



**REGULATIONS OF THE
STRATEGY & SUSTAINABILITY
BOARD COMMITTEE OF
COMPAÑÍA ESPAÑOLA DE PETRÓLEOS, S.A. (“CEPSA”)**



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REGULATIONS OF THE STRATEGY & SUSTAINABILITY BOARD COMMITTEE

1. INTRODUCTION

In accordance with the corporate governance system of Compañía Española de Petróleos, S.A. (**CEPSA**) (the **Company**), the Board of Directors (the **Board**) has set up and organized the Strategy & Sustainability Board Committee (the **S&S Board Committee**), as a non-executive standing committee of the Board tasked with providing support and assistance to the Board on matters within its remit.

2. ROLE AND PURPOSE

Main role and purpose

The main role and purpose of the S&S Board Committee shall be to support and assist the Board of Directors in fulfilling its oversight responsibilities and specifically with respect to issues impacting the strategic direction, business and investment activities, ensuring that sustainability perspectives and priorities are integrated into strategic and business decision-making processes.

As a key role, the Board Committee will assist the Board in reviewing and approving the Company purpose and values, ensuring the alignment of the Company's culture.

The S&S Board Committee's key duties and responsibilities shall include, but are not limited to:

With regard to Strategy and Business/Investment Activities:

- Reviewing and making recommendations to the Board on the Company's long-term Strategic Plan and overall strategy aligned with ESG commitments and targets, in particular those related to CO₂ emissions abatement and the energy transition, both of which will be updated in the Decarbonization Plan of the Company by the Carbon Cycle Unit, and any changes thereto, and identifying potential strategic risks, strategic transactions, including potential specific targets. The Decarbonization Plan will be addressed at least once a year in Committee meetings to provide the annual update;
- Reviewing and making recommendations to the Board regarding the Company's scope and mix of business; divestitures, joint venture, merger and acquisition opportunities; and the purchase or sale of businesses or assets;
- Reviewing and making recommendations to the Board on investment strategies and guidelines. These recommendations should include an update on the financial impact of the risks and opportunities posed by Climate Change;
- Reviewing and making recommendations to the Board on the most appropriate capital structure and capital expenditures plans of the Company;

- Reviewing and making recommendations to the Board on financing for mergers, acquisitions and other major financial transactions requiring the Board's approval;
- Evaluating proposals submitted to or received from third parties that could reasonably be expected to result in a major acquisition, divestiture, sale, merger or similar relevant transaction for recommendation to the full Board.

With regard to Sustainability matters:

- Overseeing and providing guidance to the Board on the Company's Sustainability Strategy, commitments and targets, ensuring that the systems, practices and initiatives in place are aligned with ESG Criteria, particularly on Climate Change, and support such Strategy and commitments, recommending any required actions to the Board;
- Reviewing and regularly monitoring Sustainability performance through various established metrics, in particular metrics related to Climate Change such as net emissions and internal carbon pricing under the strategy, performance of the targets and goals, and the results of ESG ratings and external party assurance processes, and reporting the outcome to the Board;
- Overseeing the Company's engagement efforts with key stakeholders and assessing and advising the Board on stakeholder expectations and concerns related to Sustainability matters through the Materiality analysis;
- Periodically reviewing the ESG Governance Model and making recommendations to the Board on any changes thereto as it may deem advisable;
- Overseeing material Sustainability disclosures, including the non-financial information contained in the annual Integrated Management Report;
- Monitoring ESG risks, particular risks and opportunities posed by Climate Change and Energy Transition, and Sustainability and social trends that may impact the Company's business activities, performance or reputation or may be relevant to its stakeholders, as well as compliance with any applicable legislative or regulatory ESG requirements, especially those related to the environment and human rights.
- Monitoring the status and effectiveness of the Company's environmental and human rights due diligence processes, once the relevant legislation comes into force, and reporting its findings to the Board.
- Reviewing the ESG Policy and the ESG Policies architecture for submission to the Board for approval.

Authority

Notwithstanding any analysis, information, directions or guidance provided by the S&S Board Committee, the ultimate responsibility and authority for any decisions is vested with the Board of Directors or, pursuant to applicable law and/or the CEPSA Delegation of Authority, with the General Shareholders' Meeting.

3. COMPOSITION AND STRUCTURE

The S&S Board Committee shall consist of a minimum of five (5) and a maximum of seven (7) members chosen from the Board of Directors and shall include, at least, two (2) Proprietary Directors proposed by Mubadala, two (2) Proprietary Directors proposed by Carlyle, and the Executive Director (Chief Executive Officer). All the members of the Committee shall be appointed by the Board of Directors.

The Board may likewise appoint formal Observers who shall be entitled to have access to the same documents and information as a member of the S&S Board Committee and to receive notice of, and attend and speak, but not vote, at Committee meetings.

The Committee shall be chaired by the same person who holds the office of Chairman of the Board of Directors. A Secretary, who need not be a member of the Committee, shall be appointed to keep complete and accurate records of the proceedings of Committee meetings and handle any other formalities that may be required.

Directors on the S&S Board Committee shall serve for four-year terms, provided that their appointment as Company Directors remains in force. The Committee members who are re-elected as Company Directors will continue to hold their positions on the Committee unless the Board of Directors determines otherwise.

Any changes to the composition of the S&S Board Committee shall be decided by the Board of Directors in accordance with the CEPSA Delegation of Authority.

4. WORKING PROCEDURES AND OPERATING PRINCIPLES

The S&S Board Committee shall meet as often as it deems necessary to fulfill its responsibilities. Ahead of the beginning of each calendar year, the Secretary shall propose a schedule of meetings for the subsequent year to be agreed upon by the Committee members.

The notice and meeting agenda shall be made available at least seven (7) calendar days prior to the date of the relevant meeting, unless there are justifiable reasons for providing shorter notice. Meeting materials shall be circulated sufficiently in advance of the meeting to allow the members to give proper consideration to all matters included on the agenda.

Meetings may be held face-to-face, in any venue in Spain or abroad or by means of remote communication (videoconference, conference call or any other similar system) that enables all members to simultaneously take part in the meeting discussions.

Committee meetings shall be quorate when the majority of its members are present, provided that at least one Committee member representing each of Mubadala, Carlyle and Cepsa is in attendance.

The S&S Board Committee shall regularly report its activities, findings and assessments to the Board of Directors.



The S&S Board Committee may ask other Board Members, Executives, Managers or other key persons whose advice and counsel are relevant to the issues being considered by the Committee to attend any meetings and to provide such pertinent information as the Committee may request. Similarly, the S&S Board Committee shall have the authority to retain and obtain the advice and assistance of outside counsel, consultants and such other advisors as it deems necessary or desirable to perform its work and fulfill its responsibilities.

5. AMENDMENT OF THE REGULATIONS

Any amendments to these Regulations must be approved by the Board of Directors.

6. EFFECTIVE DATE

These Regulations were approved by the Company's Board of Directors on July 28, 2021, and amended on November 8, 2022 and May 19, 2023, respectively, and are valid and binding with effect as of the date of their approval.