanish Companies Act, applicable to IAG, any capital increase pursuant to this authorisation will entirely consist of a “rights issue” since, as a matter of Spanish law, preferential subscription rights are always separate transferable securities for a period prior to completion of the subscription, so that this authority will be applied in their entirety to fully pre-emptive rights issues.

The Board of Directors deems it a prudent to hold the powers which may be delegated under the applicable legislation in order to be able to raise at any time in primary securities markets the funds necessary to a properly manage the interests of the Company. In addition, the Board of Directors considers it important that, , the Company has enough flexibility to raise capital in the ordinary course of business in the manner and at the time it considers from time to time.

## **2.2 Justification for the proposal**

The purpose of the delegation is to provide the Company’s Board of Directors with the room for manoeuvre and capacity to respond as required by the competitive environment in which the Company operates, where the success of a strategic initiative or financial transaction or the ability to raise funds often depends on the ability to act quickly, avoiding the delays and costs entailed in calling and holding a shareholders’ meeting. Thus, the Board of Directors will be empowered, as necessary, to raise the required funds in a short period of time and with the necessary flexibility.

The issuance of securities convertible into and/or exchangeable for shares is a means of raising debt financing for companies.. These securities have the advantage of offering investors the opportunity to convert the debt owed to them by the Company into shares, with a potentially higher return than that offered by other debt instruments and of enabling the Company to increase its equity. These characteristics mean that the coupon of convertible and/or exchangeable debentures is usually lower than the cost of simple debt securities and of bank debt, since the debenture interest rates reflect the value of the option conferred on investors to convert the debentures into Company shares. In addition, the flexibility of the convertible or exchangeable securities, depending on the circumstances and the funding environment, could be a cost-efficient form for financing which will therefore benefit the Company and its shareholders.

Against this background, this proposal for a resolution is submitted to the General Meeting for consideration, in accordance with the provisions of the applicable legislation. In the case of warrants, it is specifically provided that the legal and contractual rules governing convertible and/or exchangeable debentures will apply, to the extent that they are compatible with their specific nature.

The proposal specifically confers on the Board of Directors the power to issue, on one or more occasions, convertible and/or exchangeable securities (including debentures and bonds) and warrants granting options to subscribe for new shares of the Company or to acquire existing shares of the Company and to resolve, where appropriate, on the capital increase necessary to carry out the conversion or to exercise the right to subscribe for shares, provided that this capital

increase does not exceed the unused limit authorised from time to time by the Shareholders' Meeting in accordance with the provisions of Article 297.1.b) of the Companies Act.

The proposed resolution sets the maximum nominal amounts for which authorisation is requested at 1,500,000,000 euros (or its equivalent in another currency), provided that the total amount by which the share capital may need to be increased upon conversion or exchange of all such securities shall not exceed the above limit and therefore the limit for the issuance of convertible and/or exchangeable securities shall be reduced by the amount already utilised if the share capital is increased pursuant to resolution 11 above.

If approved, this resolution would give the Board of Directors the opportunity, to issue convertible and/or exchangeable securities if it considers that it is for the benefit of the Company's financing.

The proposed resolution to be submitted to the Shareholders' Meeting for approval also establishes the criteria for determining the basis for and terms and conditions of the conversion and/or exchange, although it entrusts the Board of Directors, in the event that it decided to exercise the authorisation granted, determining some of the basis for and terms and conditions of each issuance, within the limits and in accordance with the criteria established by the Shareholders' Meeting.

Therefore, the Board of Directors will be responsible for determining the specific conversion ratio, and for such purpose it will issue, on approving an issue of convertible and/or exchangeable securities delegated under the authorisation conferred by the Shareholders' Meeting, a report detailing the specific basis for and terms and conditions of the conversion applicable to such issue, which will also be the subject of the correlative report by the auditors referred to in Articles 414 and 511 of the Companies Act.

Specifically, the proposed resolution submitted for approval to the Shareholders' Meeting by the Board of Directors provides that, for the purposes of the conversion or exchange, the securities issued under this authorisation will be valued at their nominal amount and the shares at the fixed exchange ratio (determined or to be determined) or at a variable ratio to be determined in the relevant Board resolution.

Accordingly, the Board of Directors deems that it is given sufficient margin of flexibility in order to set the value of the shares for the purposes of the conversion according to market terms and other applicable considerations.

In the case of warrants to subscribe for new shares, the rules governing convertible debentures contained in the proposal will apply, to the extent that they are compatible with their specific nature.

Furthermore, pursuant to Article 415.2 of the Companies Act, the resolution to delegate to the Board of Directors the power to issue convertible securities provides that, for the purposes of their conversion, the nominal value of the debentures may not be lower than the par value of the shares, neither may convertible debentures be issued for an amount less than their nominal value.

It is also provided that the securities issued under this delegation may be listed on the appropriate secondary markets, whether Spanish or foreign, official or unofficial, organised or otherwise.

It could be advisable to issue the securities under this authorisation through a subsidiary with the guarantee of the Company. As a result, it is deemed to be of interest that the Shareholders' Meeting authorise the Board of Directors to guarantee, on behalf of the Company and within the limits set forth above, issues of convertible and/or exchangeable securities and/or warrants by subsidiaries during the effective period of the resolution, in order to grant maximum flexibility to the Board of Directors to structure security issues in the most appropriate manner, according to the circumstances.

All powers conferred on the Board of Directors if the resolution is adopted shall be conferred with the express power of substitution, in order to further contribute to the pursued aim of expediting transactions as much as possible.

### **3. PROPOSED AUTHORISATION TO THE BOARD OF DIRECTORS TO EXCLUDE PRE-EMPTIVE RIGHTS IN CONNECTION WITH THE CAPITAL INCREASES AND THE ISSUANCES OF CONVERTIBLE OR EXCHANGEABLE SECURITIES**

#### **3.1 Introduction**

Under this section and in accordance with the provisions of Articles 506 and 511 of the Companies Act, a detailed explanation and justification is provided, for the purposes required by the applicable legislation, in relation to the proposed authorisation to the Board of Directors, with the express power of substitution, to totally or partially exclude the shareholders' pre-emptive subscription rights in connection with the capital increases and the issuances of convertible or exchangeable securities that the Board of Directors may approve under the authorisations given under resolutions 11 and 12 (if passed and executed), subject to an aggregate maximum nominal amount of the ordinary shares so allotted and that may be allotted on conversion or exchange of such securities of: (a) 10 per cent of the aggregate nominal amount of the Company's issued ordinary share capital (excluding any shares held in treasury) as at the date of passing the resolution to be issued on an unrestricted basis; and (b) an additional 10 per cent of the aggregate nominal amount of the Company's issued ordinary share capital (excluding any shares held in treasury) as at the date of passing the resolution to be used for either an acquisition or specified capital investment.

In accordance with the provisions of Articles 506 and 511 of the Companies Act, should the Board of Directors decide to exclude the shareholders' pre-emptive subscription right in any or all issues of shares or convertible and/or exchangeable securities it decides to make under the delegations, it must prepare, on adopting the relevant issuance resolution, a report detailing the specific reasons in the corporate interests that justify such measure and such other content as required by Articles 308 (for the issuance of shares) and 417 (for issuance of convertible and/or exchangeable securities) of the Companies Act, which may also be the subject of the correlative report by an auditor appointed by the Mercantile Registry other than the Company's auditor, according to the Companies Act. These reports must be made available to shareholders and communicated to the first shareholders' meeting held following the issuance resolution.

In addition, in the case of issues of shares excluding the pre-emption subscription right of the shareholders, the issue price of the new shares (nominal value of the shares to be issued plus any share premium) must match the fair value resulting from the auditors' report.

It is also common practice for Spanish listed companies to seek periodically the shareholders' meeting approval to delegate to the board the authority to exclude the pre-emptive rights for a percentage of its share capital in respect of capital increases and or convertible and/or exchangeable securities, so the board is prepared to raise funds for the company, within the terms approved by the shareholders' meeting, excluding the pre-emptive rights.

In accordance with UK standards, it is the Company's intention to comply with the latest applicable Pre-emption Group Statement of Principles in the case of implementing a non-pre-emptive offer.

This resolution, if passed, will authorise the Board of Directors to exclude pre-emptive rights when raising capital (through a capital increase or issuance convertible and/or exchangeable securities according to resolutions 11 and 12 above), up to (a) 10 per cent of the aggregate nominal amount of the Company's issued ordinary share capital (excluding any shares held in treasury) as at the date of passing the resolution to be issued on an unrestricted basis; and (b) an additional 10 per cent of the aggregate nominal amount of the Company's issued ordinary share capital (excluding any shares held in treasury) as at the date of passing the resolution to be used for either an acquisition or specified capital investment.

The Spanish Companies Act and the Spanish Good Governance Code of Listed Companies allows the Board to be authorised to issue new shares or convertible securities excluding pre-emptive rights up to a maximum of 20 per cent of the company's issued share capital. Nonetheless, the Board of Directors adheres to the provisions in the UK Pre-emption Group's Statement of Principles and therefore limits the authority sought to 10 per cent of the issued share capital of the Company on an unrestricted basis and an additional 10 per cent of the aggregate nominal amount of the Company's issued ordinary share capital to be used either for an acquisition or for specified capital investment of the type contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the UK Pre-Emption Group prior to the date of this notice.

### **3.2 Justification for the proposal**

The Board of Directors considers that this power to exclude pre-emptive rights, supplemental to the power to issue shares and convertible and/or exchangeable securities, is justified for various reasons.

Firstly, the elimination of the pre-emptive rights usually allows for a relative reduction in the costs associated with the transaction (including, in particular, the fees of the financial institutions participating in the issue) and therefore to raise capital at a lower cost compared to an issue including the pre-emptive rights.

Secondly, by having the authority to eliminate the pre-emptive rights, the Board of Directors can significantly shorten the response time often required by the current financial markets, enabling the Company to take advantage of periods in which the market conditions are most favourable.

Furthermore, the elimination of the pre-emptive rights has a less distortive effect on the trading of the Company's shares during the issue period, which tends to be shorter than an issue with rights.

In conclusion, the globalisation of financial markets and the speed and flexibility with which operations take place on those markets make it necessary for the Board of Directors to have flexible and suitable instruments in order to provide an appropriate response to the needs, from time to time, of the corporate interest, and the above-mentioned delegation to the Board of Directors of the power to exclude, as the case may be, the pre-emptive right should form an integral part of this strategy.

#### **4. PROPOSED RESOLUTIONS**

Set out below is the wording of resolutions 11, 12 and 13 proposed to the Shareholders' Meeting.



**11.- AUTHORISATION TO THE BOARD OF DIRECTORS, WITH THE EXPRESS POWER OF SUBSTITUTION, TO INCREASE THE SHARE CAPITAL PURSUANT TO THE PROVISIONS OF ARTICLE 297.1.B) OF THE COMPANIES ACT.**

**RESOLUTION 11**

*“To authorise the Board of Directors, to the fullest extent required under applicable law, with express power of substitution, and in accordance with Article 297.1.b) of the Companies Act (Ley de Sociedades de Capital), to increase the share capital of the Company on one or more occasions and when required, through the issuance and placement into circulation of new shares (with or without a premium) the consideration for which shall be cash contributions, under the following terms:*

*1.- Term of the authorisation.- The capital increases subject to this authorisation may be done within a term ending at next year’s annual Shareholders’ Meeting (or, if earlier, 15 months from the date of passing of this resolution).*

*2.- Maximum amount authorised.- The aggregate maximum amount of the issuance or issuances of ordinary shares shall be 50 per cent of the share capital on the date of passing this resolution (such amount to be reduced by the maximum amount that the share capital may need to be increased on the conversion or exchange of any securities issued under resolution 12).*

*3.- Scope of the authorisation.- The Board of Directors may establish, as to all matters not otherwise contemplated, the terms and conditions of the share capital increase and may also freely offer the new shares that are not subscribed for within the period or periods for the exercise of pre-emptive rights. The Board of Directors may also resolve that, in the event of incomplete subscription, the share capital shall be increased only by the amount of the subscriptions made and amend the article of the bylaws relating to share capital and number of shares.*

*4.- Admission to listing.- The Company shall, when appropriate, apply for listing on regulated markets, multilateral trading systems or other secondary markets, organised or otherwise, official or unofficial, Spanish or foreign, of the shares issued under this authorisation and the Board of Directors shall be authorised to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the various Spanish or foreign securities markets.*

*5.- Power of delegation.- The Board of Directors is expressly authorised to delegate the powers sub-delegated thereto under this resolution, as permitted by Article 249.bis I) of the Companies Act.”*

**12.- AUTHORISATION TO THE BOARD OF DIRECTORS, WITH THE EXPRESS POWER OF SUBSTITUTION, TO ISSUE SECURITIES (INCLUDING WARRANTS) CONVERTIBLE INTO AND/OR EXCHANGEABLE FOR SHARES OF THE COMPANY. ESTABLISHMENT OF THE CRITERIA FOR DETERMINING THE BASIS FOR AND THE TERMS AND CONDITIONS APPLICABLE TO THE CONVERSION OR EXCHANGE.**

**RESOLUTION 12**

*“To authorise the Board of Directors, with the express power of substitution, pursuant to the general provisions governing the issuance of debentures and the provisions of Articles 286, 297 and 511 of the Companies Act (Ley de Sociedades de Capital) and Article 319 of the Regulations of the Mercantile Registry (Reglamento del Registro Mercantil), to issue securities under the following terms:*

*1.- Securities to be issued. - The securities contemplated in this authorisation may be debentures, bonds and other debt securities that are exchangeable for shares of the Company and/or convertible into shares of the Company, as well as warrants (options to subscribe for new shares of the Company or to acquire existing shares of the Company).*

*2.- Term of the authorisation.- The securities subject to this authorisation may be issued on one or more occasions and when required, within the term ending at next year’s annual Shareholders’ Meeting (or, if earlier, 15 months from the date of passing of this resolution).*

*3.- Maximum amount authorised.- The maximum aggregate nominal amount of the issuance or issuances of securities approved under this delegation shall be 1,500,000,000 euros or the equivalent thereof in another currency, provided that the aggregate share capital that may need to be increased on the conversion or exchange of all such securities may not be higher than 50 per cent of the share capital as at the date of passing this resolution (such amount to be reduced by the amount that the share capital has been increased under resolution 11).*

*4.- Scope of authorisation.- This authorisation extends as broadly as is required under law, to the establishment of the various terms and conditions of each issuance. By way of example and not of limitation, the Board of Directors shall be authorised to do the following with respect to each issuance: determine the amount thereof, always within the aforementioned overall quantitative limit; the place of issuance (in Spain or abroad); the domestic or foreign currency, and in the case of a foreign currency, its equivalence in euros; the name or form of the securities, whether they be bonds or debentures, including subordinated debentures, warrants (which may in turn be settled by means of the physical delivery of the shares or, if applicable, through the payment of differences in price), or any other name or form permitted by law; the date or dates of issuance; the number of securities and the par value thereof, which, in the case of convertible and/or exchangeable bonds or debentures, shall not be less than the par value of the shares; in the case of warrants and similar securities, the issue price and/or premium, the exercise price (which may be fixed or variable) and the procedure, period and other terms and conditions applicable to the exercise of the right to subscribe for the underlying shares or, if applicable, the exclusion of such right; the interest rate (whether fixed or variable), and the dates and procedures for payment of the coupon; whether the issuance is perpetual or subject to repayment and, in the latter case, the repayment period and the maturity date or dates; guarantees, reimbursement rate, premiums and lots; the form of representation, as securities or book entries; anti-dilution provisions; the rules applicable to subscription; the rank of the securities and the subordination clauses, if any; the law applicable to the issuance; the power to make application, where*

*appropriate, for the listing of the securities to be issued on Spanish or foreign, official or unofficial, organised or other secondary markets, subject to the requirements established by applicable regulations in each case; and, in general, any other terms of the issuance as well as, if applicable, the appointment of the security-holders' syndicate representative (comisario) and the approval of the basic rules that are to govern the legal relationships between the Company and the syndicate of holders of the securities to be issued, in the event that such syndicate must or is decided to be created.*

*5.- Basis for and terms and conditions applicable to the conversion and/or exchange.- In the case of issuance of convertible and/or exchangeable debentures or bonds, and for purposes of determining the basis for and the terms and conditions applicable to the conversion and/or exchange, it is resolved to establish the following criteria:*

- a) The securities issued pursuant to this resolution shall be convertible into shares of the Company and/or exchangeable into shares of the Company, in accordance with a fixed or variable conversion and/or exchange ratio determined or to be determined, with the Board of Directors being authorised to decide whether they are convertible and/or exchangeable, as well as to determine whether they are mandatorily or voluntarily convertible and/or exchangeable, and if voluntarily, at the option of the holder thereof and/or of the Company, at the intervals and during the period established in the resolution providing for the issuance.*
- b) In the event that the issuance is convertible and exchangeable, the Board may also provide that the issuer reserves the right at any time to elect between conversion into new shares or the exchange thereof for outstanding shares of the Company, with the nature of the shares to be delivered being determined at the time of conversion or exchange, and may also elect to deliver a combination of newly-issued shares and existing shares of the Company and even to settle the difference in cash.*
- c) For purposes of the conversion and/or exchange, the securities shall be valued at the nominal amount thereof (including, should it be the case, accrued and not paid interests), and the shares at the fixed exchange ratio established in the resolution of the Board of Directors whereby this authorisation is exercised, or at a variable ratio to be determined on the date or dates specified in such resolution of the Board, based on the listing price of the Company's shares on the date(s) or during the period(s) used as a reference in such resolution, at a premium or at a discount, provided, however, that if a discount is established on the price per share, it shall not be greater than 25 per cent of the value of the shares used as a reference value as set forth above.*
- d) In no event may the value of the share for purposes of the ratio for conversion of debentures into shares be less than the par value thereof. In addition, pursuant to the provisions of Article 415 of the Companies Act, debentures may not be converted into shares when the nominal value of the former is less than the par value of the latter.*

*6.- Basis and terms and conditions for the exercise of warrants.- In the case of issuances of warrants, to which the provisions of the Companies Act on convertible debentures shall apply by analogy, the Board of Directors is authorised to determine, in the broadest terms, in connection with the basis for and the terms and conditions applicable to the exercise of such warrants, the criteria applicable to the exercise of rights to subscribe for or of rights to acquire shares of the*

*Company arising from the securities of this kind issued under the delegation granted hereby. The criteria set forth in section 5 above shall apply to such issuances, with such adjustments as may be necessary in order to bring them into compliance with the legal and financial rules governing these kinds of securities.*

*7.- Other powers delegated.- This authorisation to the Board of Directors also includes, without limitation, the delegation thereto of the following powers:*

- a) The power to increase the share capital to the extent required to attend requests for conversion and/or for exercise of the right to subscribe for new shares. These powers may only be exercised so long as the capital increase the Board of Directors approves for the issue of convertible securities or warrants does not exceed the unused limit authorised in each moment by the Shareholders' Meeting in accordance with Article 297.1.b) of the Companies Act. This authorisation to increase the share capital includes the authorisation to issue and float, on one or more occasions, the shares representing such capital that are necessary to carry out the conversion and/or to exercise the right to subscribe for new shares, as well as the power to amend the article of the bylaws relating to the amount of the share capital and the number of shares and, if appropriate, to cancel the portion of such capital increase that was not required for the conversion of shares and/or the exercise of the right to subscribe for new shares.*
- b) The power to elaborate on and specify the basis for and the terms and conditions applicable to the conversion, exchange and/or exercise of the rights to subscribe for and/or acquire shares arising from the securities to be issued, taking into account the criteria set out in sections 5 and 6 above.*
- c) The delegation to the Board of Directors includes the broadest powers that may be required by law in order to interpret, apply, implement and develop the resolutions providing for the issuance of securities that are convertible into or exchangeable for shares of the Company, on one or more occasions, and to carry out the corresponding capital increase, as well as the power to correct and supplement such resolutions as to all matters that may be necessary and to comply with all legal requirements for the successful implementation thereof. To such end, the Board of Directors may correct any omissions or defects in the aforementioned resolutions that may be identified by any Spanish or foreign authorities, officers or bodies, and may also adopt all such resolutions and execute all such public or private documents as it may deem necessary or appropriate in order to adjust the preceding resolutions for the issuance of convertible or exchangeable securities and the corresponding capital increase to the oral or written assessment of the Commercial Registrar or, in general, of any other Spanish or foreign competent authorities, officers or entities.*

*8.- Admission to trading.- The Company shall, where appropriate, apply for listing on regulated markets, multilateral trading systems or other secondary markets, organised or otherwise, official or unofficial, Spanish or foreign of the securities issued by the Company under this delegation, and the Board of Directors is authorised, as fully as is required by law, to conduct all acts and formalities that may be necessary for admission to listing before the appropriate authorities of the various Spanish or foreign securities markets.*

*9.- Guarantee of issues of convertible and/or exchangeable securities or warrants by subsidiaries.- The Board of Directors is also authorised to guarantee on behalf of the Company,*

*within the limits set forth above, new issuances of convertible and/or exchangeable securities or warrants by subsidiaries during the effective period of this resolution.*

*10.- Power to delegate.- The Board of Directors is expressly authorised to sub-delegate the powers delegated thereto under this resolution, as permitted by Article 249 bis I) of the Companies Act."*

**13.- AUTHORISATION TO THE BOARD OF DIRECTORS, WITH THE EXPRESS POWER OF SUBSTITUTION, TO EXCLUDE PRE-EMPTIVE RIGHTS IN CONNECTION WITH THE CAPITAL INCREASES AND THE ISSUANCES OF CONVERTIBLE OR EXCHANGEABLE SECURITIES THAT THE BOARD OF DIRECTORS MAY APPROVE UNDER THE AUTHORITIES GIVEN UNDER RESOLUTIONS 11 AND 12:**

**a) UP TO 10 PERCENT OF THE SHARE CAPITAL ON AN UNRESTRICTED BASIS.**

**RESOLUTION 13.a)**

*"To authorise the Board of Directors, with the express power of substitution, to totally or partially exclude the pre-emptive right, as permitted by Article 506 and Article 511 of the Companies Act (Ley de Sociedades de Capital) in connection with issuances of shares or convertible or exchangeable securities that the Board of Directors may approve under the authority given under resolutions 11 and 12 above provided that such capital increases and issuances of convertible or exchangeable securities are subject to an aggregate maximum nominal amount of the shares so allotted and that may be allotted on conversion or exchange of such securities of 10 per cent of the Company's share capital (excluding any shares held in treasury) as at the date of passing this resolution.*

*The Board of Directors is expressly authorised to sub-delegate the powers delegated thereto under this resolution, as permitted by Article 249 bis I) of the Companies Act."*

**b) UP TO AN ADDITIONAL 10 PERCENT OF THE SHARE CAPITAL TO BE USED FOR EITHER AN ACQUISITION OR A SPECIFIED CAPITAL INVESTMENT.**

**RESOLUTION 13.b)**

*"In addition to the authority given to the Board of Directors under resolution 13.a) above, to authorise the Board of Directors, with the express power of substitution, to totally or partially exclude the pre-emptive right, as permitted by Article 506 and Article 511 of the Companies Act (Ley de Sociedades de Capital) in connection with issuances of shares or convertible or exchangeable securities that the Board of Directors may approve under the authority given under resolutions 11 and 12 above, provided that such capital increases and issuances of convertible or exchangeable securities are subject to an aggregate maximum nominal amount of the shares so allotted and that may be allotted on conversion or exchange of such securities of 10 per cent of the Company's share capital (excluding any shares held in treasury) as at the date of passing this resolution; such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Board of the Company determines to be either an acquisition or a specified capital investment.*

*The Board of Directors is expressly authorised to sub-delegate the powers delegated thereto under this resolution, as permitted by Article 249 bis I) of the Companies Act."*

\* \* \*

9 May 2024.