

RULES OF PROCEDURE OF THE BOARD OF DIRECTORS OF GLOBAL DOMINION ACCESS, S.A.



Approved by agreement of the Board of Directors dated 4 April 2016 and recorded in a notarial instrument executed before the Notary of the Bar Association of the Basque Country, Mr Ramón Múgica Alcorta on 7 April 2016, with his notarial record number 504. Entered in the Registry of Companies of Biscay, Volume 4672, Folio 219, Sheet Bi-25418, Entry No. 23.

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CHAPTER I. INTRODUCTION

Artículo 1. Purpose. Scope of application.

1. The purpose of these Rules of Procedure, approved pursuant to the provisions of article 528 of the recast text of the Ley de Sociedades de Capital (Spanish Corporate Enterprise Act), approved by Royal Legislative Decree 1/2010 of 2 July (hereinafter the "**Corporate Enterprise Act**") is to determine the principles of conduct of the Board of Directors of Global Dominion Access, S.A. (hereinafter "**Dominion**" or the "**Company**"), the basic rules for its organisation and operation and the rules for the appointment, re-election, removal from office and conduct of its members, for the purpose of achieving the highest level of transparency, effectiveness, drive, supervision and control in the performance of its duties to manage and represent the corporate interests.
2. These Rules are applicable to the Board of Directors, and also to its delegated, –associated or single-person bodies– and to their internal committees, as well as to their component members and who, in the performance of their duties, express the will of the said bodies.
3. The rules and codes of conduct contained herein and directed at the Board Members shall be applicable, as far as is compatible with their specific nature, to the senior managers of the Company. For the purpose of these Rules, the Company's senior managers shall be considered to be those Company executives who report directly and without distinction to the Board of Directors, the Chief Executive Officer (CEO) or Executive Committee, if any, and, in every case, the head of the Company's internal audit area.

Artículo 2. Construction.

These Rules complete the regulatory framework that is applicable to the Board of Directors, established in the regulations in force and in Dominion's Company bylaws. They shall be construed in accordance with the applicable legal and corporate regulations from time to time and with the principles and recommendations on the corporate governance of listed companies, approved or issued by the Spanish authorities. Any doubts which may arise in relation to the interpretation and application thereof shall be resolved by the Board of Directors, who shall include, where applicable, any amendments considered appropriate.

Artículo 3. Modification.

1. These Rules may only be amended by the Board of Directors by a resolution adopted by at least a two-thirds majority of the Directors present at the meeting either in person or by proxy. The proposal for amendment may be made either at the initiative of the Board, the Chair, one third of the Directors, or the Sustainability Committee and must be accompanied by an explanatory report as to the reasons for and scope of the intended amendment as well as a report prepared by the Sustainability Committee, unless the proposal is made by the latter.
2. The text of the proposal, the explanatory report by its authors and, where applicable, the report by the Sustainability Committee, must be attached to the notice of the Board meeting to be held to decide on the matter. The announcement notice must be issued at least five (5) days prior to the meeting.
3. The Board of Directors shall inform the shareholders of any amendment to the Rules approved thereby at the next General Shareholders' Meeting.
4. These Rules must be updated whenever necessary, in order to bring their content into line with any applicable provisions in force.

Artículo 4. Dissemination.

1. The Member of the Board and senior managers have the duty to be apprised of, comply with and enforce these Rules. For this purpose, the Secretary of the Board shall provide all members with a copy of the Rules when they are appointed or hired, as the case may be. The former must provide the Secretary with a signed statement in which they declare that they have read and agree to the contents hereof, undertaking to comply with whatever obligations may be required by virtue thereof.
2. Without prejudice to compliance with any obligations established in the applicable legislation at all times, the Board of Directors must take the necessary measures to ensure that these Rules are circulated among the shareholders and the investing public in general.
3. These Rules shall be reported to the Comisión Nacional del Mercado de Valores (Spanish Security and Exchange Commission) and shall be entered in the Register of Companies, pursuant to the applicable regulations. Likewise, the valid Rules must be available on the Company's corporate website.

CHAPTER II. MISSION OF THE BOARD

Artículo 5. General Supervisory Role.

1. The Board of Directors has the power to adopt resolutions on all matters that are not assigned either by law or by the Company bylaws to the General Shareholders' Meeting by law, with no limitation of substance other than that established by the corporate purpose.
2. The Board of Directors holds the broadest powers and authority to manage and represent the Company.
3. Notwithstanding the above, the Board of Directors shall focus its activity on the supervision, organisation and strategic coordination of the Company and the companies forming part of the group of which Dominion is the parent company (hereinafter the "**Group**"), specifically defining the risk level that it is ready to take on.
4. Without prejudice to those powers that cannot be delegated, as established by law, the Board of Directors shall, in general, entrust the duties of organisation and strategic coordination to the Chair of the Board of Directors, the CEO, the Executive Committee, if any, and to senior management, who shall be responsible for disseminating, implementing and supervising the general strategy and the basic management guidelines established by the Board of Directors.
5. The Board of Directors must supervise the actions of the Chair of the Board of Directors, the CEO and the Executive Committee, if any, and those of senior management, and shall guarantee the effectiveness of the system of checks and balances provided for in the applicable legislation.
6. Notwithstanding any delegated matters, the Board of Directors shall be apprised of those matters specifically indicated in the Rules as well as any relevant matters that are of particular importance for the Group, within its powers, with regard to the general duty of supervision, organisation and strategic coordination, and shall particularly undertake to directly exercise the following responsibilities:

- (a) Design and implement, within the legal limits, the Group's policies and strategies and the basic guidelines for its management, and decide on matters of strategic importance at a Group level.
- (b) Prepare the annual financial statements, the management report and the proposal for the application of the Company's results, as well as the consolidated annual financial statements and management report for submission to the General Shareholders' Meeting, and the financial and non-financial information that the Company must periodically make public, due to its status as a listed company, supervising and ensuring that the said documents give a true and fair view of its assets and liabilities, the financial and non-financial information and the results of the Company and its Group, pursuant to the provisions of the applicable legislation.
- (c) Supervise, update and ensure the ongoing improvement of the Company's Corporate Governance system within the framework of the legislation in force and drawing on the corporate good governance recommendations of widely-recognised listed companies, adopting within its powers, or proposing to the General Shareholders' Meeting, any resolutions that may be necessary or advisable.
- (d) Approve the strategic or business plan, as well as the annual management objectives and budget, investment and financing policy, sustainability policy and dividends policy.
- (e) Design and implement the risk management and control policy, including tax risks, and the monitoring of internal information and control systems.
- (f) Determine the Company's fiscal and tax strategy and approve those investments or transactions that have a special tax risk, either due to their significant amount, importance, or special characteristics.
- (g) Define the Group's structure and, within the legal limits, coordinate the general strategy of the said Group in the interest of the Company and its subsidiaries, with the support of the Executive Committee, where applicable, and of the CEO. Through the annual corporate governance report, it shall make public the respective areas of activity and any business dealings between the Company and the listed subsidiaries forming part of the Group, as well as between these listed subsidiaries and the other Group companies, and the mechanisms in place to resolve any conflicts of interest that may arise.
- (h) Approve the creation or acquisition of equity interests in special purpose vehicles (SPVs) or entities domiciled in countries or territories that are regarded as tax havens, and any other transaction or operation of a similar nature which, due to its complexity, could undermine the transparency of the Group.
- (i) Appoint Directors by co-option and propose to the General Shareholders' Meeting the appointment, ratification, re-election of Directors who do not have the status of independent directors, following a report from the Appointment and Remuneration Committee, or the removal of Directors.
- (j) Designate and renew the internal positions within the Board of Directors and the members of and positions on the Committees established within the Board.
- (k) Propose to the General Shareholders' Meeting the approval of the Directors' remuneration policy in the terms established by law, and approve the remuneration of each Director, following the proposal of the Appointment and Remuneration Committee, pursuant to the remuneration policy approved by the General Shareholders' Meeting.

- (l) Appoint the Directors that are to perform executive duties and remove them, as well as the prior approval of any contracts to be entered into between the Company and those Directors to be given executive duties, setting the remuneration to which they are entitled by reason of their executive duties and the other terms and conditions of their contracts, in line with the Directors' remuneration policy approved by the General Shareholders' Meeting.
- (m) Agree on the appointment and removal of the Company's senior managers, and set any compensation or severance payments in the event of removal, all at the proposal of the Executive Committee, if any, or of the CEO, if one is appointed, or, failing the above, at the proposal of the Company's chief executive and, in any case, with a report from the Appointment and Remuneration Committee. For this purpose, members of senior management shall be regarded as all those who have this status, pursuant to article 1.3 above.
- (n) Establish the shareholders' dividend and remuneration policy and make the appropriate proposals in accordance with the General Shareholders' Meeting regarding the application of results as well as approve the payment of interim dividends.
- (o) Approve the disposal of substantial assets of the Company and, in general, all types of investments or transactions that are regarded as strategic, either due to their significant amount, importance, or special characteristics. These include any industrial, commercial or financial transactions that entail a special risk or are of particular importance to Dominion. Likewise, establish, where applicable, the Company's position on the aforementioned matters and transactions with regard to the companies forming part of the Group. All the above is without prejudice to the powers of the General Shareholders' Meeting.
- (p) Study, analyse and deal with any proposals submitted by the Executive Committee, the CEO or the Committees of the Board of Directors.
- (q) Approve, following a report from the Audit and Compliance Committee, any operations that the Company or companies of the Group may perform with Directors or with significant shareholders or shareholders represented on the Board of Directors, as well as with related parties, in the terms established by law.
- (r) Approve the Company's annual Corporate Governance Report, the statement of non-financial information, as well as the annual Directors' Remuneration Report and any other report that the Board of Directors deems advisable in order to better inform shareholders and investors or that is required by law.
- (s) Call the General Shareholders' Meeting, and publish the notices regarding the same.
- (t) Execute the resolutions passed by the General Shareholders' Meeting, and perform any duties which the latter has entrusted to it.
- (u) Put to the General Shareholders' Meeting any amendments to the Rules of the General Shareholders' Meeting that may be considered advisable, seeking to improve its operation and to allow shareholders to better exercise their rights.
- (v) Approve and amend the Rules of the Board of Directors, in accordance with the provisions thereof.
- (w) Define the structure of general powers of the Company and of the companies forming part of the Group, to be granted by the appropriate administrative bodies in each case.

- (x) Implement the Company's treasury share policy within the framework of the authorisation from the General Shareholders' Meeting.
 - (y) Express an opinion on any takeover bid made on the securities issued by the Company.
 - (z) Study, analyse and decide on the authorisation or waiver of those obligations resulting from the duty of loyalty as provided by law (except when the decision on the said authorisation or waiver of obligations legally corresponds to the General Shareholders' Meeting).
 - (aa) Make, on a yearly basis, an evaluation of the quality and efficiency of the operation of the Board of Directors, the performance of its duties by the Chair of the Board and by the chief executive of the Company, as well as the quality and efficiency of the operation of the Committees, based on the report prepared by the latter.
 - (bb) Give an opinion and address any other matter which comes within its area of responsibility and which the Board of Directors considers to be of interest to the Company or which is reserved in the Rules for the Board of directors at a plenary session.
7. Those powers reserved by law for the direct exercise of the Board of Directors may not be delegated. Notwithstanding the above, when there are urgent and duly justified circumstances, and when so permitted by law, the Executive Committee, if any, or the CEO, if one has been appointed, may take decisions regarding those matters referred to in the sections above, which must be ratified at the next meeting of the Board of Directors to be held after taking such decisions.

Artículo 6. Shareholder value creation. Corporate interest and other interests

1. The principle that must govern the conduct of the Board of Directors at all times is the maximisation of the company's value, to which end the Board shall establish and review the company's business and financial strategies, while also focussing on the need to promote sustainability in the implementation of the said strategies.

In the performance of its duties, the Board of Directors must always focus on the Company's corporate interest, understanding this to be the common interest of all the shareholders of an independent corporation, directed at the sustainable fulfilment of its corporate purpose.

The Board of Directors shall always carry out its duties with the interest of the company in mind and shall act with unity of purpose and independent judgement, ensuring equal treatment for all those shareholders who are in the same position. This should not however prevent it from considering the legitimate interests, public or private, that come together in the performance of all business activities, and particularly those of the Company's employees, among other stakeholders. In this context, the sustained maximisation of the Company's financial value should be considered to be in the common interest of all shareholders and, therefore, it should be a principle that must always be present in the actions of the Board of Directors and its delegated bodies.

Likewise, with regard to relations with other stakeholders, the Board of Directors shall ensure that the Company observes the laws and regulations, acts in good faith in the fulfilment of its obligations and agreements, observes the uses and good practices of the sectors and territories in which it operates and observes any additional principles of sustainability that it has voluntarily agreed to.

2. With regard to corporate organisation, the Board of Directors shall adopt the measures required to ensure:

- (a) That the Company's Executive Management seeks to create value for shareholders and has the adequate resources to do;
 - (b) That the Company's Executive Management shall be under the effective control and supervision of the Board of Directors;
 - (c) That no person or reduced group of persons may have decision-making powers which are not subject to counterbalances and controls;
 - (d) That no shareholder receives privileged treatment in relation to other shareholders who are in identical conditions.
3. Maximisation of the Value of the Company, in the interest of the shareholders, must be carried out by the Board of Directors within the demands imposed by Law, complying in good faith with the contracts concluded with workers, suppliers, financing entities and clients and with the environmental and social commitments made and, in general, observing the ethic duties that are reasonably appropriate for the responsible conducting of business.

CHAPTER III. COMPOSITION OF THE BOARD

Artículo 7. Composition.

1. The Board of Directors shall comprise the number of Directors determined by the General Shareholders' Meeting, within the limits established by the Company's bylaws.
2. The Board shall submit a proposal to the General Shareholders' Meeting, based on the changing circumstances and within the limits of the bylaws, with regard to the most suitable number of Directors to ensure the appropriate representation and effective operation thereof. The proposed number shall never exceed fifteen.
3. The Board of Directors, while exercising its powers to submit proposals to the Annual Shareholders' Meeting and to fill vacancies by co-optation, shall seek to ensure that the external or non-executive directors form a large majority with respect to the executive directors and that the number of independent directors accounts for at least one third of the total number of Board members. Moreover, the number of executive Directors must reach the necessary minimum, taking into account the complexity of the Group and the interest held by the executive directors in the Company's capital at all times.
4. The Board shall ensure that, within the External Directors, the ratio between the number of proprietary Directors and independent Directors reflects the ratio between the Company's share capital represented by the proprietary Directors to the rest of the share capital.
5. The Board must avoid any discrimination between shareholders in their access to the Board of Directors through the proprietary Directors.
6. The definition of the different classes of Directors shall be as established by the regulations in force.
7. The status of each Director must be explained by the Board of Directors to the Annual Shareholders' Meeting which is to appoint or ratify the appointment of the director and such status shall be maintained or, where appropriate, changed on a yearly basis in the annual Corporate Governance Report, subject to verification by the Appointment and Remuneration Committee. In the event that some non-executive director can be deemed neither proprietary nor independent, the Company should disclose this circumstance and the links that person maintains

with the Company or its senior officers, or its shareholders.

CHAPTER IV. STRUCTURE OF THE BOARD OF DIRECTORS

Artículo 8. The Chair of the Board of Directors.

1. The Chair of the Board of Directors shall be elected from among the members thereof, subject to a report by the Appointment and Remuneration Committee and shall have the status of Chair of the Company and of all the other corporate bodies on which he serves and which he shall permanently represent with the broadest powers.
2. The Chair of the Board of Directors shall be responsible for carrying out the resolutions thereof and those of any other decision-making bodies that he may chair, being authorised in urgent cases to adopt such measures as deemed advisable in furtherance of the corporate interest pursuant to law.
3. The Chair of the Board of Directors shall also undertake the senior management and representation of the Company and the leadership of the Board of Directors. In addition to the powers conferred by law, he shall exercise the following:
 - (a) Call, chair and head the meetings of the Board of Directors and of the Executive Committee, if any, setting the agenda for the meetings and directing the discussion and deliberations, ensuring that it functions effectively.
 - (b) Prepare and submit to the Board of Directors a schedule of dates and matters to be discussed.
 - (c) Stimulate, promote and organise the debate and active participation of the Directors during their meetings, safeguarding their freedom in decision making and expressing their opinion, ensuring that sufficient discussion time is dedicated to the strategic matters relating to the Company and to the Group.
 - (d) Oversee, supervise and ensure that, with the collaboration of the Secretary, the Directors receive the necessary and sufficient information in advance in order to deliberate on the items on the agenda.
 - (e) Chair the General Shareholders' Meeting and direct the discussions and deliberations taking place at their meetings.
 - (f) Present and submit to the Board of Directors any proposals deemed appropriate for the smooth running of the Company and, in particular, those proposals corresponding to the operation of the Board of Directors and other corporate decision-making bodies, as well as to propose, where applicable, those persons to hold the positions of Vice-chair or Vice-chairs, CEO and Secretary and, where applicable, Deputy secretary or Deputy secretaries of the Board of Directors and the members of the committees of the Board of Directors.
 - (g) Promote and drive the work of the advisory committees of the Board of Directors and ensure that they carry out their duties and responsibilities efficiently and with due coordination, having an appropriate organisation for such purposes.
 - (h) Organise and coordinate the periodic evaluation of the Board of Directors and the CEO of the Company, if one has been appointed.
 - (i) Agree and review the refresher programmes for each Director, when circumstances so

dictate.

Artículo 9. The Vice-chair or Vice-chairs.

1. The Board of Directors may appoint, following a report from the Appointment and Remuneration Committee, one or more Vice-chairs in the terms provided for in the bylaws.
2. The Vice-chair and/or or Vice-chairs shall stand in for the Chair in the event of incapacity, vacancy, absence or whenever the Chair himself so decides, as established in the bylaws. If there is more than one Vice-chair, then the replacement shall be based on the order established by the Board of Directors.

Artículo 10. Chief Executive Officer.

1. The Board of Directors may appoint a CEO, at the proposal of the Chair and with the favourable vote of at least two-thirds of its members, with the powers it deems appropriate and which may be delegated pursuant to law.
2. The CEO shall be appointed at the proposal of the Chair and following a report from the Appointment and Remuneration Committee. If this position is held by the actual Chair of the Board of Directors, then the proposal shall come from the Appointment and Remuneration Committee.
3. The CEO shall exercise the power to represent the Company in an individual capacity.
4. In the event of the vacancy, absence, illness or incapacity of the CEO, then the duties may solely be undertaken by another executive Director (and limited to the powers that had already been delegated to him), without prejudice to the duties and powers of the Executive Committee, if any. Notwithstanding the above, the Chair of the Board of Directors shall urgently call a meeting of the Board of Directors in order to discuss and decide on the appointment, where applicable, of a new CEO.

Artículo 11. Lead Independent Director.

1. The Board of Directors shall have to take all necessary measures in order to ensure that the Chair of the Board of Directors, the CEO, if one has been appointed, and the Executive Committee, if any, are all under its effective supervision.
2. For an executive Director to be appointed as Chair of the Board of Directors, the favourable vote of at least two-thirds of the members of the Board of Directors is required.
3. If the Chair of the Board of Directors is an executive Director, then the Board, at the proposal of the Appointment and Remuneration Committee and with the abstention of the Executive Directors, must necessarily appoint a lead independent Director from among the independent Directors, who shall be specifically empowered to do the following, when deemed appropriate:
 - (a) Request the Chairmen of the Board of Directors to call meetings and work together with him in the planning of the annual schedule of meetings.
 - (b) Take part in the preparation of the agenda for each meeting of the Board of Directors and request items to be included in the agenda of the meetings of the Board of Directors that have already been called.
 - (c) Coordinate, compile and reflect the concerns of the non-executive Directors.

- (d) Lead the regular assessment of the Chair of the Board of Directors;
 - (e) Coordinate and head, where applicable, the succession plan for the Chair of the Board of Directors.
 - (f) Chair the Board of Directors in the absence of the President and deputy-presidents;
4. Likewise, the lead independent Director may maintain contact with investors and shareholders in order to learn their opinions and be aware of their concerns, specifically with regard to the corporate governance of the Company, when so agreed by the Board of Directors.
 5. The revocation of any of the foregoing powers in favour of the lead independent Director shall require the prior report of the Appointment and Remuneration Committee, unless the powers are recognised by law, in which case they cannot be revoked.

Artículo 12. The Secretary of the Board of Directors.

1. The Board of Directors shall elect its Secretary, whose appointment shall be subject to a report by the Appointment and Remuneration Committee in order to safeguard the independence, impartiality and professionalism of the Secretary, who may or may not be a Director, as agreed by the Board of Directors at any given time. If the Secretary of the Board of Directors is not a Director, then he may be heard but may not vote.
2. In addition to the duties assigned by law, the Secretary of the Board of Directors shall have the following duties:
 - (a) Maintain, keep custody of and protect the corporate documents, duly record the proceedings of meetings in the minute books and certify the resolutions and decisions made by the administrative bodies
 - (b) Particularly ensure the formal and substantive legality of the actions of the administrative decision-making bodies and their strict compliance with the law and Company bylaws. For this purpose, the Secretary of the Board of Directors must take into account, among others, the provisions issued by the regulatory bodies and, where applicable, their recommendations.
 - (c) Assist and support the Chair so that the Directors receive the relevant information to discharge their roles, sufficiently in advance and in the correct format.
 - (d) Maintain and ensure good communications with the Comisión Nacional del Mercado de Valores (Spanish Security and Exchange Commission), unless the Board of Directors expressly assigns this duty to another person.
 - (e) Generally act as a channel in relations between the Company and the Directors in connection with all matters relating to the operation of the Board of Directors, pursuant to the instructions of its Chair and without prejudice to the powers of the independent lead Director.
 - (f) Channel the requests from the Directors regarding the information on, and documentation of those matters that fall within the purview of the Board of Directors.
 - (g) Obtain, compile, request and process the information that needs to be included in the Company's corporate website, in accordance with the law.
 - (h) Act as secretary of the Executive Committee, if any.

- (i) Act as secretary of the General Shareholders' Meeting.
 - (j) Under the supervision of the Chair of the Board of Directors, provide the support required by the advisory committees of the Board of Directors so that they may act with due coordination, receiving and processing communications between the advisory committees and organising and channelling the information flows.
3. The Board of Directors shall have a Legal Advisor who shall have the duties granted in the legislation in force. The Secretary or, where applicable, the Deputy Secretary may perform the duties of Legal Advisor to the Board of Directors provided that he is a lawyer and meets the other requirements established in the legislation in force.

Artículo 13. The Deputy Secretary of the Board of Directors.

1. The Board of Directors may appoint, following a report by the Appointment and Remuneration Committee, a Deputy Secretary, who does not need to be a Director, to assist the Secretary of the Board of Directors in his duties, upon indication by the latter, or to replace the Secretary in the event of his absence.
2. Likewise, the Deputy Secretary may attend the meetings of the Board to stand in for the Secretary, or to assist him when so required or when decided by the Chair.
3. Likewise, the Deputy Secretary of the Board may perform the duties of Legal Advisor to the Board, provided that he is a lawyer.
4. Likewise, the Deputy Secretary of the Board of Directors shall also act as Deputy Secretary of the Executive Committee, if any.

Artículo 14. Committees of the Board of Directors

Notwithstanding the delegation of powers which, if required, is performed individually by the Chairperson or any other Director (Managing Directors) and of the power granted by the Board to form an Executive Managing Committee, with the powers of decision delegated to it, there shall, in any case, be an Audit and Compliance Committee, an Nomination and Remuneration Committee and a Sustainability Committee, purely with informative and advisory powers and proposed in the areas determined by the following articles."

Artículo 15. The Executive Committee.

1. As the delegated committee of the Board and with the status of a permanent body, the Executive Committee shall have, –unless decided otherwise by the Board of Directors,– all the powers inherent in the Board of Directors, except those that cannot be delegated by law or by the Company's bylaws and those specifically reserved for the Board and established in section 5.6 above.
2. The Executive Committee shall be composed of the number of directors decided by the Board of Directors, with the favourable vote of two-thirds of the Directors, and its renewal shall be carried out at the time and in the form and numbers decided by the Board of Directors, who shall also establish its rules of procedure.
3. The Board of Directors shall decide on the number of Directors, with at least three and no more than six Directors. In any case, the Chair of the Board, who will chair its meetings, and the CEO(s), if any, shall be members of the Executive Committee.
4. The Secretary of the Board of Directors shall act as Secretary of the Executive Committee or, in

the absence thereof, by the Deputy Secretary of the Board of Directors, –who need not necessarily be Directors–, and in the absence of all of them, the Director appointed by the Executive Committee from among its members in attendance, shall serve as secretary.

5. Moreover, the Company Managing Directors will take part in the Government Executive Committee meetings, if any, and will have the right to speak but not to vote, like any other person who may be specifically called by the President in each case.
6. The Executive Committee shall meet at least once each calendar quarter and as many other times as the Chair deems appropriate, who may also suspend one or more of the ordinary meetings whenever he considers this advisable for reasons that, in his opinion, can be readily appreciated. Likewise, it shall meet when requested by two Directors forming part of the Committee. The Executive Committee shall deal with all matters that come within the sphere of responsibility of the Board and which, in the opinion of the Committee itself, must be settled without further delay, with the only exceptions being accountability, the submission of financial reports to the General Shareholders' Meeting, those powers that the latter has granted the Board and which the Board has no authorisation to delegate , and the powers of the Board of Directors that cannot be delegated by law or by the Company's bylaws.
7. The resolutions of the Executive Committee shall be passed by the majority vote of the Directors forming part of the Committee and present at the meeting either in person or by proxy. The President has the casting vote in the event of a tie.
8. The Executive Committee must inform the Board of Directors, at the latter's next meeting held after the meetings of the Committee, of the matters discussed and the decisions taken at its meetings.
9. In the absence of a specific rule, the provisions of these Rules relating to the functioning of the Board of Directors shall apply to the Executive Committee insofar as they are not incompatible with its nature and, in particular, with regard to the calling of meetings, the granting of powers of representation to another Director, constitution, universal meetings at which all Board members are present, system for adopting resolutions, written voting and with no meeting held, and approval of the minutes of the meetings.

Artículo 16. Audit and Compliance Committee. Composition, competences and performance.

1. The Board of Directors will constitute a permanent Strategy and Operations Committee, an internal body of an informative and advisory nature, without executive functions, with information and advisory powers and proposed within its sphere of action as highlighted in section 4 of this article. The Audit and Compliance Committee shall comprise at least three and no more than five Directors, appointed by the Board of Directors itself, who must be external Directors, the majority of whom should be independent Directors and one shall be appointed based on their knowledge and experience in accounting, auditing and financial and non-financial risk management. The Audit and Compliance Committee members taken as a whole shall have the relevant technical knowledge for the business sector the Company belongs to. The Board of Administration, likewise appoint its Chairperson from amongst the independent Directors forming part of that Committee. The Audit and Compliance Committee shall appoint the person who shall perform the functions of Committee Secretary, who shall not have to be a Director and who, in any case, shall have to fulfil the obligations intended for the Directors in these Regulations which, by their very nature, shall be applicable.
2. The Directors who form part of the Audit Committee shall discharge their position for a maximum period of four years notwithstanding their possible reappointment. The renewal, reappointment and termination of Directors on the Committee shall be governed by the agreement reached by the Board of Directors.

3. The term as Chair will not exceed four years and after that period the Chair may not be re-appointed for at least one year after removal, notwithstanding his/her continuity of reappointment as member of the Committee.
4. Notwithstanding any other tasks that may be assigned from time to time by the Board of Directors, the Audit and Compliance shall carry out the following basic functions:
 - (i) Report to the General Shareholders' Meeting on any matters raised by shareholders within the scope of its responsibility, in particular, on the audit results, explaining how this has contributed to the integrity of the financial and non-financial information and the role that the Audit and Compliance Committee has played in this process.
 - (ii) Supervise the effectiveness of the internal control at the Company and within its Group, as well as the effectiveness of the risk management systems, including tax risks.
 - (iii) Together with the account auditors, analyse any significant weaknesses of the internal control system detected during the audit.
 - (iv) Supervise the process for the preparation and presentation of the regulated financial and non-financial information.
 - (v) Propose to the Board of Directors for the consideration of the Shareholders' General Meeting, the appointment, re-election or replacement of the financial statements auditors, pursuant to the applicable regulations, as well as the terms and conditions for the hiring thereof, and regularly require the auditors to provide information on the audit plan and its implementation, as well as safeguarding the independence of the auditors in the performance of their duties..
 - (vi) Supervise the activities of the Company's Internal Audit Area which functionally reports to the Audit and Compliance Committee.
 - (vii) Establish an appropriate relationship with the auditors to receive information on matters that could undermine their independence, for examination by the Audit and Compliance Committee, and any other matters relating to the audit process, as well as the other communications stipulated in audit legislation and in other audit standards. In any event, the Committee shall receive an annual declaration of independence from the auditors with respect to the Company or entities related directly or indirectly to it, as well as information on additional services of any kind provided to these entities by the auditors or by persons or entities related to the auditors, pursuant to audit legislation.
 - (viii) Issue an annual report, prior to the audit report, expressing an opinion on the auditors' independence. This report shall contain, in any event, an assessment of the provision of the additional services referred to in the previous point, addressed individually and as a whole, other than the statutory audit and in connection with the independence regime or with audit regulations.
 - (ix) Report to the Board of Directors in advance on all matters provided by Law, these Articles of Association and the Rules of the Board of Directors and, in particular, on: (i) the financial information to be published by the Company on a regular basis; (ii) the creation or acquisition of equity interests from special-purpose vehicles or entities domiciled at jurisdictions considered tax havens; and (iii) transactions with related parties.
5. Likewise, the Audit and Compliance Committee shall have the following duties:

- (i) With respect to internal control and reporting systems:
 - (a) Supervise the preparation and the integrity of the financial and non-financial information on the Company and, if applicable, the Group, reviewing compliance with the regulatory requirements, proper delimitation of the scope of consolidation and correct application of accounting policies.
 - (b) Periodically review internal control and risk management systems, so main risks are identified, managed and properly disclosed.
 - (c) Monitor the independence of the division performing the internal audit function; proposing the selection, appointment and removal of the head of internal audit; propose the budget for this service; approving or proposing to the Board the approval of the focus and the annual work plan and orientation of the internal audit, ensuring that its activity is mainly focused on the relevant risks (including reputation risks); receive periodic financial information on its activities; and verify that the senior management duly considers the findings and recommendations of its reports.
 - (d) Establish and supervise a mechanism that allows employees and others related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any irregularities that may come to their attention within the company or its group, and which could have potentially serious consequences, including those of a financial or accounting nature, or of any other type, related to the company. The said mechanism must guarantee confidentiality and, in any case, provide for circumstances in which communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
 - (e) Generally ensure that the internal control policies and systems are effectively applied in practice.
- (ii) With regard to the external auditor:
 - (a) Submit to the Board proposals for the selection, appointment, re-election and replacement of the external auditor, as well as the terms and conditions of the contract.
 - (b) Regularly receive from the external auditor, information on the audit plan and the results of its implementation, and ensure that senior management takes its recommendations into account.
 - (c) Monitoring the independence of the external auditor, to which end: (i) that the Company informs the Spanish National Securities Market Commission of the change of auditor, as a significant event, accompanied by a statement on any discrepancies with the outgoing auditor, including the reasons, if applicable; (ii) that assurance is obtained that the Company and the auditor observe applicable regulations on the provision of non-audit services and, in general, other regulations designed to assure auditors' independence; and (iii) that the circumstances giving rise to the external auditor's resignation are examined and (iv) ensure that the external auditor's compensation does not compromise his/her quality or independence.
 - (d) Ensure that the auditor of the consolidated Group also conducts the audits for the companies forming part of the Group.

- (e) In the event of the resignation of the external auditor, investigate the issues giving rise to that resignation.
 - (f) The Company should notify any change of auditor to the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
 - (g) Ensure that the external auditor holds an annual meeting with the full Board of Directors to advise them on the work done and the variations in the Company's risk and accounting situation.
 - (h) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence.
- (iii) With regard to the risk management policy:
- (a) Identify the different types of risks (operational, technological, social, legal, environmental, political and reputation-related, or related to corruption) facing the Company, including, among the financial or economic risks, contingent liability risks and other off-balance-sheet risks.
 - (b) Identify the determination of the risk levels that the Company considers acceptable, reviewing compliance with the regulatory requirements, proper delimitation of the scope of consolidation and the correct application of accounting policies.
 - (c) Identify measures in place to reduce the impact of risk events should they occur.
 - (d) Identify the internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.
- (iv) In relation to the obligations inherent in listed companies: Report to the Board of Directors, prior to it adopting the corresponding decisions on:
- (a) The non-financial and financial information which, being listed, the Company must periodically make public. The Audit and Compliance Committee must ensure that the six-monthly financial reports and the interim management statements are based on the same accounting principles as the annual financial statements. To this end, consideration should be given to the advisability of the external auditor conducting a limited audit of the six-monthly financial reports.
 - (b) The creation or acquisition of shareholdings in special purpose vehicles or entities resident in jurisdictions considered as tax havens, and any other transactions or operations of a similar nature whose complexity might impair the transparency of the Group.
 - (c) Related-party transactions as defined by the applicable legislation at any given time.
6. The Audit and Compliance Committee shall ordinarily meet quarterly in order to review the periodic financial information that has to be relayed to the Stock authorities, as well as the information that the Board of Directors has to approve and include in the annual public documentation. Likewise, it shall be convened at the request of any of its members and whenever convened by its Chairperson who shall have to do so provided that the Board or its

Chairperson requests the issuing of a report or the adoption of proposals and, in any case, provided that it is convenient for the correct development of its functions.

7. The Committee shall be responsible for convening the person who undertakes the functions of Chairperson at any time. The call to convene, unless for urgent just cause as deemed by the Chairperson, shall be notified to the Committee members with a notice period of at least eight calendar days, by letter, fax, telegram or email. The meeting notice will include the session agenda. Notwithstanding the above, the Committee shall likewise be able to deliberate other issues not included on the aforementioned agenda.
8. The Audit and Compliance Committee shall be validly established when the majority of its members, either by their presence or their representatives, attend and its agreements are adopted by absolute majority by the Directors attending the session, either by their presence or their representatives. The representation can only be granted in favour of another Director who is a Committee member. Those who have been appointed for the positions of Chairperson and Secretary of the Committee shall act as such. In case of absence or inability, the Chairperson shall be replaced by the member of the Committee with more seniority, or the most senior Committee member in case of several members holding the same seniority. In case of absence or inability, the Secretary shall be replaced by the most junior member of the Committee.
9. The Committee shall have to make minutes of its meetings by the Secretary which, once approved upon termination of the actual session, or during the next one, shall be signed by the Chairperson and the Secretary. A copy of the minutes shall be sent to all members of the Board of Directors.
10. The Audit and Compliance Committee shall prepare an annual report on its performance, highlighting the main incidents arising, if any, in relation to its duties. Furthermore, should the Audit and Compliance Committee consider it advisable, it shall include in the said report proposals to improve the Company's rules of governance.
11. The Audit and Compliance Committee may call upon any member of the management team or Company personnel. Those called upon shall be obliged to attend the Audit and Compliance Committee meetings and to provide their collaboration and access to the information available to them. Likewise, the Committee may also require the account auditors to attend its meetings.
12. For the optimum fulfilment of its functions, the Audit and Compliance Committee shall be able to resort to the advice of external experts when deemed necessary for the proper fulfilment of its functions.
13. The Company shall have an internal audit department which, under the supervision of the Audit and Compliance Committee, shall ensure the smooth running of the internal reporting and control systems. The head of the internal audit department must submit its annual work plan to the Audit and Compliance Committee. Furthermore, it must inform the Committee of any incidents that may arise during the internal audit and, at the end of each financial year, it must provide the Committee with an activities report.

Artículo 17. The Appointment and Remuneration Committee Composition, competences and performance.

1. In addition, the Board of Directors will constitute a permanent Appointments and Remuneration Committee, an internal body of an informative and advisory nature, without executive functions, with information and advisory powers and proposed within its sphere of action as highlighted in section 3 of this article. The Appointments and Remuneration Committee shall be comprised of a minimum of three and a maximum of five directors, appointed by the actual Board of Directors, who must be external Directors. At least two of the members of the

Appointment and Remuneration Committee must be independent. The Board of Administration, likewise appoint its Chairperson from amongst the independent Directors forming part of that Committee. The Appointments and Remuneration Committee shall appoint the person who shall perform the functions of Committee Secretary, who shall not have to be a Director and who, in any case, shall have to fulfil the obligations intended for the Directors in these Regulations which, by their very nature, shall be applicable.

2. The Directors who form part of the Appointments and Remuneration Committee shall discharge their position for a maximum period of four years notwithstanding their possible reappointment. The renewal, reappointment and termination of Directors on the Committee shall be governed by the agreement reached by the Board of Directors.
3. Notwithstanding any other tasks that may be assigned from time to time by the Board of Directors, the Appointments and Remuneration shall carry out the following basic functions:
 - (i) Assess the competencies, knowledge and experience required for the Board of Directors. For this purpose, it shall define the roles and capabilities required of the candidates for a particular vacancy and assess the time and commitment required so that they may effectively carry out their duties.
 - (ii) Set a representation target for the least represented sex on the Board of Directors and prepare guidelines on how to achieve this target.
 - (iii) Propose to the Board of Directors the appointment of independent directors for designation by co-optation or for submission to the General Shareholders' Meeting, as well as proposals for the re-election or removal of such directors by the Shareholders' General Meeting.
 - (iv) Report on proposals for the appointment of the remaining Directors through co-optation or for submitting to the decision of the General Shareholders' Meeting, in addition to proposals made by the General Shareholders' Meeting for re-election or removal from office.
 - (v) Report on proposals for the appointment and removal of senior executives and the basic terms of their contracts.
 - (vi) Analyse and arrange the succession of the Chairperson of the Board of Directors and the Company's Chief Executive Officer and, if appropriate, make proposals to the Board of Directors so that this takes place in an orderly and planned manner.
 - (vii) Propose to the Board of Directors the remunerations policy for directors and general managers or those performing their senior management duties and reporting directly to the Board, or to the Executive Committee or to the Managing Directors, where appropriate, in addition to the individual remuneration and other contract terms of the executive directors, ensuring that these are abided by.
4. Likewise, the Appointment and Remuneration Committee shall have the following responsibilities:
 - (i) Powers with regard to the composition of the Board of Directors and its committees and to the process to appoint to internal positions within the Board of Directors and senior management.
 - (a) Advise the Board of Directors with regard to the most suitable composition of the actual Board of Directors and its committees with regard to size and balance

between the different classes of Directors existing at any given time. To this end, the Committee shall make a periodic review of the structure of the Board of Directors and its committees, specifically when vacancies arise within these bodies.

- (b) Report on and review the criteria that should be followed for the composition of the Board of Directors and the selection of candidates, ensuring that when new vacancies are filled or new directors are appointed, the selection procedures are free from any implied bias entailing any kind of discrimination and, in particular, from any bias that may hinder the selection of female directors, establishing a goal for representation of females on the Board of Directors and prepare guidelines on how to achieve it.
 - (c) Report on, or make proposals relating to the appointment or removal of members who must make up each committee.
 - (d) Report on the proposals relating to the appointment or removal of the Chair of the Board of Directors.
 - (e) Report on the proposals of the Chair of the Board of Directors relating to the appointment or removal of the CEO.
 - (f) Analyse and arrange the succession of the Chair of the Board of Directors and the Company's Chief Executive Officer and, if appropriate, make proposals to the Board of Directors so that this takes place in an orderly and planned manner.
 - (g) Report on the proposals of the Chair of the Board of Directors relating to the appointment or removal of the Vice-Chair or Vice-Chairs of the Board of Directors.
 - (h) Submit to the Board of Directors the proposal for the appointment of an independent Director specifically empowered in the event that the Chair of the Board of Directors exercises executive functions, and report on the proposals for the removal therefrom.
 - (i) Report on the proposals of the Chair of the Board of Directors relating to the appointment or removal of the Secretary and, where appropriate, of the Deputy secretary or Deputy secretaries from the Board of Directors, of the general secretary and legal advisor.
 - (j) Report on the proposals of the Chair of the Board of Directors or those of the CEO relating to the appointment or removal of senior managers.
- (ii) Powers relating to the selection of candidates for the position of Director
- (a) Select potential candidates to be, where applicable, appointed as Company Directors and submit proposals or reports, as appropriate, to the Board of Directors through its Chair.
 - (b) Submit to the Board of Directors proposals for the appointment of independent Directors (for appointment by co-option or for submitting to the decision of the General Shareholders' Meeting).
 - (c) Check for compliance with the requirements that are specifically applicable to independent Directors by law and in the Company's internal rules, and compile suitable information on their personal qualities, experience and knowledge and on their effective availability.

- (d) At the request of the Chair of the Board of Directors or any other member thereof, report on the proposals for the appointment of the remaining Directors (for appointment by co-option or for submitting to the decision of the General Shareholders' Meeting).
- (iii) Powers relating to the assessment and re-election of Directors
 - (a) Establish and supervise an annual programme for the continuous assessment and review of the qualifications, training and, where applicable, independence, in addition to ongoing compliance with the conditions required for the exercise of the position of Director and member of a given committee, and propose to the Board of Directors such measures as deemed appropriate in this regard.
 - (b) Take part in the annual process to assess the performance of the Chair of the Board of directors and that of the CEO.
 - (c) Submit to the Board of Directors the proposal (in the case of independent Directors) or report (in the case of the remaining Directors) on the re-election of Directors.
 - (iv) Powers relating to the removal and termination of Directors
 - (a) Report to the Board of Directors on proposals to remove from office due to breach of the duties inherent in the position of Director or due to unexpected involvement in any of the circumstances for resignation or mandatory dismissal.
 - (b) Propose the removal of Directors in the event of incompatibility, prohibitions or any other cause of resignation or termination that may arise, pursuant to law or to the Company's internal rules.
 - (v) Powers relating to remuneration
 - (a) Periodically review the remuneration policy for senior management and propose any amendment or update thereof to the Board of Directors.
 - (b) Periodically review the remuneration policy for the Directors and propose any amendment or update thereof to the Board of Directors for submission to the General Shareholders' Meeting, as well as the amount of the annual remuneration of the Directors.
 - (c) Propose the individual remuneration of the executive Directors and other basic terms and conditions of their contracts for approval by the Board of Directors, including any possible severance compensation that may be established for the case of early termination of duties and the amounts to be paid by the Company in concept of insurance premiums or contributions to savings systems, always in compliance with the provisions of the Company's internal rules and, specifically, in accordance with the remuneration policy approved by the General Shareholders' Meeting.
 - (d) Issue a mandatory report prior to approval by the competent corporate body, on any remunerations established for independent Directors of other Group companies.
 - (e) Report on, and submit to the Board of Directors the proposals of the Chair of the Board of directors or Chief Executive Officer regarding the structure of the remuneration of senior manager and the basic terms and conditions of their contracts, including any compensation or indemnity established in the event of

removal from office.

- (f) Ensure compliance with the Company's remuneration programmes and report on the documents to be approved by the Board of Directors for general dissemination regarding information on remuneration, including the Annual Report on Director Remuneration and the corresponding sections of the Company's annual Corporate Governance Report.
5. The Appointment and Remuneration Committee shall meet at least three times a year. Likewise, it shall be convened at the request of any of its members and whenever convened by its Chairperson who shall have to do so provided that the Board or its Chairperson requests the issuing of a report or the adoption of proposals and, in any case, provided that it is convenient for the correct development of its functions.
6. The Committee shall be responsible for convening the person who undertakes the functions of Chairperson at any time. The call to convene, unless for urgent just cause as deemed by the Chairperson, shall be notified to the Committee members with a notice period of at least eight calendar days, by letter, fax, telegram or email. The meeting notice will include the session agenda. Notwithstanding the above, the Committee shall likewise be able to deliberate other issues not included on the aforementioned agenda.
7. The Appointments and Remuneration Committee shall be validly established when the majority of its members, either by their presence or their representatives, attend and its agreements are adopted by absolute majority by the Directors attending the session, either by their presence or their representatives. The representation can only be granted in favour of another Director who is a Committee member. Those who have been appointed for the positions of Chairperson and Secretary of the Committee shall act as such. In case of absence or inability, the Chairperson shall be replaced by the member of the Committee with more seniority, or the most senior Committee member in case of several members holding the same seniority. In case of absence or inability, the Secretary shall be replaced by the most junior member of the Committee.
8. The Committee shall have to make minutes of its meetings by the Secretary which, once approved upon termination of the actual session, or during the next one, shall be signed by the Chairperson and the Secretary. A copy of the minutes shall be sent to all members of the Board of Directors.
9. The Committee should consult with the Chair, the Chief Executive and the management team, particularly on matters relating to executive Directors and senior management.
10. For the optimum fulfilment of its functions, the Appointments and Remuneration Committee shall be able to resort to the advice of external experts when deemed necessary for the proper fulfilment of its functions. Likewise, they shall have full powers to access any type of information, documentation or records considered necessary to that end.

Artículo 18. The Sustainability Committee. Composition, competences and performance.

1. The Board of Directors will also constitute a permanent Sustainability Committee, an internal body of an informative and advisory nature, without executive functions, with information and advisory powers and proposed within its sphere of action as highlighted in section 3 of this article. The Sustainability Committee shall be comprised of a minimum of three and a maximum of five directors, appointed by the actual Board of Directors, who may be executive Directors or external Directors. The Board of Directors shall likewise appoint its Chairperson from amongst the members forming part of that Committee. The Sustainability Committee will appoint the person who shall perform the functions of Committee Secretary, who shall not have to be a Director and who, in any case, shall have to fulfil the obligations intended for the

Directors in these Regulations which, by their very nature, shall be applicable.

2. The Directors who form part of the Sustainability Committee shall discharge their position for a maximum period of four years notwithstanding their possible reappointment. The renewal, reappointment and termination of Directors on the Committee shall be governed by the agreement reached by the Board of Directors.
3. Notwithstanding any other tasks that may be assigned from time to time by the Board of Directors, the Sustainability Committee shall carry out the following basic functions:
 - (i) Periodically review the corporate governance policies and propose to the Board of Directors, either for approval or submission to the General Shareholders' Meeting, any amendments or updates that could contribute to their implementation and continuous improvement.
 - (ii) Promote the Company's corporate governance and sustainability strategy.
 - (iii) Supervise compliance with legal requirements and standards on corporate governance.
 - (iv) Be familiar with, drive, guide and supervise the Company's actions with regard to sustainability (environmental, social and corporate governance) and report on the matter to the Board of Directors and to the Delegated Executive Committee, as appropriate.
 - (v) Assess and review the Company's plans with regard to the execution of the sustainability policies and monitor its level of compliance.
 - (vi) Report on the performance of activities of general interest and sustainability entrusted to foundations related to the Group.
 - (vii) Report on the Company's annual Corporate Governance Report, prior to the approval thereof, by compiling reports from the Audit and Compliance Committee and the Appointment and Remuneration Committee in relation to the sections of such reports that are within its powers and, if published, the Non-Financial Reporting Statement or equivalent sustainability report.
 - (viii) Promote the implementation of a Company Code of Ethics, propose its approval and any subsequent amendments to the Board of Directors, in addition to promoting any question that is relevant to furthering the awareness of, and compliance with the Code of Ethics.
 - (ix) Review the Company's internal policies and procedures to verify their effectiveness in the prevention of inappropriate conduct; identify policies and procedures that are more effective when promoting the highest ethical standards.
 - (x) Other duties which the Company's Board of Directors could agree on.
4. The Sustainability Committees shall be convened, as a minimum, twice a year. Likewise, it shall be convened at the request of any of its members and whenever convened by its Chairperson who shall have to do so provided that the Board or its Chairperson requests the issuing of a report or the adoption of proposals and, in any case, provided that it is convenient for the correct development of its functions.
5. The Committee shall be responsible for convening the person who undertakes the functions of Chairperson at any time. The call to convene, unless for urgent just cause as deemed by the Chairperson, shall be notified to the Committee members with a notice period of at least eight calendar days, by letter, fax, telegram or email. The meeting notice will include the session

agenda. Notwithstanding the above, the Committee shall likewise be able to deliberate other issues not included on the aforementioned agenda.

6. The Sustainability Committee shall be validly established when the majority of its members, either by their presence or their representatives, attend and its agreements are adopted by absolute majority by the Directors attending the session, either by their presence or their representatives. The representation can only be granted in favour of another Director who is a Committee member. Those who have been appointed for the positions of Chairperson and Secretary of the Committee shall act as such. In case of absence or inability, the Chairperson shall be replaced by the member of the Committee with more seniority, or the most senior Committee member in case of several members holding the same seniority. In case of absence or inability, the Secretary shall be replaced by the most junior member of the Committee.
7. The Committee shall have to make minutes of its meetings by the Secretary which, once approved upon termination of the actual session, or during the next one, shall be signed by the Chairperson and the Secretary. A copy of the minutes shall be sent to all members of the Board of Directors.
8. The Committee should consult with the Chair, the Chief Executive and the management team, particularly on matters relating to executive Directors and senior management.
9. For the optimum fulfilment of its functions, the Sustainability Committee shall be able to resort to the advice of external experts when deemed necessary for the proper fulfilment of its functions. Likewise, they shall have full powers to access any type of information, documentation or records considered necessary to that end.

CHAPTER V. OPERATION OF THE BOARD

Artículo 19. Meetings of the Board of Directors.

1. The Board of Directors shall normally meet once a quarter. Likewise, at the Chair's request, it shall meet as many times as the former deems appropriate for the smooth running of the Company, or when requested to do so by at least one third of the Directors or the lead independent Director. In such cases, the Chair must call the meeting of the Board of Directors within a period of one month as of the date of the request.
2. The notice of regular meetings shall be issued in writing by post, fax, telegram or email, which will be issued by the Chair or, under by the Secretary or the Deputy Secretary under the former's instructions. The notice of meeting shall be issued within the time limit established in the bylaws.

The notice shall always include the meeting agenda and shall be accompanied, as far as possible, with the relevant information.

3. The Chair of the Board of Directors shall decide on the agenda for the meeting. Any Director may request the Chair of the Board of Directors to include matters in the agenda and the latter shall be required to include these when such request has been made not less than two days in advance of the date set for the meeting. The express consent of the majority of Directors present at the meeting shall be required in order to submit to the Board of Directors the approval of resolutions not included in the agenda.
4. Any extraordinary meetings of the Board can be summoned by telephone and the advance notice term will not apply, nor will any other requirements indicated in the section above, when, to the Chair's judgement, the circumstances require a meeting and notice of the meeting is

immediately confirmed by fax or email.

5. The meetings of the Board of Directors may be cancelled or suspended, or the date, agenda or venue changed, using the same procedure.
6. Resolutions can also be adopted in writing and without holding a meeting, provided that the provision of corporate law are met.
7. Without prejudice to the foregoing, the Board of Directors shall be understood to be validly convened, with no need to give notice of meeting, if all of the Directors are present in person or by proxy and unanimously agree to hold the meeting and to the items on the agenda to be discussed.
8. The Board will prepare an annual plan for regular meetings. The Board shall dedicate at least one meeting per year to an assessment of its operation and to the quality of its work.

Artículo 20. Venue.

1. The meetings of the Board of Directors shall be held at the place indicated in the notice.
2. The Board of Directors may meet at different venues connected by systems which enable the recognition and identification of the attendees, constant communication among them, intervention and vote casting in real time.
3. Directors attending any of the venues connected will be deemed as attending one single meeting of the Board of Directors. The meeting shall be understood to be held at the Company's registered office.

Artículo 21. Meeting development

1. Regarding the voting and attendance quorum, this shall be governed by the provisions of the Law and the Articles of Association.
2. The Directors must attend the meetings of the Board of Directors and, when unable to do so in person, they must give a proxy to another Director, together with the appropriate instructions and informing the Chair of the Board of Directors of this. Non-executive directors may only give a proxy to another non-executive Director. A proxy cannot be given in relation to matters in which the Director is in any conflict of interest situation. The proxy granted shall be a special proxy for each meeting of the Board of Directors, and may be communicated by any of the means provided for in the notice of meeting.
3. The Chair shall organise the discussion and shall encourage the participation of all the Directors in the Board's deliberations, safeguarding their right to freely adopt a position and to express their opinion. The Chair may invite to attend the meetings of the Board of Directors anyone who may help improve the information provided to Directors.
4. Resolutions shall be passed by absolute majority of the Directors attending the meeting, unless other voting majorities are specifically provided for by law or by the Company's bylaws.
5. Minutes shall be drawn-up at each meeting of the Board of Directors, which shall at least be signed by the Chair and Secretary or Deputy Secretary, and shall be recorded or transcribed, according to law, in a special minutes book of the Board of Directors.
6. The Board of Directors will itself approve the minutes upon conclusion of the meeting or at another future meeting.

CHAPTER VI.
APPOINTMENT AND REMOVAL OF DIRECTORS

Artículo 22. Appointment of Directors.

1. Directors shall be designated by the General Shareholders' Meeting or by the Board of Directors as stipulated by law.
2. Proposals for the appointment and re-election of Board members that the Board submits to the General Meeting and appointment decisions adopted by the Board of Directors by virtue of the co-optation powers legally attributed to it shall be preceded by the relevant proposal from the Nomination and Remuneration Committee, in the case of independent directors, or by a report from that committee, in the case of other Directors.

When the Board deviates from the report issued by the Nomination and Remuneration Committee it shall have to justify the reasons for its conduct and record its reasons in the minutes.

3. The proposals and reports by the Nomination and Remuneration Committee shall have to expressly assess the trustworthiness, suitability, solvency, competence, experience, qualifications, training, availability and commitment of the candidates with their function. To this end, the Nomination and Remuneration Committee shall determine the estimated time required, the number of hours per year, for the non-executive Directors, recording this information in the corresponding report or proposal.
4. The Nomination and Remuneration Committee shall propose or report in each case the director's assignment to one of the categories envisaged in these Regulations and shall review it annually.
5. When a new Director is appointed, he or she shall follow an orientation programme for new directors in order to rapidly gain sufficient insight into the Company and its corporate governance rules.

Artículo 23. Reappointment of Board Members.

Any proposals for the re-election of Directors that the Board of Directors decides to submit to the General Shareholders' Meeting, must be subject to a formal assessment procedure, which must necessarily include a report issued by the Appointment and Remuneration Committee, in which an assessment of the proposed directors shall be made with regard to the quality of work and the commitment to their duties during their previous term in office.

Artículo 24. Term of the position

1. Directors shall stay in office for the term established in the Articles of Association at each given moment.
2. Any vacancies that arise may be filled by the Board of Directors, pursuant to law, until the next General Shareholders' Meeting held, which shall either confirm the appointments or elect the persons to replace the Directors who have not been ratified, unless it decides to withdraw the vacant positions.

Artículo 25. Removal of Directors.

1. The Directors, or any Director, shall leave office as stipulated in legislation applicable at each specific moment.
2. The Directors shall place their office at the disposal of the Board of Directors and formalise their resignation, should the Board deem fit, in the following cases:
 - (a) In the case of a Proprietary Director, when the Director or the shareholder represented transfers their shares in the Company.
 - (b) In the case of an executive director, whenever the Board deems fit and, in any event, when the director ceases to hold the executive post in the Company and/or Group companies.
 - (c) When they are disqualified on the grounds of conflict of interest or any other legal grounds.
 - (d) When indicted for any presumed crime or when subjected to disciplinary measures for serious or very serious breach determined by supervising authorities.
 - (e) Chief Executive Officers shall leave office at 65 years of age but may continue to be Directors, without affecting the provisions of letter b) above.
 - (f) When seriously reprimanded by the Board of Directors for failing to discharge their obligations as Directors, following a report from the Audit and Compliance Committee.
 - (g) When their continued Board membership could jeopardise or harm the Company's interests, credit or reputation, or the reasons for which they were appointed no longer apply.
3. In the event that a Director leaves office before the end of his or her term of office by resigning or for any other reason, the reasons shall be explained in a letter sent to all the Board members and included in the annual corporate governance report.
4. The Board of Directors may only propose the removal of an independent director before the end of the period stipulated in the By-laws when the Board considers there is just cause. In particular, just cause shall be deemed to exist when the Director has failed to observe the duties of office or should any of the ex post facto circumstances described in the definition of an independent director in applicable regulations or, failing this, in good corporate governance regulations applicable to the Company from time to time arise.

Artículo 26. Impartiality. Voting Secrecy.

1. The Directors affected by proposals for appointment, re-election, removal from office, shall refrain from intervening in the deliberations and voting on the said proposals.
2. All votes of the Board of Directors concerning the appointment, re-election or dismissal of Directors shall be secret, if so requested by the Chair or any Director.

**CHAPTER VII.
DIRECTOR'S ACCESS TO INFORMATION**

Artículo 27. Right to access information.

1. The Director may request any necessary information about the Company in reasonable terms, insofar as so required by the performance of his/her duties. The right to access information also affects subsidiary companies Companies, whether Spanish or foreign ones.
2. In order not to impair the ordinary course of the Company's business, these powers shall be channelled through the Chair, who address requests of the Director, either directly disclosing them the information, identifying the appropriate persons of the Company arranging the necessary measures to enable the Director to perform the required inspection or examination procedures.
3. The Board of Directors may refuse to provide the information requested if it considers: (i) that, in its opinion, complying with the request could harm the Company's interests or (ii) it is not necessary for the proper performance of the duties entrusted to the Director or (iii) its cost is not reasonable in view of the importance of the problem and the Company's assets and income, all without prejudice to the provisions of the applicable legislation.

Artículo 28. Expert Support.

1. In order to obtain assistance when carrying out their duties, external Directors may request the hiring, at the Company's request, of legal, accounting, financial, technical, commercial or other experts if considered necessary to adequately perform their duties. The request must necessarily involve specific issues of particular complexity.
2. The request must be made through the Chair of the Board of Directors and may be vetoed by the Board of Directors if it is considered that:
 - (a) Such assistance is not required for the adequate performance of the duties with which Directors are charged;
 - (b) The related cost is not reasonable in the light of the importance of the issue concerned and the Company's assets and revenues;
 - (c) The assistance being requested may be adequately provided by experts and technicians already employed by the Company or others that are already working for the Company; or
 - (d) It may entail a risk to the confidentiality of the information that must be processed.

**CHAPTER VIII.
DIRECTOR REMUNERATION**

Artículo 29. Remuneration of the Board.

1. Directors shall have the right to receive the remuneration to which they are entitled pursuant to the resolutions adopted by the Board of Directors in accordance with the provisions of the bylaws and the Director remuneration policy approved by the General Shareholders' Meeting, in the terms provided by law.
2. The Board of Directors shall ensure that the remuneration payable to the Directors is commensurate with the remuneration paid at companies of a similar size or activity and that it

takes into account their dedication to the Company. The remuneration system established must be directed at promoting the Company's long-term profitability and sustainability and must include the necessary precautions to avoid excessive risk taking and unfavourable results..

3. Likewise, the Board of Directors shall ensure that the amount of the remuneration of non-executive directors is such that it offers incentives to their dedication while not compromising their independence.

The Board of Directors shall approve, pursuant to the provisions of law, the contracts governing the remuneration of the executive Directors. The contracts shall detail all the items for which the Director may obtain remuneration for the performance of executive duties, and shall include any potential severance compensation for the early removal from such duties and the amounts to be paid by the Company for insurance premiums or contributions to savings schemes. The director may not receive any remuneration for discharging the executive function the amounts or type of which are not envisaged in the above mentioned contract. The approved contract must be included as an annex to the minutes of the meeting.

4. On an annual basis, the Board of Directors shall prepare the Annual Report on Director Remuneration in the terms established by law, and which shall be made available to the shareholders upon the call to the Ordinary General Shareholders' Meeting and shall be submitted to a consultative vote as a separate item on the agenda.
5. Remuneration schemes consisting in the allocation of shares from the Company or Group companies, share options or instruments referenced to the share value, variable compensation tied to Company earnings or pension schemes are generally limited to executive Directors, although external Directors may be part of the remuneration schemes involving the allocation of shares when this is made subject to retaining ownership of the shares while holding the position of Director.
6. Remuneration linked to Company earnings should consider any qualifications stated in the external auditor's report that may reduce the company results. Should it be necessary to correct the annual financial statements on which the said remuneration is based, then the Board of Directors shall decide whether or not it is appropriate to cancel or to totally or partially return the payment of the variable remuneration.

CHAPTER IX. DUTIES OF DIRECTORS

Artículo 30. General obligations of Directors.

1. The Director's duty is to guide and control the management of the Company in order to maximize its value of to the benefit of its shareholders.
2. Directors must comply with the duties imposed by law. Specifically, they shall act with the diligence of any orderly businessman and the loyalty of a faithful representative, taking into account the nature of the position and the duties attributed to each one, acting in good faith and safeguarding the corporate interest
3. In the area of strategic and business decisions, subject to business discretion, the standard of diligence of an orderly businessman shall be deemed to be met when the Director has acted in good faith with no personal interest in the matter being decided, with sufficient information and pursuant to an appropriate decision-making process.
4. Directors shall specifically be obliged to:

- (a) Prepare thoroughly and gather all the relevant information for meetings of the Board of Directors and any bodies or committees to which they belong.
- (b) Attend meetings of the bodies or committees to which they belong and become actively involved in their discussions in order to contribute in an efficient manner to the decision-making process. If, for good reason, the Director cannot attend the meetings to which the Director has been convened, the Director must inform, insofar as is possible, the Director who shall represent him/her, subject to these Rules.
- (c) Perform any specific task entrusted to him/her by the Board of Directors and reasonably included within his/her dedication commitment.
- (d) Investigate any irregularity in the management of the Company that has come to his/her notice and monitor any potentially risky situation.
- (e) Urge the persons with the capacity to convene the Board of Directors to meeting to convene an extraordinary meeting and include items in the agenda that they deem appropriate.
- (f) Object to agreements that are against the law or the corporate interest, and request that such objection be recorded in the minutes. Independent Directors and other Directors not affected by a potential conflict of interest must specifically clearly state their objection when it is a matter of decisions that could go against the interests of shareholders not represented on the Board of Directors.

Whenever the Board of Directors passes significant or repeated resolutions about which a Director has expressed serious reservations, then the said Director should draw the appropriate conclusions and, should this Director decide to resign then the reasons for this decision should be set out in the letter of resignation.

The provisions of this point shall be applicable to the Secretary of the Board of Directors, even if he does not have Director status.

- (g) Provide a strategic vision (and, to a greater extent, the independent Directors) as well as innovative measures, criteria and concepts, for the optimal development and growth of the Company's business.
 - (h) Inform the Company of any type of legal, administrative claim or of any other nature in which the Director is involved and which, due to its importance, could seriously affect the Company's reputation. The Board shall consider the matter as soon as possible and, following a report from the Appointment and Remuneration Committee, shall take the appropriate measures in the Company's interest, disseminating, whenever necessary, any information considered advisable at the time when the said measures are adopted.
 - (i) Notify the Company of any significant changes in his professional situation and those which affect the nature or class in which they are included.
 - (j) Carry out their mandate in accordance with the principle of personal responsibility with freedom of judgement and independence from third party instructions and ties.
5. In any case, Directors must dedicate the necessary time and effort to their duties in order to perform their work efficiently and, consequently, the Directors must inform the Appointment and Remuneration Committee of any other professional obligations, in case these interfere with the dedication required.

Artículo 31. Directors' duty of confidentiality

1. Even after their duties have ceased, Directors shall keep secret the deliberations of the Board of Directors, and those of any committees that they served on, as well as any confidential information to which they may have been party in the course of their duties, which must not be communicated to third parties or disclosed when it could have damaging consequence for the Company.

When the Director is a legal person, the duty of confidentiality falls on its representative, who must nonetheless notify the legal entity.

2. Exempted from the duty referred to in the section above are those cases in which the law permits the communication or disclosure of information to third parties or which, where applicable, they are required or must submit to the respective supervisory authorities, in which case the disclosure of information must conform to the provisions of law.

Artículo 32. Duty not to compete.

1. The Directors must refrain from carrying out activities on their own account or for third parties that represent real competition, either current or possible, with the Company or which in any way put him/her in permanent conflict with the Company interests.
2. The obligation not to compete with the Company may only be waived if no damage is expected to be caused to the Company or if the Company is expected to be compensated for any benefits resulting from such a waiver. The waiver will be granted through an express and separate resolution of the Annual Meeting.
3. In all cases, at the request of any shareholder, the General Assembly will decide on the dismissal of the Director performing competitive activities when the risk of the Company being affected becomes relevant.

Artículo 33. Conflicts of interest.

1. Directors shall adopt the necessary measures to avoid conflicts of interest as stipulated by law.
2. A conflict of interest shall be deemed to exist in situations in which the Company's interests and the director's personal interests come into conflict, either directly or indirectly. The Director shall have a personal interest when the matter affects the director or a Related Person or, in the case of a proprietary Director, the shareholder(s) that proposed or appointed the Director or persons related directly or indirectly to them.

For the purposes of these Regulations, the following shall be deemed Persons Related to the Director:

- (a) The director's spouse or persons in a similar relationship of personal relationship.
- (b) Ascendants, descendants and siblings of the director or of the director's spouse.
- (c) The spouses of the director's ascendants, descendants and siblings.
- (d) Companies in which the director, directly or through another person, is in any of the situations envisaged in Article 42 of the Code of Commerce.

With regard to a Director, who is a legal entity, it shall be understood as being the following Related Persons:

- (a) Partners who, with regard to the Director who is a legal entity, find themselves in any of the situations considered in article 42 of the Code of Commerce.
 - (b) Directors, whether de jure or de facto, liquidators and legal representatives holding general powers granted by the legal entity director.
 - (c) Companies forming part of the same group, as defined in Article 42 of the Code of Commerce, and their shareholders.
 - (d) The persons who, with regard to the representative of the Director who is a legal entity, are understood as being Persons Related to the Directors, in accordance with this section.
3. The following rules will be applicable to conflict of interest situations:
- (a) Communication: the Director must report any conflict of interest that arises to the Board of Directors and the Audit and Compliance Committee, through the Chair or the Secretary.
 - (b) Abstention: the Director must abstain from attending and intervening in the deliberations and votes that relate to those matters concerning the conflict of interest. External proprietary directors must abstain from participating in votes regarding matters that may represent a conflict of interest between shareholders that proposed their appointment and the Company.
 - (c) Transparency: the Company will, as applicable pursuant to Law, report on any conflict of interests involving Directors that has been reported by the affected party or by any other means in the financial year in question.

Artículo 34. Use of corporate assets.

1. A director may not use the Company's assets nor take advantage of his position in the Company in order to gain a financial advantage, unless fair market consideration has been paid and it is a standardised service.
2. On an exceptional basis, the Board of Directors, following a report from the Appointment and Remuneration Committee, may exempt the Director from the obligation to pay such consideration. However, in this case, the financial advantage shall be deemed remuneration in kind and must be in line with the Directors' remuneration policy.

Artículo 35. Non-public information

The Director shall observe the rules of conduct established in the legal provisions governing the securities market and, in particular, those embodied in the Company's Internal Rules of Conduct on the Securities Markets with regard to the treatment of insider information and relevant information.

Artículo 36. Business opportunities

1. A Director shall not use the Company's name and neither shall he call on his status as Director thereof

in order to carry out transactions for his own account or for that of Related Parties.
2. Directors shall not make, either for their own personal benefit or that of Related Parties, investments or any other transaction related to the Company's assets, and which has been brought to their knowledge in the course of their work, when the investment or transaction

should have been offered to the Company or the Company was interested in it, provided that the Company has not rejected the said investment or transaction with no influence from the Director.

Artículo 37. Indirect transactions.

It shall be understood that a Director breaches his duty of loyalty to the Company if, with prior

knowledge, he allows or does not reveal the existence of transactions related to the Company, carried out by persons related to him, or by companies in which he holds an executive position or has a significant shareholding.

Artículo 38. Directors' Obligation to Inform.

1. The Director must inform the Company of any shareholding or interest (through agreements or instruments of any type, such as certificates of deposit, derivative instruments, etc.) held in the share capital of any company with an identical, similar or complementary corporate purpose to that of the Company, and the positions or duties exercised in the same, as well as the performance, for his own account or for that of third parties, of any type of activity that is complementary to the Company's corporate purpose. The said information shall be included in the notes to the annual financial statements and in the annual Corporate Governance Report, pursuant to legal requirements.
2. The Director must also inform the Company of all the positions held and services provided at other companies or entities and, in general, any fact or situation that may be relevant to his holding office as a Company Director.
3. Likewise, Directors must inform the Company of any circumstances that could damage the Company's standing and reputation and, in particular, they are obliged to inform the Board of any criminal acts with which they are charged as well as the subsequent legal proceedings.
4. In the event that a Director be indicted or sent for trial for any of the crimes stated in Article 213 of the Capital Companies Law, the Board of Directors shall examine the matter as soon as possible, and in view of the concrete circumstances shall decide whether or not the Director should be called on to resign.

Artículo 39. Transactions with significant shareholders.

1. The Board of Directors formerly reserves the right to be made aware of any Company transaction with a significant shareholder, following a report by the Audit and Compliance Committee.
2. The Board of Directors –and the Audit and Compliance Committee, when issuing the report,– shall value the transaction from the point of view of arm's length conditions, examining the transactions with significant shareholders and also in the context of the equal treatment of shareholders.
3. In the case of transactions in the ordinary course of Company business and that are routine and recurring in nature, it shall be sufficient to have generic authorisation for the line of transactions and the conditions for the performance thereof.
4. The Company shall report any transactions made with Directors, significant shareholders and Related Parties, in the periodic financial information, with the scope provided by law. Likewise, the Company shall include in the notes accompanying the annual financial statements, information on the transactions by the Company or by the Group companies with the Directors,

significant shareholders and related parties and those acting for the account of the latter, when such transactions are conducted other than in the ordinary course of the Company's business or other than under normal arm's length conditions.

CHAPTER X. BOARD RELATIONS

Section one. Information policy

Artículo 40. Annual Report on Corporate Governance.

1. The Board of Directors shall, on an annual basis and following a report from the competent Board committees by reason of the different matters concerned, approve a Corporate Governance Report for the Company that shall include, in all cases, the particulars established by law.
2. The annual Corporate Governance Report of the Company shall be included in a separate section of the Management Report and shall, therefore, be approved together therewith and shall be made available to the shareholders together with the other documents for the General Shareholders' Meeting, to be held as an ordinary meeting during the first six months of each financial year.
3. Public notice shall be given of the annual Corporate Governance Report of the Company as provided in the securities market rules and regulations in force at all times.

Artículo 41. Corporate Website.

1. The Company shall have a website to fulfil the Shareholders' right to information as well as to disseminate any information that is required by law.
2. The Board of Directors is responsible for keeping the information on the Company website up to date and for coordinating its contents in line with the documents deposited or registered in the corresponding public registries.

Section Two. Board of Directors relations

Artículo 42. Relations with the Shareholders.

1. The Board of Directors shall arrange the appropriate channels to hear any proposals made by Shareholders in relation to the Company's management.
2. Through its Directors and with the collaboration of the members of senior management deemed appropriate, the Board can organise meetings regarding the progress of the Company and of its Group for Shareholders who reside in the most important financial positions in Spain and other countries.
3. The Board of Directors shall encourage the informed participation of the shareholders at Shareholders' Meetings and shall adopt as many appropriate measures to help the General Shareholders' Meeting to facilitate the exercising of shareholders' rights pursuant to Law and the Articles of Association. To this regard, the Board will submit the Rules for said Corporate Body to the General Meeting's approval.
4. More specifically, the Board of Directors will adopt the following measures:

- (a) It shall make available to the shareholders, prior to the General Meeting, any information that is required by law and all information which, although not legally required, could be of interest and reasonably supplied.
 - (b) It shall deal with requests for information from shareholders as expeditiously as possible and prior to the General Meeting, in the legislation terms applicable at each given time.
 - (c) It shall likewise deal with questions put forward by the Shareholders when the General Meeting is held, according to the legislation provisions applicable from time to time.
5. All public requests for the delegation of votes made by the Board of Directors or by any of its members must justify how the proxy will vote if no instructions are given by the shareholder.

Artículo 43. Relations with the Institutional Shareholders.

1. The Board of Directors will establish adequate mechanisms for the regular exchange of information with the institutional investors forming part of the Company's shareholders.
2. Under no circumstances shall relations between the Board of Directors and the institutional shareholders lead to the delivery to the latter of information which might place them in a position of privilege or provide them with an advantage over the other Shareholders.

Artículo 44. Relations with the Markets.

1. The Board of Directors, through its material fact communications to the Comisión Nacional del Mercado de Valores (Spanish Security and Exchange Commission) and its corporate website, shall immediately inform the public of any relevant information in the terms established in the applicable rules and regulations at any given time. The Board of Directors shall appoint one or more persons to act as authorised interlocutors before the Comisión Nacional del Mercado de Valores, which shall be informed of this appointment as established in the legislation in force.
2. The Board of Directors shall also by that regular financial information, other than Annual Financial Statements and, in general, any other information disclosed to the Markets, is prepared pursuant to the same professional principles, criteria and practices applied to the Annual Financial Statements and that such information is as reliable as the latter.
3. The Board of Directors shall include in its annual public documentation, information on the Company's rules of governance and the level of compliance with the same.

Artículo 45. Relations with Auditors.

1. The Audit and Compliance Committee is responsible for proposing to the Board of Directors, for submission to the General Shareholders' Meeting, the appointment (with an indication of the terms and conditions of the contract and the scope of the professional services), renewal and revocation of the auditor of the Company's annual financial statements and supervising compliance with the audit contract in accordance with article 17 hereof.
2. The Audit and Compliance Committee shall refrain from proposing to the Board of Directors, and the latter in turn shall refrain from submitting to the General Shareholders' Meeting, the appointment of an auditor of the Company's financial statements from any audit firm that is in a situation of incompatibility under the rules governing account auditing, as well as those firms whose fees to be paid by the Company, for all concepts, are greater than five percent of its total revenue over the last financial year.
3. The Board of Directors shall endeavour to prepare the annual financial statements in such a way

that no reservations or exceptions are raised by the auditor. In exceptional cases in which discrepancies do arise, then the Chair of the Audit and Compliance Committee and also the external auditors shall clearly explain to the shareholders the content of the said reservations or exceptions. However when the Board considers that its criteria should remain, then it will publicly explain the content and scope of the discrepancy.

Artículo 46. Relations with the senior managers of the Company

The relations between the Board of Directors and the senior managers of the Company, as provided herein, shall necessarily be channelled through the Chief Executive Officer or, in his absence, through the Chair of the Board of Directors or the Secretary of the Board.