

**REGULATIONS OF THE BOARD OF DIRECTORS
OF OPDENERGY HOLDING, S.A.**

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**REGULATIONS OF THE BOARD OF DIRECTORS
OF OPDENERGY HOLDING, S.A.
TITLE I.- PRELIMINARY**

Article 1. Subject matter and duration

1. The purpose of these regulations is to determine the principles of action of the Board of Directors of Opdenenergy Holding, S.A. (the "**Company**") as well as the basic rules of its organisation and operation and the rules of conduct of its members.
2. The rules of conduct set forth in these regulations shall apply to the Board of directors, its delegated bodies and its internal committees and commissions, as well as to the members thereof. Likewise, the rules of conduct set forth in these regulations shall also apply to the Company's senior management insofar as they are compatible with their specific nature and the activities they carry out. For the purposes of these regulations, "senior management" shall be understood to mean those executives who report directly to the Board of Directors or the chief executive officer, if any, and, in any case, the person responsible for the internal audit of the Company, if any.
3. These regulations shall enter into force on the date on which the Company's shares are admitted to trading on the Spanish Stock Exchanges. They shall remain in force indefinitely.

Article 2. Interpretation

1. These regulations supplement the rules and regulations applicable to the Board of Directors established in prevailing legislation and in the Company's Articles of Association. It shall be interpreted in accordance with the applicable legal and bylaw rules and with the principles and recommendations on corporate governance of listed companies approved or issued by the Spanish authorities and those of neighbouring countries in force at any given time, or by special commissions or working groups established by virtue of the mandate of the aforementioned authorities.
2. It is the responsibility of the Board of Directors to resolve any doubts arising from the application and interpretation of these regulations in accordance with the general criteria for the interpretation of legal rules and in accordance with the Articles of Association.

Article 3. Approval and amendment

1. These regulations have been approved by the Board of Directors, with a report to the general meeting of shareholders and at the proposal of the chairman of the Board of Directors, in compliance with the provisions of article 528 of the revised text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July (hereinafter, the "**Companies Act**").

2. These regulations may only be amended at the request of the chairman or of one third of the directors, who must in any case accompany their proposed amendment with a report justifying the amendment.
3. The text of the proposal and the authors' explanatory memorandum shall be attached to the notice convening the meeting of the Board of Directors which is to deliberate on the proposal.
4. The amendment of the regulations shall require for its validity the resolution adopted for this purpose by an absolute majority of the members of the Board of Directors attending in person or by proxy.
5. The Board of Directors shall report any amendments to the regulations to the first general meeting of shareholders.
6. These regulations shall be updated whenever necessary to bring them into line with the applicable provisions in force.

Article 4. Dissemination and registration

1. Directors and senior management are obliged to know, comply with and enforce compliance with these regulations. To this end, the secretary of the Board of Directors shall provide all of them with a copy of these regulations when they accept their respective appointments or when they are hired, as the case may be, and they must provide the secretary with a signed declaration in which they state that they are aware of and accept the contents of these regulations, undertaking to comply with any obligations that may be demanded of them by virtue of the same.
2. These regulations, and any subsequent amendments thereto, shall be notified to the National Securities Market Commission (Comisión Nacional del Mercado de Valores), accompanied by a copy of the document in which they are recorded, and shall be registered with the Companies Registry, and shall be available on the Company's corporate website and on the website of the National Securities Market Commission (the "CNMV") in accordance with the provisions of the standards in force and these regulations.

TITLE II.- ROLE OF THE BOARD

Article 5. Powers of the Board of Directors

1. The Board of Directors has competence over all matters not attributed by law or the Articles of Association to the general meeting of shareholders.
2. The Board of Directors, which has the broadest powers and authority to manage, direct, administer and represent the Company, shall, as a general rule, delegate the day-to-day management of the Company to the delegated management bodies and the management team, establishing the content, limits and methods of the delegation and shall concentrate its activity on

the general supervisory function and on the consideration of those matters of particular importance for the Company.

3. Powers reserved by law or by the Articles of Association to the direct knowledge of the Board of Directors and other powers necessary for the responsible exercise of the general supervisory function may not be delegated.
4. Without prejudice to the legal powers of delegation for the implementation of resolutions, the Board of Directors may not delegate the following competences and powers:
 - (i) The supervision of the effective functioning of the committees it has set up and of the performance of the delegated and executive bodies it has appointed.
 - (ii) The determination of the Company's general policies and strategies.
 - (iii) The authorisation or waiver of the directors' duty of loyalty obligations in accordance with the provisions of the Act.
 - (iv) The preparation of the financial statements, the Directors' report and the proposal for the allocation of the Company's profit and loss, as well as the consolidated financial statements and Directors' report for submission to the general meeting of shareholders.
 - (v) The formulation of any kind of report required by law from the Board of Directors, provided that the transaction to which the report refers cannot be delegated.
 - (vi) The appointment and removal of the Company's managing directors, as well as the establishment of the terms of their contracts.
 - (vii) The appointment and dismissal of directors who report directly to the Board of Directors or any of its members, as well as the establishment of the basic conditions of their contracts, including their remuneration.
 - (viii) Decisions regarding directors' remuneration, within the framework of the Articles of Association and, where appropriate, the remuneration policy approved by the general meeting of shareholders.
 - (ix) The convening of the general meeting of shareholders, as well as the publication of notices relating thereto, the drawing up of the agenda and the proposal of resolutions.
 - (x) The implementation of the Company's treasury stock policy within the framework of the authorisation of the general meeting of shareholders.

- (xi) Approval of the strategic or business plan, annual management objectives and budget, investment and financing policy, corporate social responsibility policy and dividend policy.
- (xii) Determination of risk management and control policy, including tax risks, and supervision of internal information and control systems.
- (xiii) The determination of the corporate governance policy of the Company and of the group of which the Company is the controlling entity; its organisation and operation.
- (xiv) Approval of the financial information that the Company must periodically publish due to its status as a listed company.
- (xv) The definition of the structure of the group of which the Company is the controlling entity.
- (xvi) The approval of investments, divestments or transactions of any kind which, due to their large amount or special characteristics, are of a strategic nature or have a special tax risk, unless their approval corresponds to the general meeting of shareholders.
- (xvii) Approval of the creation or acquisition of shares in special purpose vehicles or entities domiciled in countries or territories considered tax havens, as well as any other transactions or operations of a similar nature which, due to their complexity, could undermine the transparency of the Company and its group.
- (xviii) The approval, subject to a report from the audit committee, of related-party transactions when this competence corresponds to the Board of Directors in accordance with the law and as defined by the relevant legislation in force at any given time. In those cases, in which it is appropriate under the law, delegate the approval of related-party transactions under the terms established in prevailing legislation.
- (xix) Approve intra-group transactions that the Company enters into with its parent company or other companies in the same group subject to a conflict of interest when this competence corresponds to the management body in accordance with the law and as defined by the relevant legislation in force from time to time. In those cases, in which it is appropriate by law, delegate the approval of intra-group transactions that the Company enters into with its parent company or other companies in the same group subject to a conflict of interest under the terms established in the legislation in force at any given time.
- (xx) Determining the Company's tax strategy.
- (xxi) The appointment of directors by co-optation and the submission of proposals to the general meeting of shareholders regarding the appointment, ratification, re-election of directors who are not independent, subject to a report from the appointments and remuneration committee, or the removal of directors, as well as the acknowledgement of the resignation of directors.

- (xxii) Approval, where appropriate, of a specific and verifiable director selection policy, which ensures that proposals for appointment or re-election are based on a prior analysis of the needs of the Board of Directors, and which favours diversity of knowledge, experience, age and gender and aims to achieve the objective that the number of female directors should not be less than 30% of the members of the Board of Directors and should aim, in the medium term, to represent at least 40% of the members of the Board of Directors.
- (xxiii) Approval of the remuneration of each director, following a proposal by the appointments and remuneration committee, in accordance with the remuneration policy approved by the general meeting of shareholders.
- (xxiv) Appointment, removal and approval of termination resolutions of the managing directors, as well as prior approval of the contracts to be entered into between the Company and the directors to whom executive functions are attributed.
- (xxv) The appointment and renewal of the internal offices of the Board of Directors and of the members and internal offices of its committees.
- (xxvi) Subject to a report by the appointments and remuneration committee, the appointment, removal and approval of termination agreements for senior management, as well as the approval of their compensation clauses.
- (xxvii) Approval of the remuneration policy for the Company's senior management, as well as the basic conditions of the contracts and the agreements for their termination, at the proposal, if any, of the chief executive officer, following a report from the appointments and remuneration committee.
- (xxviii) A decision on any takeover bid for securities issued by the Company.
- (xxix) The preparation of the annual corporate governance report and the annual report on the remuneration policy of the Company's directors, as well as the statement of non-financial information.
- (xxx) The evaluation once a year of the functioning of the board and its committees and the proposal of an action plan to correct the deficiencies detected.
- (xxxi) The adoption and amendment of these regulations.
- (xxxii) The powers delegated to the Board of Directors by the general meeting of shareholders, unless the board, having been expressly authorised by the general meeting to sub-delegate them, has exercised that right.
- (xxxiii) Any other matter which the regulations of the Board of Directors reserve to the full Board.

5. Under no circumstances may the Board of Directors delegate powers which, in accordance with the regulations applicable from time to time, may not be delegated. When duly justified urgent circumstances arise, decisions corresponding to the foregoing matters may be adopted by the delegated bodies or persons, which must be ratified by the Board of Directors at the first meeting held after the adoption of such decision.
6. With respect to the subsidiaries which, if any, form part of the Company's group and within the limits provided by law, the Board of Directors may establish the bases for efficient and appropriate coordination between the Company and the companies forming part of the group. In any event, the Board of Directors shall respect the autonomy of the administrative and management bodies of the companies forming part of the group, taking into account the interests of the Company and those of the aforesaid group companies.

Article 6. Social interest

1. The Board of Directors shall perform its duties with unity of purpose and independence of judgement, treating all shareholders in the same position equally and guided by the interests of the Company, understood as the achievement of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the Company.
2. Likewise, the Board of Directors, without prejudice to the protection of corporate discretion, shall endeavour to reconcile its own corporate interest with the legitimate interests of the stakeholders that may be affected, respecting current legislation, complying in good faith with its obligations and contracts, respecting the customs and good practices of the sectors and territories where it operates, and observing any additional principles of social responsibility that it has voluntarily accepted.

TITLE III.- COMPOSITION OF THE BOARD

Article 7. Quantitative composition

1. The Board of Directors shall consist of a number of members of not less than five and not more than fifteen, to be determined by the general meeting of shareholders.
2. The Board of Directors shall propose to the general meeting of shareholders the number which, in accordance with the changing circumstances of the Company and within the limits of the Articles of Association, is most appropriate for the proper representation and efficient functioning of the body.

Article 8. Qualitative composition

1. The definitions of the different categories of directors shall be those established in the regulations in force or, in the absence thereof, in the good corporate governance recommendations applicable to the Company from time to time.

2. The nature of each director shall be explained by the Board of Directors to the shareholders at the general shareholders' meeting at which the appointment is to be made or ratified, and shall be confirmed or, as the case may be, reviewed annually in the annual corporate governance report, after verification by the appointments and remuneration committee. If there is any external director who cannot be considered either proprietary or independent, the company shall explain such circumstance and his or her links, either with the company or its executives, or with its shareholders.
3. The general meeting and the Board of Directors shall endeavour to ensure that the Board of Directors is composed in such a way that external or non-executive directors represent an ample majority over executive directors and that there is a reasonable number of independent directors among them. They shall also ensure that the number of independent directors represents at least one third of the total number of directors, that the number of executive directors is the minimum necessary and that the percentage of proprietary directors out of the total number of non-executive directors does not exceed the proportion between the capital of the company represented by such directors and the remaining capital.
4. The provisions of the preceding section do not affect the sovereignty of the general meeting of shareholders, nor do they diminish the effectiveness of the proportional system, which shall be obligatory when shares are grouped in accordance with the provisions of the Companies Act.

TITLE IV.- STRUCTURE OF THE BOARD OF DIRECTORS

Article 9 . The chairman

1. The chairman of the Board of Directors shall be elected from among its members, subject to a report from the appointments and remuneration committee.
2. The chairman has the ordinary power to convene and chair the Board of Directors, draw up the agenda for its meetings, chair the general meeting of shareholders, ensure that the directors receive sufficient information in advance to deliberate on the items on the agenda, direct and stimulate debate and active participation.
3. The chairman shall, however, convene the Board of Directors, provided that this is requested by at least one third of the members of the Board of Directors or at the request of the lead independent director if he has been appointed. In such a case, the chairman shall convene the Board of Directors to meet within fifteen calendar days from the date of the request. If fifteen calendar days have elapsed since receipt of the request without the chairman having convened the Board of Directors, the Board of Directors shall be convened by the vice-chairman or by the lead independent director, if the latter has been appointed. The right of these directors to convene the Board of Directors directly, under the terms provided for by law, shall remain unaffected.

4. The chairman, as the person responsible for the effective functioning of the Board of Directors, in addition to exercising the functions assigned to him by law and the Articles of Association, shall (i) prepare and submit to the Board of Directors a schedule of dates and matters to be discussed; (ii) organise and coordinate the periodic evaluation of the Board of Directors; (iii) be responsible for the management of the Board of Directors and the effectiveness of its functioning; (iv) ensure that sufficient discussion time is devoted to strategic issues; and (v) agree and review knowledge update programmes for each director, when circumstances so require.
5. The office of chairman may be held by an executive director. The appointment thereof shall require the favourable vote of two-thirds of the members of the Board of Directors. In this case, the Board of Directors, with the abstention of the executive directors, must necessarily appoint a coordinating director from among the independent directors, who shall be especially empowered to:
 - (i) To request the Chairman of the Board of Directors to call a meeting of this body whenever he deems it appropriate.
 - (ii) Request the inclusion of items on the agenda of board meetings.
 - (iii) Coordinate, bring together and echo the concerns of non-executive directors.
 - (iv) Chair the Board of Directors in the absence of the chairman and vice-chairmen, if any.
 - (v) Lead the periodic evaluation of the chairman of the Board of Directors and coordinate his succession plan.
 - (vi) Liaise with investors and shareholders to ascertain their views in order to form a view on their concerns, in particular in relation to the Company's corporate governance.

Article 10. The Vice-Chairman

The Board of Directors may, after a report from the Appointments and Remuneration Committee, appoint one or more Vice-Chairmen. In the event of a plurality of vice-chairmen, each of the vice-chairmen shall be numbered. The Vice-Chairman shall stand in for the Chairman in the event of vacancy, absence or illness and when so determined by the Chairman. In the event of more than one Vice-Chairman, the order in which the Vice-Chairmen replace the Chairman shall be determined by priority of number.

Article 11. The Secretary and the Legal Adviser to the Board of Directors

1. The Board of Directors shall elect, at the proposal of its chairman and following a report from the appointments and remuneration committee, a secretary, whose appointment may be made by

one of its members or by a person from outside the Board of Directors who is qualified to perform the duties inherent to such position. If the secretary of the Board of Directors is not a director, he or she shall have the right to speak but not to vote.

In any event, in order to safeguard the independence, impartiality and professionalism of the secretary, his or her appointment and removal shall be approved by the full Board of Directors, following a report from the appointments and remuneration committee.

2. The secretary shall assist the chairman in his duties and shall ensure the proper functioning of the Board of Directors, especially by providing the directors with the necessary advice and information, assisting the chairman to ensure that the directors receive the relevant information for the exercise of their duties sufficiently in advance and in the appropriate format, keeping the corporate documentation, duly recording the proceedings of the meetings in the minute books and attesting to the resolutions of the body. He shall also record in the minutes of board meetings any concerns not resolved by the board that have been expressed by the directors about the company's performance, as well as any concerns expressed by him or the directors about a proposal, at the request of the person expressing them.
3. The secretary shall take special care to ensure that the actions and decisions of the Board of Directors (i) comply with applicable laws and regulations; (ii) are in accordance with the Articles of Association and other internal regulations; and (iii) take into account the recommendations on good governance applicable to the Company.
4. The Board of Directors shall have a legal adviser to the Board of Directors, who shall have the functions conferred upon him/her by the legislation in force. The secretary or, as the case may be, the deputy secretary, may act as legal adviser to the Board of Directors when they have the status of legal adviser and meet the other requirements provided for in prevailing legislation.

Article 12. The Deputy Secretary of the Board of Directors

1. The Board of Directors may appoint a deputy secretary, who need not be a director, to assist the secretary of the Board of Directors or to replace him in the event of absence in the performance of his duties, as well as any other internal duties or offices held by the secretary of the Board of Directors within the Board of Directors, including any internal committees or commissions that may be set up within the Board of Directors.

In any event, in order to safeguard the independence, impartiality and professionalism of the deputy secretary, his or her appointment and removal shall be approved by the full Board of Directors, following a report from the appointments and remuneration committee.

2. Unless otherwise decided by the Board of Directors, the deputy secretary may attend meetings of the Board of Directors to assist the Secretary in drafting the minutes of the meeting and in the other advisory functions set forth in these Regulations.

Article 13. Delegated and consultative bodies

1. Without prejudice to the powers of attorney it may grant to any person, the Board of Directors may set up an executive committee or appoint one or more managing directors, and may delegate to them, in whole or in part, on a temporary or permanent basis, all powers that may not be non-delegable under the law. The delegation and the appointment of the members of the Board of Directors who are to hold such offices shall require the favourable vote of two-thirds of the members of the Board of Directors in order to be valid and shall not take effect until they have been entered in the Commercial Register.
2. At least two members of the executive committee shall be non-executive directors, at least one of whom shall be an independent director. The chairman and secretary of the executive committee shall be the chairman and secretary, respectively, of the Board of Directors.
3. The chairman of the executive committee shall report to the Board of Directors on the business transacted and the resolutions adopted at its meetings, minutes of which shall be drawn up and a copy sent to all members of the Board of Directors.
4. An audit committee and an appointments and remuneration committee shall also be set up, with the powers of information, supervision, advice and proposal in the matters within their competence specified in these regulations.
5. The Board of Directors may also set up other committees with advisory or consultative functions, without prejudice to the possibility that, exceptionally, they may be vested with decision-making powers. The chairman, secretary and other members of such committees shall be appointed by the Board of Directors by simple majority.
6. The committees, if any, set up by the Board of Directors shall be governed by the provisions of these regulations and, if applicable, by their respective internal regulations.

Article 14. Audit Committee.

1. The Board of Directors shall set up a permanent audit committee, an internal informational and consultative body, without executive functions, with information, advisory and proposal-making powers within the scope of action indicated in this article. The audit committee shall be composed of a minimum of three and a maximum of five non-executive directors, the majority of whom shall be independent, appointed by the Board of Directors itself. As a whole, the members of the committee, and especially its chairman, shall be appointed taking into account their knowledge and experience in accounting, auditing and risk management, both financial and non-financial.

2. The Board of Directors shall also appoint the chairman of the audit committee from among the independent directors forming part of the audit committee. In addition, the Board of Directors may appoint a vice-chairman if it so deems appropriate, with the provisions applicable to the appointment of the vice-chairman in relation to the appointment of the chairman being applicable to the appointment of the vice-chairman.
3. The office of secretary of the audit committee shall be held by a person appointed by the Board of Directors, who need not be a member of the committee or a director. The office of secretary of the audit committee may be held by the secretary of the Board of Directors or by a different person.
4. Directors forming part of the audit committee shall hold office for as long as their appointment as directors of the Company remains in force, unless the Board of Directors resolves otherwise. The renewal, re-election and removal of directors on the committee shall be governed by the resolutions of the Board of Directors.

The office of Chairman shall be held for a maximum period of four years, at the end of which he may not be re-elected as such for a period of one year after leaving office, without prejudice to his continuation or re-election as a member of the Commission.

5. Without prejudice to any other duties that may be assigned to it from time to time by the Board of Directors, the audit committee shall perform the following basic functions:
 - (i) Report to the general meeting of shareholders on matters raised by the shareholders on matters within its competence and, in particular, on the outcome of the audit, explaining how the audit has contributed to the integrity of the financial information and the role that the audit committee has played in this process.
 - (ii) Supervise the effectiveness of the internal control of the Company and its group, the internal audit and the financial and non-financial risk management systems (including operational, technological, legal, social, environmental, political and reputational or corruption-related risks), ensuring that the policies and systems established for internal control are effectively applied in practice, and discuss with the auditor any significant weaknesses in the internal control system detected in the course of the audit, all without breaching their independence. To this end, if material weaknesses are identified, they shall submit recommendations or proposals to the management body and the corresponding deadline for their follow-up.
 - (iii) Overseeing the process of preparation and presentation of regulated financial and non-financial information and submitting recommendations or proposals to the Board of Directors aimed at safeguarding its integrity.

- (iv) Propose to the Board of Directors, for submission to the general meeting of shareholders, the selection, appointment, re-election or replacement of the auditors, in accordance with the applicable regulations, as well as the terms and conditions of their engagement, and regularly obtain information from them on the audit plan and its execution, and preserve their independence in the performance of their duties.
- (v) Establish the appropriate relationships with the auditors to receive information on those matters that may jeopardise their independence, for examination by the audit committee, and any other matters related to the process of auditing the accounts and, where appropriate, the authorisation of services other than those prohibited, on the terms contemplated in the applicable regulations, as well as those other communications contemplated in the legislation on auditing the accounts and in the other auditing standards. In any event, the audit committee must receive annual written confirmation from the auditors of their independence vis-à-vis the Company and entities directly or indirectly related thereto, as well as detailed and individualised information on additional services of any kind rendered and the corresponding fees received from these entities by the external auditor or by persons or entities related thereto, in accordance with the provisions of legislation on auditing of accounts.
- (vi) Annually issue, prior to the statutory audit report, a report expressing an opinion on whether the independence of the auditors or audit firms is compromised. This report shall, in any case, express an opinion on the provision of the additional services referred to in the preceding paragraph, individually considered and as a whole, other than the statutory audit and in relation to the independence regime or to the audit regulations.
- (vii) Report on related-party transactions that must be approved by the general meeting or the Board of Directors in accordance with the law and supervise the internal procedure established by the company for those whose approval has been delegated.
- (viii) Report, in advance, to the Board of Directors on all matters provided for by law, in the Articles of Association and in the regulations of the Board of Directors and, in particular, on: (i) the financial information and the Directors' report, which shall include, where appropriate, the mandatory non-financial information that the Company must periodically disclose and (ii) the creation or acquisition of interests in special purpose vehicles or entities domiciled in countries or territories considered tax havens.
- (ix) Supervise the Company's internal audit activity, supervising the internal audit plan and verifying that the main financial and non-financial risk areas of the business have been considered in this plan.

- (x) In relation to information systems and internal control: (a) supervise the process of preparation and the integrity of the financial information relating to the Company and, where appropriate, the group, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria; (b) if any, ensuring the independence of the unit that assumes the internal audit function, proposing the selection, appointment, re-election and removal of the head of the internal audit service, proposing the budget for that service, approving or proposing approval to the board of the internal audit orientation and annual work plan, ensuring that its activity is mainly focused on the relevant risks (including reputational risks); receive regular information on the implementation of the annual work plan, including possible occurrences and scope limitations, and an annual activity report and verify that senior management takes into account the findings and recommendations of its reports, if any; and (c) establish and supervise a mechanism whereby employees or other persons connected with the company, such as directors, shareholders, suppliers, contractors or subcontractors, may report, confidentially or anonymously, potentially significant irregularities, including financial, accounting or any other irregularities relating to the company that they become aware of within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which communications may be made anonymously, respecting the rights of the whistle-blower and the reported party.
- (xi) In relation to the external auditor: (a) in the event of resignation, examine the circumstances giving rise to it; (b) ensure that its remuneration does not compromise its quality or independence; (c) supervise that the Company notifies the CNMV of the change of auditor and accompanies it, where appropriate, with a statement on the possible existence of disagreements with the outgoing auditor and the content thereof; (d) ensure that the external auditor meets annually with the full Board of Directors to report to it on the work performed and the evolution of the Company's situation; (e) ensure that the Company and the external auditor respect the rules in force on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, the other rules on auditor independence.
- (xii) Ensure that the financial statements submitted by the Board of Directors to the general meeting of shareholders are drawn up in accordance with accounting regulations and that in those cases in which the auditor has included a qualification in its audit report, the chairman of the audit committee clearly explains the audit committee's opinion on their content and scope at the general meeting, making a summary of said opinion available to the shareholders at the time of publication of the notice of the meeting, together with the rest of the proposals and reports of the board, a summary of said opinion.

- (xiii) Summon any employee or officer of the Company, including arranging for them to appear without the presence of any other officer.
 - (xiv) Check that the financial and non-financial information published on the Company's corporate website is permanently updated and coincides with that formulated by the directors.
 - (xv) Periodically assess the need for a separate area for risk control and management.
 - (xvi) Define the procedure for the selection of the statutory auditor, taking into account, inter alia, factors such as the scope of the audit, the qualifications, experience and resources of the auditor or audit firm, the fees, as well as the auditor's independence and the effectiveness and quality of the audit services to be provided.
 - (xvii) Be informed of the structural and corporate modifications that the Company plans to carry out for analysis and prior report to the Board of Directors on their economic conditions and their accounting impact and, in particular, if appropriate, on the proposed exchange ratio.
 - (xviii) Any other duties assigned to it by the Board of Directors.
6. The audit committee shall also be responsible for performing all those functions specifically attributed to it in the internal regulations of the audit committee, if any, approved by the Board of Directors.
 7. The audit committee shall meet at least quarterly in order to review the periodic financial information to be submitted to the stock exchange authorities, as well as the information to be approved by the Board of Directors and included in its annual public documentation. It shall also meet at the request of any of its members and whenever convened by its chairman, who must do so whenever the Board of Directors or its chairman requests the issuance of a report or the adoption of proposals and, in any event, whenever appropriate for the proper performance of its duties.
 8. The audit committee shall be validly constituted when a majority of its members are present in person or by proxy, and its resolutions shall be adopted by an absolute majority of those present. In the event of a tie, the chairman of the audit committee shall not have a casting vote.
 9. The audit committee shall keep minutes of its meetings, a copy of which shall be sent to all members of the Board of Directors and to the secretary of the Board of Directors.
 10. In order to better perform its duties, the audit committee may seek the advice of external experts when it deems it necessary, ensuring that any conflicts of interest do not prejudice the independence of the external advice provided to the audit committee.

Article 15. Appointments and remuneration committee.

1. The Board of Directors shall set up a permanent appointments and remuneration committee, an internal informational and consultative body, without executive functions, with information, advisory and proposal-making powers within the scope of action indicated in this article. The appointments and remuneration committee shall be composed of a minimum of three and a maximum of five non-executive directors, the majority of whom shall be independent, appointed by the Board of Directors itself, taking into account their knowledge, skills and experience.
2. The Board of Directors shall also appoint the chairman of the appointments and remuneration committee from among the independent directors forming part of such committee. In addition, the Board of Directors may appoint a vice-chairman if it so deems appropriate, and the provisions established in relation to the appointment of the chairman shall apply to the appointment of the vice-chairman.
3. The office of secretary of the appointments and remuneration committee shall be held by the person appointed by the Board of Directors, who need not be a member of the committee or a director. The office of secretary of the appointments and remuneration committee may be held by the secretary of the Board of Directors or by a different person.
4. Directors who are members of the appointments and remuneration committee shall hold office for as long as their appointment as directors of the Company remains in force, unless the Board of Directors resolves otherwise. The renewal, re-election and removal of directors on the committee shall be governed by the resolutions of the Board of Directors.
5. Without prejudice to any other duties that may be assigned to it from time to time by the Board of Directors, the appointments and remuneration committee shall independently perform the following basic functions:
 - (i) Assess the skills, knowledge and experience required on the Board of Directors. To this end, it shall define the functions and skills required of the candidates to fill each vacancy and assess the time and dedication necessary for them to perform their duties effectively, taking into account a previously prepared skills matrix defining the most appropriate functions, skills, knowledge and experience for the job.
 - (ii) Analysing the other occupations of each director of the Company, ensuring that directors devote sufficient time to this in practice and, if this is not the case, proposing appropriate measures.

- (iii) Establish a representation target for the under-represented gender on the board and develop guidance on how to achieve this target.
- (iv) Submit to the Board of Directors proposals for the appointment of independent directors for appointment by co-option or for submission to the decision of the general meeting of shareholders, as well as proposals for the re-election or removal of such directors by the general meeting of shareholders.
- (v) Report on proposals for the appointment of the remaining directors for appointment by co-option or for submission to the decision of the general meeting of shareholders, as well as proposals for their re-election or removal by the general meeting of shareholders.
- (vi) To report on proposals for the appointment, reappointment and dismissal of senior management and the basic conditions of their contracts.
- (vii) Examine and organise the succession of the chairman of the Board of Directors and the chief executive of the Company and, if appropriate, make proposals to the Board of Directors for such succession to take place in an orderly and planned manner, in consultation with the chairman of the Company, and involving the lead director, if any, provided that he is not a member of the appointments and remuneration committee.
- (viii) Propose to the Board of Directors the remuneration policy for directors and general managers or those who perform their duties as executive personnel reporting directly to the Board of Directors, executive committees or managing directors, as well as the individual remuneration and other contractual conditions of executive directors, checking and ensuring compliance therewith.
- (ix) Verify compliance with the Company's remuneration policy.
- (x) Periodically review the remuneration policy applied to directors and senior management, including share-based remuneration schemes and their implementation, and ensure that their individual remuneration is proportionate to that paid to other directors and senior management.
- (xi) Propose to the Board of Directors a policy for the selection of directors and, where appropriate, senior management, which should include measures to encourage the company to have a significant number of senior managers.
- (xii) Ensure that potential conflicts of interest do not prejudice the independence of the external advice provided to the Commission.

- (xiii) Verify the information on directors' and senior management remuneration contained in the various corporate documents, including the annual remuneration report.
 - (xiv) Participate in possible updates of these regulations in relation to matters within its competence.
6. The Appointments and Remuneration Committee shall also be responsible for all those functions included in the internal regulations of the Appointments and Remuneration Committee, if any, approved by the Board of Directors.
 7. The appointments and remuneration committee shall meet at the request of any of its members and whenever convened by its chairman, who must do so whenever the Board of Directors or its chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever it is advisable for the proper performance of its duties.
 8. The appointments and remuneration committee shall be validly constituted when a majority of its members are present in person or by proxy, and its resolutions shall be adopted by an absolute majority of those present. In the event of a tie, the chairman of the appointments and remuneration committee shall not have a casting vote.
 9. The appointments and remuneration committee shall draw up minutes of its meetings, a copy of which shall be sent to all members of the Board of Directors.
 10. The appointments and remuneration committee should consult the chairman and chief executive of the company, especially on matters relating to executive directors and senior management.
 11. In order to better perform its duties, the appointments and remuneration committee may seek the advice of external experts when it deems it necessary, ensuring that any possible conflicts of interest do not prejudice the independence of the external advice provided to the appointments and remuneration committee.

Article 16. Sustainable development committee

1. The Board of Directors shall set up a permanent sustainable development committee, an internal informational and consultative body, without executive functions, with information, advisory and proposal-making powers within its sphere of action.
2. The sustainable development committee shall be composed of a minimum of three and a maximum of five non-executive directors, the majority of whom shall be independent, appointed by the Board of Directors itself.
3. The Board of Directors shall appoint the chairman of the sustainable development committee from among the directors forming part thereof, and its secretary, who need not be a member of the committee or a director. The office of secretary of the sustainable development committee may be held by the secretary of the Board of Directors or by a different person.

4. The Board of Directors shall ensure that the members of the sustainable development committee have the knowledge, skills and experience appropriate to the functions they are called upon to perform.
5. Directors who are members of the sustainable development committee shall hold office for as long as their appointment as directors of the Company remains in force, unless otherwise agreed by the Board of Directors. The renewal, re-election and removal of directors who are members of the committee shall be governed by the resolutions of the Board of Directors.
6. Without prejudice to any other duties that may be assigned to it from time to time by the Board of Directors, the sustainable development committee shall independently perform the following basic functions:
 - (i) Supervising compliance with the Company's corporate governance rules and internal codes of conduct, and ensuring that the corporate culture is aligned with its purpose and values.
 - (ii) Supervising the application of the general policy regarding the communication of economic-financial, non-financial and corporate information as well as communication with shareholders and investors, vote advisors and other stakeholders. The way in which the Company communicates and relates to small and medium-sized shareholders will also be monitored.
 - (iii) The evaluation and periodic review of the corporate governance system and of the company's environmental and social policy, so that they fulfil their mission of promoting the corporate interest and take into account, as appropriate, the legitimate interests of other stakeholders.
 - (iv) Monitoring that the company's environmental and social practices are in line with the strategy and policy.
 - (v) Monitoring and evaluation of stakeholder engagement processes.
 - (vi) Monitoring the Company's performance in the area of corporate reputation and report thereon to the Board of Directors as appropriate.
 - (vii) Reporting, prior to its approval, on the annual corporate governance report and the statement of non-financial information of the Company, obtaining for this purpose the necessary reports from the audit committee and the appointments and remuneration committee in relation to the sections of said report that fall within their competencies.

- (viii) Reporting on proposals to amend the regulations of the Board of Directors and the code of ethics.
 - (ix) Issuing the reports and carrying out the actions which, within its sphere of competence, may additionally correspond to it, in accordance with the corporate governance system, or which may be requested by the Board of Directors or its chairman.
 - (x) Assuming the functions attributed to it in the code of ethics.
7. The sustainable development committee shall meet at the request of any of its members and whenever convened by its chairman or the compliance officer, who shall do so whenever the Board of Directors or its chairman requests the issuance of a report or the adoption of proposals and, in any event, whenever it is appropriate for the proper performance of its duties.
 8. The sustainable development committee shall be validly constituted when the majority of its members are present or represented, and its resolutions shall be adopted by an absolute majority of those present or represented. In the event of a tie, the chairman of the sustainable development committee shall not have a casting vote.
 9. The sustainable development committee shall keep minutes of its meetings, a copy of which shall be sent to all members of the board.
 10. In order to better fulfil its functions, the sustainable development committee may seek the advice of external experts when it deems it necessary, ensuring that possible conflicts of interest do not prejudice the independence of the external advice provided to the committee.

TITLE V.- FUNCTIONING OF THE BOARD

Article 17. Meetings of the Board of Directors

1. The Board of Directors shall meet as often as is convenient for the proper performance of its duties, at least eight times a year, following the schedule of dates and matters established at the beginning of the financial year, and each director may propose other items for the agenda not initially foreseen when such request is made no less than three calendar days prior to the date scheduled for the meeting.
2. The Board of Directors shall also meet, at the initiative of the chairman, as often as the chairman deems appropriate for the proper functioning of the company and also when requested under the terms set forth in article 9.3 above.
3. Notice of meetings of the Board of Directors shall be given by the secretary of the Board of Directors or acting secretary, with the authorisation of the chairman of the Board of Directors, by any means capable of being received by each of the members of the Board of Directors on file with the Company. The notice of meeting shall be sent at least three days before the date and time set for the meeting. The notice shall always include the agenda of the meeting and shall be accompanied by the relevant information duly prepared and summarised.

4. The agenda of the meetings shall clearly indicate those points on which the Board of Directors must adopt a decision or resolution so that the directors may study or obtain, in advance, the information necessary for its adoption. When, exceptionally, for reasons of urgency, the chairman wishes to submit to the Board of Directors for approval decisions or resolutions not appearing on the agenda, the prior express consent of the majority of the directors in attendance shall be required, which shall be duly recorded in the minutes.
5. The chairman of the Board of Directors may call extraordinary meetings of the Board of Directors when, in his opinion, the circumstances so warrant, without the notice period and other requirements set forth in the preceding section being applicable in such cases. Notwithstanding the foregoing, the documentation, if any, that must be provided to the directors shall be delivered sufficiently in advance, unless the Board of Directors has been constituted or has been exceptionally convened for reasons of urgency.
6. Notwithstanding the foregoing, the Board of Directors shall be deemed to be validly convened without the need to call a meeting if all members present or represented unanimously agree to hold a meeting and to the items on the agenda. In addition, if no director objects, the Board of Directors may vote in writing without a meeting. Votes may be cast in writing or by e-mail, provided that the identity of the director casting the vote is assured.
7. At the beginning of each financial year, the Board of Directors shall draw up an annual calendar of its ordinary meetings.
8. The Board of Directors shall hold its meetings at the registered office, unless another venue is indicated in the notice of meeting.
9. Without prejudice to the foregoing, the Board of Directors may be held in several places connected by systems that allow the recognition and identification of the attendees, permanent communication among the attendees regardless of their location, as well as the intervention and casting of votes, all in real time. Subject to the foregoing, board meetings may be held by telephone conference call, videoconference or any other similar system.
10. Those attending at any of the places shall be deemed, for all purposes relating to the Board of Directors, to be attending the same and only meeting. The meeting shall be deemed to be held where the largest number of directors is present and, in the event of a tie, where the chairman of the Board of Directors or the person chairing the meeting in his absence is present.

11. The Board of Directors should evaluate at least once a year: (i) the quality and efficiency of the functioning of the Board of Directors; (ii) the functioning and composition of its committees; (iii) the diversity in the composition and competencies of the Board of Directors; (iv) the performance of the duties of the chairman and chief executive of the Company; and (v) the performance and contribution of each director, paying special attention to the heads of the various board committees.

Article 18. Meetings performance

1. The Board of Directors shall be validly constituted when half plus one of the number of members of the Board of Directors at any given time are present or represented at the meeting.
2. Directors shall make every effort to attend meetings of the Board of Directors and, if they are unable to do so in person, shall grant their proxy in writing and on an ad hoc basis for each meeting to another member of the Board of Directors, giving appropriate instructions and notifying the chairman of the Board of Directors thereof. In the case of non-executive directors, they may only be represented by another member of the Board of Directors in the same capacity. Directors' absences from board meetings shall be quantified in the annual corporate governance report.
3. The chairman shall organise and stimulate debate by seeking and promoting the active participation of all directors during board meetings, safeguarding their freedom of position and expression of opinion.
4. Except in cases where the law or the Articles of Association specifically establish other voting quorums, resolutions shall be adopted by an absolute majority of the directors attending the meeting. In the event of a tie, the chairman shall not have the casting vote.
5. Minutes of the meetings of the Board of Directors shall be drawn up and signed by at least the chairman (or vice-chairman, as the case may be) and the secretary or deputy secretary, and shall be transcribed or recorded, in accordance with legal regulations, in a special book of minutes of the Board of Directors.
6. The minutes shall be approved by the Board itself at the end of the meeting or at a subsequent meeting.

TITLE VI.- APPOINTMENT AND REMOVAL OF DIRECTORS

Article 19. Appointment and re-election of directors

1. Directors shall be appointed by the general shareholders' meeting or by the Board of Directors by co-option, following a report from the appointments and remuneration committee or, in the case of independent directors, at the proposal of the latter, in accordance with the provisions contained in the applicable regulations, the Articles of Association and these regulations.

2. New directors should acquire a rapid and sufficient knowledge of the Company and its corporate governance rules.
3. The members of the Board of Directors shall be subject, to the extent applicable to them, to the state and autonomous community regulations in force from time to time regarding incompatibilities and prohibitions for the performance of the office of director.
4. The Board of Directors shall endeavour to ensure that candidates are chosen from among persons of recognised solvency, competence and experience, and shall exercise the utmost rigour with regard to those persons called upon to fill the posts of independent director.
5. Before proposing the re-election of directors to the general meeting of shareholders, the Board of Directors shall assess, with the abstention of the parties concerned, the quality of the work and dedication to the post of the directors proposed during the previous term of office.

Article 20. Term of office

1. Directors shall hold office for a term of four years, at the end of which they may be re-elected one or more times for terms of the same duration.
2. The appointment of directors shall lapse when, upon expiry of the term, the next general meeting of shareholders has been held or when the legal term for holding the general meeting of shareholders that is to decide on the approval of the financial statements of the previous year has elapsed.
3. Directors appointed by co-option shall hold office until the first general shareholders' meeting held after their appointment, and shall leave office if the aforementioned general shareholders' meeting does not ratify their appointment. In the event of a vacancy occurring after the general meeting of shareholders has been called and before it is held, the Board of Directors may appoint a director until the next general meeting of shareholders is held.

Article 21. Removal of directors

1. Directors shall cease to hold office at the end of the term for which they were appointed and when so decided by the general meeting of shareholders in exercise of the powers conferred on it by law or by the Articles of Association.
2. Directors must tender their resignation to the Board of Directors and formalise, if the board deems it appropriate, the corresponding resignation in the following cases:
 - (i) When they leave the executive positions with which their appointment as director was associated.
 - (ii) When they are involved in any of the cases of incompatibility or prohibition provided for by law or the Articles of Association.

- (iii) When they are seriously reprimanded by the Board of Directors for having breached their duties as directors.
- (iv) When their continuance on the Board of Directors could jeopardise or damage the interests, credit or reputation of the Company or when the reasons for which they were appointed cease to exist, including, without limitation, when there are significant changes in their professional situation or in the conditions under which they were appointed as directors.
- (v) When they are accused or prosecuted in criminal proceedings or are the subject of disciplinary proceedings for serious or very serious misconduct by the supervisory authorities.
- (vi) In the case of proprietary directors (i) when the shareholder they represent sells its entire shareholding interest or reduces it significantly and, (ii) in the corresponding number, when such shareholder reduces its shareholding interest to a level that requires a reduction in the number of proprietary directors.
- (vii) When, due to acts attributable to the director, his or her continuance on the Board of Directors causes serious damage to the company's assets or reputation in the opinion of the board.
- (viii) When they sit on more than four boards of directors of other listed companies (other than the Company).

Article 22. Objectivity and secrecy of votes

Directors affected by proposals for appointment, re-election or removal shall abstain from taking part in deliberations and voting on such proposals. All votes of the Board of Directors concerning the appointment, re-election or removal of directors shall be public unless a director requests that the vote be taken by secret ballot.

TITLE VII.- DIRECTOR'S INFORMATION

Article 23. Powers of information and inspection

1. Directors have the duty to diligently inform themselves about the Company's progress. To this end, the director may request information on any matter within the competence of the Board of Directors and, in this regard, examine its books, records, documents and other documentation. The right to information extends to subsidiaries in all cases, and to investee companies, whenever possible.
2. The request for information shall be addressed to the secretary of the Board of Directors, who shall forward it to the chairman of the Board of Directors and to the appropriate contact person within the Company.

3. The secretary shall advise the director of the confidential nature of the information he/she requests and receives and of his/her duty of confidentiality in accordance with the provisions of these regulations.
4. The chairman may refuse to provide information if he considers: (i) that it is not necessary for the proper performance of the director's duties or (ii) that its cost is unreasonable in view of the importance of the issue and the assets and revenues of the Company.
5. The directors shall be regularly informed of movements in shareholding and of the views of major shareholders, investors and rating agencies on the Company.

Article 24. Expert assistance

1. In order to be assisted in the performance of their duties, all directors may obtain from the Company the advice necessary for the performance of their duties. To this end, the Company shall provide the appropriate channels which, in special circumstances, may include external advice at the Company's expense.
2. The assignment must necessarily deal with specific problems of a certain importance and complexity that arise in the performance of the duties of the office.
3. The decision to engage external advisors at the Company's expense has to be communicated to the chairman of the Board of Directors of the Company and may be vetoed by the Board of Directors if it proves:
 - (i) which is not necessary for the full performance of the duties entrusted to external directors;
 - (ii) its cost is unreasonable in view of the importance of the problem and the Company's assets and income; or
 - (iii) that the technical assistance sought can be adequately provided by the Company's experts and technicians.

TITLE VIII.- REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

Article 25. Remuneration of directors

1. Directors shall be entitled to receive the remuneration established in the Articles of Association. The total amount of remuneration that may be paid by the Company to all of its directors for the items provided for in the Articles of Association shall not exceed the amount determined for this purpose in the remuneration policy approved by the general meeting of shareholders.
2. The specific determination of the amount corresponding to each of the above items for each of the directors shall be made by the Board of Directors in accordance with the Articles of Association and the directors' remuneration policy, which shall be approved at least every three years by the shareholders at the general shareholders' meeting. For this purpose, it shall take into account the positions held by each director on the board itself and their membership of and

attendance at the various committees, taking into account the duties and responsibilities attributed to each of them.

3. Directors' remuneration should be in reasonable proportion to the importance of the Company, its economic situation at any given time, the standards that are met on the market in companies of a similar size or activity, and take into account their dedication to the Company. The remuneration system established must be aimed at promoting the long-term profitability and sustainability of the Company and incorporate the necessary precautions to avoid the excessive assumption of risks and unfavourable results. Specifically, the remuneration system, in the event of incorporating variable remuneration mechanisms, must establish the necessary limits and safeguards to ensure that the variable remuneration is related to the professional performance of the beneficiaries, the evolution of the share price, non-financial objectives such as the sustainability of the Company and does not derive solely from the general evolution of the markets or the sector.
4. Likewise, the Board of Directors shall ensure that the amount of remuneration of external directors is such that it provides incentives to reward their dedication, qualifications and responsibility, but does not compromise their independence.
5. Remuneration linked to the Company's results shall take into account any qualifications in the auditor's report that reduce the Company's results.
6. The Board of Directors shall ensure that variable remuneration provides for the deferral of payment of a relevant part of its components to enable it to carry out sufficient verification that the performance or other conditions previously established have been effectively met and, in the event that it becomes apparent that the financial statements or the parameters on which such remuneration was based need to be corrected, or the infringement by the beneficiaries of legal norms or rules of the internal corporate governance system, including the code of ethics, the variable remuneration shall include the necessary mechanisms to cancel, in whole or in part, the settlement of outstanding payments and, if applicable, to recover the amounts previously paid to the beneficiaries.
7. The Board of Directors shall prepare an annual report on directors' remuneration in accordance with the terms established in the applicable regulations. This report shall be made available to the shareholders when the ordinary general meeting of shareholders is called and shall be submitted to a consultative vote as a separate item on the agenda.

TITLE IX.- DUTIES OF THE DIRECTOR

Article 26. General obligations of the director

1. In the performance of their duties, directors shall act with the diligence of an orderly businessman and a loyal representative, taking into account the nature of the office and the functions attributed to each of them. Their actions shall be guided solely by good faith and the interests of the company, seeking the best defence and protection of the interests of the shareholders as a whole,

from whom they derive their mandate and to whom they are accountable. In particular, directors are obliged to:

- (i) Be informed and prepare adequately for the meetings of the Board of Directors and, where appropriate, of the delegated bodies to which it belongs;
- (ii) Attend meetings of the Board of Directors and actively participate in the deliberations so that their judgement contributes effectively to decision-making.

In the event that, for justified reasons, he/she is unable to attend the meetings to which he/she has been summoned, he/she shall instruct the director who is to represent him/her.

- (iii) Contribute (and, to a greater extent, the independent directors) their strategic vision, as well as concepts, criteria and innovative measures for the optimum development and evolution of the Company's business.
- (iv) Perform their duties on the principle of personal responsibility with freedom of judgement and independence from instructions and third party involvement.
- (v) Perform any specific task entrusted to him/her by the Board of Directors or any of its delegated and/or consultative bodies and which is reasonably included in his/her commitment of dedication.
- (vi) Promote the investigation of any irregularity in the management of the Company of which it may have become aware and immediately report it to the Board of Directors and the monitoring of any risk situation.
- (vii) Urge the persons empowered to call an extraordinary meeting of the Board of Directors or include in the agenda of the first meeting to be held such items as it deems appropriate.
- (viii) Oppose resolutions that are contrary to law, the Articles of Association or the corporate interest, and request that their position be recorded in the minutes when they consider it most appropriate for the protection of the corporate interest. Independent directors and other directors who are not affected by the potential conflict of interest must, in particular, clearly express their opposition in the case of decisions that may be detrimental to shareholders not represented on the Board of Directors.

In the event that the Board of Directors adopts significant or reiterated decisions about which a director has expressed serious reservations, the director shall draw the appropriate conclusions and, if necessary, tender his resignation.

The provisions of this section shall apply to the secretary and, where appropriate, the deputy secretary of the Board of Directors, even if they are not directors.

- (ix) When, either by resignation or by resolution of the general meeting, a director resigns before the end of his term of office, he shall sufficiently explain the reasons for his resignation or, in the case of non-executive directors, his views on the reasons for the removal by the meeting, in a letter to be sent to all members of the Board of Directors.

2. In any event, directors must devote to their duties the time and effort necessary to perform them effectively and, consequently, directors must inform the appointments and remuneration committee of their other professional obligations, in case they might interfere with the dedication required.

Article 27. Director's duty of confidentiality

1. Directors shall keep secret the deliberations of the Board of Directors and of the delegated bodies of which they are members and, in general, shall refrain from disclosing any information to which they have had access in the course of their duties.
2. The obligation of confidentiality shall subsist even when he has ceased to hold office, and he must keep secret any information of a confidential nature and any information, data, reports or background information he may become aware of as a result of holding office, and may not be communicated to third parties or be disclosed when it could have harmful consequences for the corporate interest. Exceptions to the duties referred to in this paragraph are those cases in which the laws permit their communication or disclosure to third parties or which, as the case may be, are required or must be sent to the respective supervisory authorities, in which case, the transfer of information must comply with the provisions of the laws.

Article 28. Non-competition obligation

1. Directors shall refrain from engaging in any activities for their own account or for the account of others that involve effective competition, whether actual or potential, with the Company or that in any way place them in permanent conflict with the interests of the Company.
2. The obligation not to compete with the Company may only be waived if no harm to the Company is to be expected or if the expected harm is outweighed by the anticipated benefits of the waiver. The waiver shall be granted by express and separate resolution of the general meeting of shareholders.
3. In any event, at the request of any shareholder, the general meeting of shareholders shall decide on the removal of a director who engages in competitive activities when the risk of prejudice to the Company has become significant.

Article 29. Conflicts of interest

1. A conflict of interest shall be deemed to exist in those situations in which the interest of the Company or of the companies forming part of its group and the interest of the director directly or indirectly collide. A director's interest shall exist when, among other cases, (i) the matter affects him or a person related to him, or (ii) in the case of a proprietary director, the shareholder or shareholders who proposed or made his appointment or persons directly or indirectly related to them.

2. For the purposes of these regulations, persons related to the director shall be understood to be natural persons:
 - a) The director's spouse or persons with an analogous relationship of affectivity.
 - b) Ascendants, descendants and siblings of the director or of the director's spouse (or person with an analogous relationship of affection).
 - c) The spouses (or persons in a similar relationship) of the ascendants, descendants and siblings of the director.
 - d) Companies or entities in which the director (i) holds directly or indirectly, including through an intermediary, a shareholding that gives him/her significant influence or (ii) holds a position on the administrative body or in senior management in them or in their parent company.

For these purposes, significant influence is presumed to be conferred by any holding equal to or exceeding 10% of the share capital or of the voting rights or by virtue of which it has been possible to obtain, de jure or de facto, representation on the management body of such a company.
 - e) In the case of proprietary directors, additionally, the shareholders at whose proposal their appointment was made.
3. Directors must disclose the existence of conflicts of interest, whether direct or indirect, to the Board of Directors and refrain from acting as a representative of the Company in the transaction to which the conflict refers, subject to the exceptions established by applicable law. In addition, the Company shall report, where applicable by law, any situation of conflict of interest in which the directors (or persons related thereto) have found themselves during the financial year in question and of which it is aware by virtue of a communication from the affected party or by any other means. Situations of conflict of interest in which directors are involved shall be disclosed in the notes to the financial statements of the Company.

Article 30. Use of corporate assets

A director may not make use of the assets of the Company, including confidential information of the Company, or use his position in the Company to obtain a pecuniary advantage unless he has paid adequate consideration.

Article 31. Non-public information

Directors shall observe the rules of conduct established in securities market regulations and, in particular, those enshrined in the Company's Internal Regulations for Conduct in the Securities Markets in relation to the treatment of inside information.

Article 32. Business opportunities

1. A director may not take advantage of a business opportunity of the Company for his own benefit or for the benefit of a person related to him under the terms established in article 29 of these regulations, unless he has previously offered it to the Company and the Company desists from exploiting it.
2. For the purposes of the preceding paragraph, a business opportunity means any possibility of making an investment or commercial transaction which arose or was discovered in connection with the director's performance of his duties, or through the use of the Company's means and information, or under such circumstances that it is reasonable to believe that the third party's offer was in fact addressed to the Company.

Article 33. Indirect Transactions

A director is in breach of his duty of loyalty to the Company if, knowing in advance, he allows or fails to disclose the existence of transactions carried out by the related persons referred to in article 29 of these regulations that have not been subject to the conditions and controls provided for in the preceding articles.

Article 34. Duties of information of the director

1. Directors must inform the Company of the shares in the Company that they hold directly or indirectly through the related persons indicated in article 29 of these regulations, all in accordance with the provisions of the Company's Internal Regulations for Conduct in the Securities Markets.
2. Directors must also inform the Company of the positions they hold on the governing bodies of other companies and, in general, of any facts, circumstances or situations that may be relevant to their performance as a director of the Company in accordance with the provisions of these regulations.
3. Likewise, all directors must inform the Company in those cases that may damage the credit and reputation of the Company and, in particular, they must inform the Board of Directors of any criminal cases in which they are under investigation, whether or not they are related to their actions in the Company itself, as well as of the subsequent procedural events.
4. In the event that a director is summoned as a person under investigation or is brought to trial, the Board of Directors shall examine the case as soon as possible and, in view of the specific circumstances, shall decide, following a report from the appointments and remuneration committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the director's resignation or proposing his or her removal. A reasoned account of these circumstances shall be given in the annual corporate governance report, unless there are special circumstances justifying this, which shall be recorded in the minutes. This is without prejudice to the information that the company must disclose, if appropriate, when the corresponding measures are adopted.

Article 35. Related transactions

1. Without prejudice to the provisions of section 2 below, the Board of Directors or, in the event that it has been constituted and provided that there is urgency, the executive committee or the chief executive officer, with the subsequent ratification of the Board of Directors, shall be responsible for approving the execution by the Company of any related-party transaction as that term is defined in the relevant legislation in force from time to time (except in those cases in which it is appropriate under the law to delegate the approval of related-party transactions on the terms established therein).
2. Authorisation must necessarily be granted by the general meeting of shareholders when it concerns a related-party transaction whose amount or value is equal to or exceeds 10% of the company's assets according to the latest annual balance sheet approved by the company.
3. Approval of a related-party transaction by the general meeting or by the board must be subject to a prior report by the audit committee in the cases and under the terms established in the relevant legislation in force from time to time.

TITLE X.- BOARD'S INFORMATION AND RELATIONS POLICY

Article 36. Website

1. The Company shall maintain the corporate website to enable shareholders to exercise their right to information and to disseminate the information required by securities market legislation, which shall include the documents and information provided for in the applicable regulations, including information and documentation relating to the call to general meetings of shareholders, as well as any other documentation and information that the Board of Directors deems appropriate to make available to shareholders through this medium.
2. The Company shall make public on the corporate website and keep updated the following information on its directors:
 - (i) Professional and biographical profile.
 - (ii) Other administrative bodies to which they belong, whether or not they are listed companies, as well as other remunerated activities of any kind.
 - (iii) Indication of the category of director to which they belong, stating, in the case of proprietary directors, the shareholder they represent or with whom they are related.
 - (iv) Date of his first appointment as a director of the company, as well as subsequent re-elections.
 - (v) Shares in the Company, and options thereon, held by them.

3. The Board of Directors is responsible for arranging the information to be included on the Company's corporate website in compliance with the obligations imposed by the applicable regulations, and is responsible for updating it in accordance with current legislation.

Article 37. Relations with shareholders

1. The Board of Directors shall establish mechanisms to hear proposals from shareholders regarding the management of the Company.
2. The Board of Directors, through some of its directors and with the collaboration of such members of senior management as it deems appropriate, may organise information meetings on the progress of the Company and its group for shareholders residing in the most important financial centres in Spain and other countries.
3. The Board of Directors shall also establish appropriate mechanisms for the regular exchange of information with institutional investors who are shareholders of the Company. Under no circumstances may relations between the Board of Directors and institutional shareholders result in the delivery to the latter of any information that could give them a privileged situation or an advantage over other shareholders.
4. The Board of Directors shall approve a policy regarding communication and contacts with shareholders and institutional investors in the context of their involvement in the company, as well as with proxy advisors, which fully respects the rules against market abuse and treats similarly shareholders in the same position. The Company shall publish this policy on its website, including information on how the policy has been put into practice and identifying the parties or persons responsible for carrying out the policy.
5. Public proxy solicitations made by the Board of Directors or by any of its members shall indicate the direction in which the proxy shall vote in the event that the shareholder does not give express instructions.
6. The Board of Directors shall promote the informed participation of shareholders in general shareholders' meetings and shall adopt such measures as may be appropriate to facilitate the effective exercise by the general shareholders' meeting of its functions under the law and the Articles of Association.
7. In particular, the Board of Directors shall adopt the following measures:
 - (i) It shall endeavour to make available to shareholders, prior to the general meeting of shareholders, all information required under current legislation and all information which, although not required, may be of interest and reasonably provided.

- (ii) It shall respond as diligently as possible to requests for information from shareholders prior to the general meeting of shareholders.
- (iii) He shall answer, with equal diligence, questions put to him by shareholders on the occasion of the general meeting of shareholders.

Article 38. Relations with markets

1. The Board of Directors shall immediately inform the public of all relevant or privileged information through the communications of other relevant information or, as the case may be, privileged information, to the National Securities Market Commission and on the corporate website, on the terms established in the regulations applicable to such information at any given time.
2. The Board of Directors shall appoint one or more persons to act as authorised interlocutors with the National Securities Market Commission and shall notify the latter of such appointment in accordance with the provisions of the legislation in force.
3. The Board of Directors shall take the necessary measures to verify that the quarterly, half-yearly and any other financial information which prudence requires to be made available to the markets is drawn up in accordance with the same principles, criteria and professional practices as the financial statements and that it is as reliable as them.
4. The Board of Directors shall approve a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate (media, social networks or other channels) that contributes to maximising the dissemination and quality of the information available to the market, investors and other stakeholders.
5. The Board of Directors shall include information in its annual public documentation on the Company's governance rules and the degree of compliance with them.
6. When a director resigns or is removed by the general meeting of shareholders, the Board of Directors shall, to the extent material to investors, promptly publish the resignation with sufficient reference to the reasons or circumstances given by the director and disclose it in the annual corporate governance report.

Article 39. Relations with auditors

1. The audit committee shall be responsible for proposing to the Board of Directors, for submission to the shareholders at the general shareholders' meeting, the appointment (stating the terms of engagement and scope of the professional mandate), renewal and revocation of the auditor of the Company's financial statements and for supervising compliance with the audit contract in accordance with article 14 of these regulations and the internal regulations of the audit committee, if any, approved by the Board of Directors. The audit committee shall refrain from proposing to the Board of Directors, and the Board of Directors shall refrain from submitting to the shareholders at the general shareholders' meeting, the appointment as auditor of the Company of any audit firm that is subject to a cause of incompatibility under the regulations governing the auditing of

accounts, as well as those firms whose fees that the Company expects to pay, for all concepts, are greater than five per cent of its total income during the last financial year.

2. The Board of Directors shall endeavour to formulate the financial statements in such a way that there are no reservations or qualifications by the auditor. In the exceptional cases in which such reservations or qualifications exist, both the chairman of the audit committee and the external auditors shall clearly explain to the shareholders the content of such reservations or qualifications. However, when the Board of Directors considers that it should maintain its judgement, it shall publicly explain the content and scope of the discrepancy.
3. The Board of Directors shall publicly disclose, in the manner provided for in the applicable regulations, the amount, broken down by item, of the fees for the audit of accounts and other services rendered by the auditor, as well as those corresponding to persons or entities related to the auditor.

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