



REGULATIONS OF THE BOARD OF DIRECTORS

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TITLE I. PRELIMINARY

Article 1.- Object

The object of these regulations (hereinafter referred to as the **"Regulations"**), approved by the Board of Directors of AUDAX RENOVABLES, S.A. (hereinafter referred to as the **"Company"**), bearing in mind the provisions in Article 528 of the Spanish Capital Companies Act, approved by the Legislative Royal Decree 1/2010 of 2 July, is to determine the duties and competence of the Board of Directors, the basic rules governing its operation and organisation and the rules of conduct for its members.

By virtue thereof it is intended to achieve greater transparency in the actions of the company's governing bodies, promote efficient corporate management and so that the shareholders and investors can claim liability against the Board of Directors.

The Regulations develop and supplement the legal and statutory regulations applicable to the Company's Board of Directors and form part of its corporate governance rules. The recommendations in the Code of Good Governance for traded companies have been taken into account when drawing them up.

Article 2.- Scope of application, interpretation and modification

2.1. Scope of application

These Regulations are directly applicable to the Board of Directors and its Executive Bodies –whether acting jointly or severally or as a group– and its internal committees as well as to the members thereof.

The Directors must know, comply with and ensure these Regulations are complied with.

2.2. Interpretation

The Regulations are supplementary and additional to the rules set forth for the Board of Directors in the Articles of Association and in the commercial and stock market rules.

The Board of Directors shall settle any queries or disputes that may arise related to the interpretation and application of these Regulations, pursuant to the applicable legal and statutory rules, and in accordance with the principles and recommendations set forth in the corporate codes of good governance and the Company's corporate governance rules.

2.3. Modification

If the Board of Directors considers that these Regulations should be modified, at the request of the Chairperson or a third of the other Directors, the summons shall be announced for a meeting to be held with at least ten (10) days prior notice, attaching justification for the reasons and scope of the intended modification. The approval of the proposed modification shall require the votes in favour of the absolute majority of the members on the Board of Directors.

Any modification of these Regulations shall also be subject to the distribution system defined in Article 3 below.

Article 3.- Distribution

These Regulations shall be notified to the Spanish Securities Market Commission and recorded in the Companies Registry.

The Board of Directors shall adopt the relevant measures so that these Regulations are made available to the shareholders and the general investor public. Its valid text shall be posted on the Company's website.

TITLE II. COMPETENCE

Article 4.- Duties of the Board of Directors

The main duties of the Board of Directors are to organise, manage and act on behalf of the Company when performing its business activities included in its object, defining the general strategy and specifying the management guidelines thereof, above all ensuring the transparency and veracity of the Corporation's information in its relationship with the shareholders and the markets in general.

Except for the matters reserved by law or the Articles of Association to the competence of the General Shareholders' Meeting, the Board of Directors shall be competent to adopt resolutions on all kinds of items. Particularly, the Board of Directors' meetings shall be competent to approve the following:

- a) The monitoring of the effective functioning of the committees that have been constituted and the performance of the delegated bodies and managers who had been appointed.
- b) The determination of the Company's general policies and strategies.
- c) The authorization or waiver of the obligations arising from the duty of loyalty as provided in Article 230 of the Spanish Capital Companies Act, except the aforementioned is responsibility of the General Shareholder's Meeting.
- d) Its own organization and operation.
- e) The formulation of the Annual Accounts and its presentation to the General Shareholders' Meeting.

- f) The formulation of any kind of report required by Law to the board as long as the operation concerned in the report could not be delegated.
- g) The appointment and possible dismissal of the Managing Directors of the Company and their severance pay clauses.
- h) The appointment and possible dismissal of senior executives who have directly subordination to the Board or any of its members, and the establishment of the basic conditions of their contracts, including their remuneration.
- i) Decisions on remuneration of directors, within the statutory framework and, where appropriate, of the remuneration policy adopted by the General Meeting.
- j) The call for the General Shareholders' Meeting and drawing up the agenda and proposed resolutions.
- k) The policy regarding treasury shares.
- l) The powers that the General Shareholders' Meeting had delegated to the Board, unless it would have been expressly authorized by it for delegating to third parties.
- m) The approval of the strategic or business plan, the management targets and annual budgets, the investment and financing policies, the corporate social responsibility policy and dividend policy.
- n) The determination of the risk control and management policy, including tax issues, and regular monitoring of the internal information and control systems.
- o) The determination of the Company's corporate governance policy and of the group that is dominant entity; its organization and operation and, in particular, the adoption and amendment of its own regulations.
- p) The approval of the financial information that the Company must regularly publish due to being traded.
- q) The definition of the structure of the group of companies of which the Company is the controlling entity.
- r) The investments or transactions of any kind that, due to their high amount and special features, are of a strategic nature or special tax risk, unless they must be approved by the General Shareholders' Meeting.
- s) Creating or acquiring stakes in companies with a special purpose or resident in countries or territories that are considered tax heavens, and any other transactions or operations of a similar nature that, due to their complexity, could diminish the group's transparency.
- t) The approval, prior report of the Audit Committee, of the transactions that the Company or its subsidiaries carries out with the Directors, bearing in mind the provisions in Articles 229 and 230 of the Spanish Capital Companies Act, or with significant shareholders or those represented on the Board of Directors, or with persons associated therewith (associated transactions). The affected Directors or those represented or related to the shareholders concerned must abstain from participating in the deliberation and voting on the agreement in question. Only will be excepted from this

approval the operations that simultaneously meet the following three conditions at the same time:

- (i) They are carried out by virtue of agreements with standardised and applied on mass to many customers.
 - (ii) They are carried out at market prices or rates, generally determined by the person supplying the goods or services related; and
 - (iii) The amount does not exceed 1% of the annual consolidated income of the group.
- u) The determination of the fiscal strategy of the Company.

When circumstances of urgency duly substantiated, they may adopt decisions under the powers (m) to (u) above mentioned by the bodies or delegated persons, to be ratified at the first Board of Directors held after the adoption of the decision.

Furthermore, the Board of Directors shall execute an annual evaluation of its performance and that of its committees and propose, on the basis of its outcome, an action plan to correct the deficiencies identified. The result of the evaluation shall be recorded in the minutes of the meeting or be incorporated to it as an annex.

TITLE III. STRUCTURE

Article 5.- Composition

Pursuant to the contents of the Articles of Association, the Board of Directors shall be composed of at least three (3) and a maximum of twelve (12) Directors.

The Board of Directors, by exercising its authority to make proposals to the General Shareholders' Meeting and cooptation for covering vacancies, will endeavour to ensure that in the composition of the body, non-executive Directors represent a wide majority compared with the executive Directors.

There will be the following kinds of Directors:

- (i) Executive Directors: those that performs senior management duties in the Company or its group, whatever the legal relationship they have with it, although directors who are senior managers or directors of companies belonging to the parent group of the Company shall in this as proprietary; Also, when a director performs management functions and at the same time, is or represents a significant shareholder or to be represented on the Board of Directors shall be deemed as an executive.
- (ii) Non-Executive Directors: all others Company's Director, that may be:
 - Proprietary Directors: those belonging to the Board of Directors due to their position as significant stable shareholders or representatives of the interests of shareholders of the company's capital or that have been appointed due to their position as shareholders even if their stake does not reach a significant amount;
 - Independent Directors: when, those that are appointed due to their personal and professional positions, can perform their duties without

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being subject to any relationship with the company or its Group, its significant shareholders or its executives.

- Other external Directors: when they cannot be included within the category of executive, proprietary or independent according to the provisions of the Spanish Capital Companies Act.

The proposals for appointment or reappointment of Directors submitted by the Board of Directors to the General Shareholders' Meeting shall be for people of renowned prestige, with sufficient professional experience and knowledge to perform their duties and that accept a commitment to spend sufficient time on performing the relevant governance duties for the Company.

Article 6.- Posts

6.1. The Chairperson

The Board of Directors, with a prior report by the Appointment and Remuneration Committee, shall appoint a Chairperson who must promote the governance actions of the Company and all its investee companies, manage the functioning of the Board of Directors, and act on behalf of the Company, in particular with the various Public Authorities, institutions of the Spanish Stock Market, bodies, companies and associations.

The Chairperson shall be granted the authority stipulated by law, the Articles of Association, these Regulations and that in each case is entrusted thereto by the Board of Directors. In particular, the Chairperson shall perform the following duties:

- (i) To summon and chair the Board of Directors' meetings, determine the agenda for the meetings and organising the discussions and deliberations.
- (ii) (ii) To chair the General Shareholders' Meeting and organise the discussions and deliberations that may be held.
- (iii) (iii) To ensure that directors receive in advance sufficient information to discuss the points of the agenda.
- (iv) (iv) To stimulate debate and active participation of directors during the meetings, safeguarding their freedom to take positions.

The Chairperson shall undertake the post of Chairperson, if need be, of the Executive Committee and shall hold the casting vote in the ballots it holds.

The Chairperson may partially or fully delegate his/her authority to other members of the Board of Directors, unless such subrogation is legally prohibited.

In the case of any vacancy, absence, illness or impossibility to attend, the Chairperson shall be replaced by the relevant Vice-Chairperson and, in the absence thereof, by the eldest Director.

In case the Chairman of the Board of Directors lies within an executive director, the appointment of the President will require the affirmative vote of two thirds of the members of the Board of Directors, and the Board of Directors, with the abstention of Executive Directors, must necessarily appoint a coordinating director among independent directors, which will be specifically empowered to call meetings of the Board or the inclusion of new

items on the agenda of an already convened board, coordinate and bring together the directors do not executives and lead, where appropriate, periodic evaluation of the Chairman of the Board.

6.1.1. The Vice-Chairperson

The Board of Directors may appoint, according to a proposal made by its Chairperson and with a prior report issued by the Appointment and Remuneration Committee, one or various Vice-Chairpersons who shall temporarily replace the Chairperson in the case of a vacancy, absence, illness or impossibility to attend the meeting.

The eldest Vice-Chairperson, if there are various, shall replace the Chairperson in the case of a vacancy, absence, illness or impossibility to attend the meeting.

6.2. The Secretary

The Board of Directors, according to a proposal made by its Chairperson and with a prior report issued by the Appointment and Remuneration Committee, shall appoint (and if appropriate will be dismissed) a Secretary, a position that may even be held by a person who is not a Director or shareholder, whose professional work is performed fully independently and who shall also perform the legal and statutory duties set forth below:

- (i) To keep the Board of Director's documents, duly record the developments of the meetings in the company's minutes' book and certify the content and resolutions adopted.
- (ii) To ensure that the actions of the Board of Directors comply with applicable legislation and with the bylaws and other internal regulations.
- (iii) To assist the Chairperson for Directors to receive the relevant information for the performance of their duties in good time and in the proper format.
- (iv) To monitor that the Company's corporate governance principles and criteria and the statutory and regulatory provisions are observed.
- (v) To act as Secretary at the General Shareholders' Meetings.

The Secretary, which shall hold such position in the various corporate bodies, may also include in such post the duties of Legal Advisor and Secretary General of the Company, and in the latter position, he/she shall be responsible for collaborating to integrate, coordinate and consolidate the Company, under the responsibility of the General Manager.

6.2.1. The Vice-Secretaries

The post of Vice-Secretary of the Board of Directors shall be held by all the members thereof who do not hold a special office and therefore they are acknowledged, if the Secretary is absent, to hold the right to certify the resolutions adopted by the Board of Directors with the approval of the Chairperson or Vice-Chairperson. If there are various Vice-Secretaries attending the meeting, the eldest shall be granted priority to act as Vice-Secretary (or the

person who acts as representative thereof).

For the separation of any of the Vice-Secretaries an agreement of the Board of Directors, prior report of the Appointments and Remuneration Committee, is required.

Article 7.- Executive Bodies

7.1. The Chief Executive Officer

According to a proposal made by its Chairperson, and with a prior report issued by the Appointment and Remuneration Committee, the Board of Directors may appoint one or various Chief Executive Officers, who shall be responsible for managing the Company according to the guidelines and criteria stipulated by the Board of Directors and the Executive Committee.

The Chief Executive Officer shall exercise the right to manage all the services of the Company and shall be responsible for performing and monitoring the general strategy of the Company and its business lines, as well as for supervising and monitoring the relationship between the Company and its investee companies.

When a member of the Board is appointed Managing Director or is conferred with executive functions under another title, it is required that a contract must be held between that Director and the Company, and it must be approved by the Board of Directors with the favourable vote be of two-thirds of its members. The board member shall not attend the discussion and participate in the vote. The approved contract must be annexed to the minutes of the session. Such contract will detail all items for which the member can get a payment for the performance of executive functions, including, where applicable, any compensation for early cessation of these functions and the amounts payable by the company in respect of premiums insurance or contribution to saving systems. Directors may not receive any remuneration for performing executive functions or concepts whose amounts are not provided for in that contract. The contract must comply with the remuneration policy approved, where appropriate, by the General Meeting.

7.2. The Executive Committee

Notwithstanding the authority delegated to the Chief Executive Officers, the Board of Directors may, with a prior report issued by the Appointment and Remuneration Committee, set up an Executive Committee to better fulfil the duties assigned to the Board of Directors.

The composition of the Executive Committee must reasonably reflect the structure of the Board of Directors and must observe the balance established between the different classes of Directors.

It shall be composed of a minimum of three (3) and a maximum of six (6) Directors, and shall hold a meeting at least once every three (3) months. The appointment of its members shall require votes in favour of at least two thirds (2/3) of the members of the Board of Directors. The persons holding the posts of Chairperson and the Secretary on the Board of Directors shall also act in such position on the Committee.

The Executive Committee shall be granted all the authority of the Board of Directors except

the duties that, for legal or statutory reasons, cannot be delegated. In particular, as examples but not limited thereto, it may exercise the following duties:

- a. To control the management of the Company.
- b. To study and propose the guidelines that must define the corporate strategy and supervise its implementation, with special attention being paid to diversification actions.
- c. To deliberate and notify the following matters to be submitted to the Board of Directors:
 - (i) The Company's budgets, with a breakdown of the relevant forecasts for each business line.
 - (ii) Important investments and alliances or agreements.
 - (iii) Financial transactions.
 - (iv) Corporate transactions.

In the opinion of the Chairperson or the majority of the members of the Executive Committee, the resolutions, when the importance of which require so, may be submitted for subsequent ratification by the Board of Directors. In any case, all the members of the Company's Board of Directors shall be allowed to access the minutes of the Executive Committee meetings.

7.3. The Audit Committee

The Board of Directors shall set up a standing Audit Committee, which shall be composed of a minimum of three (3) and a maximum of five (5) Directors, appointed, according to a proposal made by the Appointments and Remuneration Committee, by the Board of Directors from among its non-executive members. In this respect, the majority of the members appointed shall be independent directors, and their knowledge and experience in accounting, auditing and risk management, both financial and non-financial, shall be taken into account in their appointment.

The Chairperson of the Audit Committee shall be appointed by the Company's Board of Directors from among the independent members of such Committee.

The Audit Committee shall appoint a Secretary and, if needed, a Vice-Secretary. The charge of the Secretary of the Audit Committee will be played by the Secretary of the Board.

The members of the Audit Committee shall hold their posts for a maximum term of four (4) years but may be reappointed. The Chairperson shall hold office for a maximum term of four (4) years, and for his/her reappointment to such position, at least one year must have elapsed since he/she stepped down from office, notwithstanding his/her reappointment as a member of the Committee.

The Company has an internal audit function which, under the supervision of the audit committee, oversees the proper functioning of the internal control and information systems and reports functionally to the chairman of the audit committee. The head of the internal audit function submits its annual work plan to the audit committee, informs it directly of any incidents arising in the course of its work and submits an annual activity report.

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The Audit Committee shall, in all cases, be responsible for the following duties in addition to those provided for by law and in the Articles of Association:

- (i) Informing the General Shareholders' Meeting of the issues proposed thereto by the shareholders for items within the committee's 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 the committee has played in that process.
- (ii) Monitoring the effectiveness of the company's internal control, internal audit and risk management systems, as well as discuss with the auditor any significant weaknesses in the internal control system detected in the course of the audit, all of the above without breaching their independence. To this end, and where appropriate, they may submit recommendations or proposals to the management body and the corresponding deadline for their follow-up.
- (iii) Supervising the process of preparation and presentation of the mandatory financial information and submit recommendations or proposals to the management body, aimed at safeguarding its integrity.
- (iv) Submitting to the board of directors proposals for the selection, appointment, re-election and replacement of the auditor, taking responsibility for the selection process, in accordance with the provisions of articles 16, paragraphs 2, 3 and 5, and 17.5 of Regulation (EU) No. 537/2014 of 16 April, as well as the terms and conditions of his engagement, and to obtain regular information from them on the audit plan and its execution, and to preserve his independence in the performance of his duties.
- (v) Informing, in advance, to the Board of Directors on all matters provided for by law, the Articles of Association and the Regulations of the Board and, in particular, on (a) the financial information that the Company must periodically disclose; and (b) the creation or acquisition of shares in special purpose vehicles or entities domiciled in countries or territories considered tax havens.
- (vi) Reporting on related-party transactions which, in accordance with applicable legislation, must be approved by the General Meeting or the Board of Directors and to supervise the internal procedure established by the Company for those whose approval has been delegated.
- (vii) In relation to the annual accounts, to ensure that the board of directors endeavours to present the accounts to the general meeting of shareholders without limitations or qualifications in the audit report. Likewise, in any case in which the auditors have included a qualification in their audit report, both the chairman of the audit and compliance committee and the auditors shall clearly

explain the content and scope of such limitations or qualifications at the general shareholders' meeting.

- (viii) Establishing appropriate relations with the auditors to receive information that could jeopardise their independence, for consideration by the Audit Committee, and, in general terms, any others that are related to the development process of the audit, as well as other communications included in auditing laws and the technical auditing rules. In all cases, it must receive written confirmation from the auditors of their independence from the company or the companies directly or indirectly associated thereto, along with information about additional services of any kind rendered to these companies by the aforementioned auditors or companies, or by persons or companies associated therewith, pursuant to auditing laws.
- (ix) Issuing a report every year, prior to the auditing report being issued, expressing an opinion on the independence of the external auditors or auditing firms. This report shall include, in any case, the assessment of the provision of additional services referred to above, considered individually and collectively, other than the statutory audit and in connection with the regime of independence or the legislation regulatory audit.
- (x) In the event of resignation of the external auditor, to examine the circumstances giving rise to such resignation.
- (xi) Ensuring that the external auditor's remuneration for its work does not compromise its quality or independence.
- (xii) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially significant irregularities, including financial and accounting irregularities, or any other type of irregularity related to the company that they may notice within the company or its group. This mechanism should guarantee confidentiality and, in any case, provide for cases in which communications may be made anonymously, respecting the rights of the whistleblower and the reported.
- (xiii) Ensuring 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.
- (xiv) Encouraging the group auditor to assume responsibility for the audits of the group companies.

- (xv) Generally ensuring that the policies and systems established for internal control are effectively implemented in practice.
- (xvi) To set the level of risk that the Company considers acceptable.
- (xvii) Identify the measures envisaged to mitigate the impact of the risks identified, should they materialise.
- (xviii) Establishing the information and internal control systems to be used to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.
- (xix) Ensuring the proper functioning of the risk control and management systems and, in particular, that all significant risks affecting the Company are identified, managed and adequately quantified.
- (xx) Actively participating in the development of the risk strategy and in major risk management decisions.
- (xxi) Ensuring that the risk control and management systems adequately mitigate risks within the framework of the policy defined by the board of directors.
- (xxii) Supervising compliance with the Company's internal codes of conduct and corporate governance rules.
- (xxiii) Supervising the strategy of communication and relations with shareholders and investors, including small and medium-sized shareholders, including the definition and promotion of a policy of communication and contacts with shareholders, institutional investors and proxy advisors that is fully respectful of the rules against market abuse and gives equal treatment to shareholders in the same position; as well as ensuring that the Company makes this policy public through its corporate website, including information on how the policy has been implemented and identifying the interlocutors or persons responsible for carrying it out.
- (xxiv) Periodically assessing the adequacy of the Company's corporate governance system, so that it fulfils its mission of promoting the corporate interest and takes into account, as appropriate, the legitimate interests of the remaining stakeholders.
- (xxv) Reviewing the Company's corporate responsibility policy, ensuring that it is oriented towards the creation of value.

- (xxvi) Monitoring the corporate social responsibility strategy and practices and assessing the degree of compliance thereof.
- (xxvii) Supervising and evaluating the processes of relations with the different stakeholders.
- (xxviii) Assessing all aspects of the company's non-financial risks, including operational, technological, legal, social, environmental, political and reputational risks.
- (xxix) Coordinating the reporting of non-financial and diversity information in accordance with applicable regulations and international benchmarks.

The Audit Committee shall hold a meeting at least four (4) times a year, one every quarter, and, in all cases, as often as may be deemed necessary by the Chairperson or when a meeting is requested by half of its members.

It shall be deemed validly held when the majority of its members attend, present or represented by proxy, adopting its resolutions by the majority of its members, present or represented by proxy. In the case of a draw, the Chairperson shall hold the casting vote.

The Audit Committee shall submit a report about its activities during the year for the approval of the Board of Directors, to subsequently be made available to the shareholders and investors.

The Board of Directors may develop all the previous rules in the respective Regulations of the Audit Committee, in all cases promoting the independence of its duties.

In the opinion of the Chairperson or the majority of the members of the Executive Committee, the resolutions adopted by the Audit Committee may be submitted for subsequent ratification by the Board of Directors, when the importance thereof may make this advisable.

7.4. The Appointment and Remuneration Committee

The Appointment and Remuneration Committee shall be composed of a number of nonexecutive Directors determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5) Directors, appointed by the Board of Directors, and it shall be endeavoured that the majority of its members are independent Directors. At least two of the members of the Appointment and Remuneration Committee shall be independent and will be appointed bearing in mind his/her knowledge and/or experience in accounting or auditing matters. The members of the Appointment and Remuneration Committee shall hold office for a maximum term of four (4) years but may be reappointed.

The Board of Directors shall appoint a Chairperson from among the independent members of the Committee. The office of Chairperson shall be held for a maximum period of four (4) years and at least one (1) year must have elapsed since he/she stepped down from office in

order to be reappointed, notwithstanding his/her reappointment as a member of the Committee. The charge of the Secretary of Appointment and Remuneration Committee will be played by the Secretary of the Board.

Notwithstanding other duties that may be assigned thereto by the Board of Directors, the Appointment and Remuneration Committee shall perform the following basic duties:

- (i) Evaluate the skills, knowledge and experience enough on the Board of Directors. For this purpose, roles will be defined and capabilities required of the candidates to fill each vacancy and evaluate the time and dedication necessary for them to perform their duties effectively.
- (ii) Establish a goal of representation for the underrepresented sex on the Board of Directors and develop guidance on how to achieve that objective.
- (iii) Submit to the Board of Directors the proposals for appointment of independent directors to be appointed by co-optation or for submission to the decision of the General Shareholders' Meeting, as well as proposals for re-election or removal of such directors by the General Shareholders' Meeting.
- (iv) Report the proposals for appointment of the remaining directors to be appointed by co-optation or for submission to the decision of the General Meeting, as well as proposals for re-election or removal by the General Shareholders' Meeting.
- (v) Report on proposals for appointment and removal of senior managers and the basic terms of their contracts.
- (vi) Examine and organize the succession of the Chairman of the Board and Chief Executive of the Company and, where appropriate, make proposals to the Board for such succession occurs in an orderly and planned.
- (vii) Propose to the Board the remuneration policy for directors and general or those who develop their senior management functions under direct control of the Board of Executive Committees or CEOs of directors as well as the individual compensation and other contractual conditions of executive directors, ensuring compliance.

The Appointment and Remuneration Committee shall hold a meeting whenever the Board of Directors or its Chairperson request a report to be issued or proposals to be adopted and, in all cases, whenever this is convenient for the correct performance of its duties. It shall be summoned by the Chairperson of the Board of Directors or by two (2) members of this Committee.

The Appointment and Remuneration Committee shall be validly held when the majority of its members attend, present or represented by proxy, and shall adopt its resolutions by the majority of votes. In the case of a draw, the Chairperson of the Committee shall hold the casting vote.

TITLE IV. FUNCTIONING OF THE BOARD OF DIRECTORS

Article 8.- Meetings: summons and place where the meetings are held

The Board of Directors shall hold a meeting at least once every three (3) months, which will deal with issues related to the functioning of the Company and, in all cases, to discuss the various items on the proposed agenda.

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The Board of Directors shall be summoned by its Chairperson or the person acting in his/her place, either at his/her own initiative or at the request of two or more Directors.

The Directors representing at least one third of the members of the Board of Directors may summon a meeting, specifying the agenda, which shall be held in the city where the registered office is located, if, due to a prior request made by the Chairperson, with no justified reason the summons has not been made to hold the Board of Directors within a term of one month counted from the date of the request. The Chairperson shall be responsible for drawing up the agenda of the Board of Directors' Meetings; although, with at least one day's notice, one third of the Directors may request items to be included on the agenda that they consider should be discussed.

The Chairperson may grant authority to any Director to summon the Board of Directors' Meeting and to draw up the agenda of the meetings.

The summons for each Board of Directors' Meeting, which must include the agenda, shall be sent to each Director by any means of written communication with at least forty-eight (48) hours prior notice before the date specified for holding the meeting.

For urgent reasons, the Chairperson may even summoned the Board of Directors' Meeting by telephone, without the aforementioned prior notice, however this urgency must be accepted at the beginning of the meeting by the majority of those attending.

The Board of Directors shall normally hold its meetings at the registered office, however meetings may also be held in any other place as specified in the summons.

The Board of Directors' Meetings and its Committees may be held using distance means of communication if any of their members is unable to attend at the place assigned to hold the meeting in the summons. The members that do not physically attend at the place where the meeting is held and use means of communication to allow this to take place at the same time as in the place the meeting is held and reciprocally with the other members using distance means of communication that allow them to be recognised and identified shall be considered to attend for all purposes and may vote through the means of communication they use.

Article 9.- Holding the meetings, proxies and adopting resolutions

According to the Articles of Association, the Board of Directors' Meetings may be validly held when the majority of its members attend, present or represented by proxy, and also, with no need for a prior summons, when all its members attending the meeting unanimously decide to hold a Board of Directors' Meeting. Written ballots without holding a meeting are only allowed when none of the Directors oppose this procedure.

The proxies to attend the Board of Directors' Meetings may only be granted to another Director and must be specific for each meeting, while non-executive directors may only delegate their representation to another non-executive. The person acting on behalf of the Chairperson shall only chair the meeting if the Vice-Chairperson is absent and shall not hold the casting vote.

Each Director present or represented by proxy shall be entitled to one vote.

Except in the cases when the law or the Articles of Association specify a different quorum, the resolutions shall be adopted by the absolute majority of the members of the Board of Directors attending the meeting, present or represented by proxy. The Chairperson shall hold the casting vote in the case of a draw in the ballots.

The resolutions adopted by the Board of Directors at each meeting shall be drawn up in the minutes' book, which shall be signed by the Chairperson and the Secretary.

TITLE V. APPOINTMENT AND DISMISSAL OF DIRECTORS

Article 10.- Appointment and disqualification

The General Shareholders' Meeting or, when appropriate, the Board of Directors' Meeting shall be competent to appoint the members thereof, pursuant to the provisions in the law and the Articles of Association.

The proposals for appointment of Directors submitted by the Board of Directors to the consideration of the General Shareholders' Meeting and the resolutions for appointments adopted by such body by virtue of the co-optation authority legally granted thereto must first be proposed by the Appointment and Remuneration Committee, when independent Directors are involved, and the Board of Directors itself, in other cases.

In any case, the proposal shall be accompanied by a justifying report to the Board about the competence, experience and merits of the nominee proposed, which will be attached to the minutes of the General Meeting or the Board itself. Furthermore, the proposal for appointment or reappointment of any non-independent directors must be preceded, moreover, of a report of the Appointments and Remuneration Committee. The provisions of this paragraph shall also apply to natural persons who are designated representatives of a legal entity counsellor. The proposal must be included into the report of the Appointments and Remuneration Committee.

The Directors shall observe the legally specified situation of disqualification.

Article 11.- Term of office

The Directors shall hold office for the term stated in the Articles of Association and may be reappointed according to that stated in the Articles of Association.

The Directors appointed by co-optation shall hold office until the date of the first General Shareholders' Meeting held, which shall ratify the appointments or appoint the persons that must replace the Directors that are not ratified, unless it is decided to eliminate the vacancies.

Article 12.- Dismissal

The Directors shall step down from office once the period has elapsed for which they were appointed and in any other cases stipulated by law or the Articles of Association.

In all cases, they may make their office available to the Board of Directors and formalise their relevant dismissal in the following cases:

- (i) When they step down from executive posts to which their appointment as Director is related. The independent Directors, when they have held office for twelve (12) years.
- (ii) When they are involved in any of the legally specified situations of disqualification or prohibition.
- (iii) When they are accused of an allegedly criminal act or are subject to a disciplinary sanction due to a serious or very serious infringement investigated by the supervisory authorities.
- (iv) (iv) When their continuance on the Board may jeopardise the interests of the Company and when the reasons for which they were appointed cease to exist. This circumstance shall be deemed to arise with respect to an external proprietary director when the total shareholding interest held by him or her or whose interests he or she represents is disposed of, and also when the reduction of his or her shareholding interest requires the reduction of his or her proprietary directors.
- (v) When significant changes take place in the professional situation or conditions by virtue of which they have been appointed as Directors.
- (vi) . When, due to acts attributable to the director, their continuance on the Board causes serious damage to the Company's assets or reputation, and they are obliged to inform the Board of any criminal proceedings in which they are under investigation, as well as of the procedural developments thereof.

If a director is indicted or tried for any of the offences specified in corporate legislation, the board shall examine the case as soon as possible and, in view of the specific circumstances, decide whether or not the director should continue to hold office. The board of directors shall give a reasoned account of all such cases in the annual corporate governance report.

TITLE VI. INFORMATION AND SERVICES OF THE DIRECTORS

Article 13.- Information to the Directors

Unless the Board of Directors had been called or had been exceptionally convened for reasons of urgency, the Directors must be have the necessary information in advanced for deliberation and adoption of resolutions on matters to be discussed. The Chairman of the Board of Directors, with the assistance of the Secretary, shall ensure compliance with this provision.

The Directors are vested with the most wide-embracing authority to obtain information about any aspect affecting the Company, to examine its books, records, documents and other background information about the company's transactions and to inspect all its facilities.

However, in order not to disrupt the company's ordinary operations, exercising their rights to information shall be channelled through the Chairperson of the Board of Directors, if they are of an executive nature, otherwise through the Chief Executive Officer, or absent this figure, of the Managing Director, who shall deal with the requests made by Directors and provide them with information, offering them suitable spokespersons within the scope of the suitable organisation or provide the measures so that the procedures for examination and inspection can be carried out *in situ*.

REGULATIONS OF THE BOARD OF DIRECTORS

Article 14.- Services of experts

Con el fin de ser auxiliados en el ejercicio de sus funciones, los consejeros no ejecutivos pueden solicitar, cuando existan circunstancias especiales que así lo requieran, la contratación con cargo a la Sociedad de asesores legales, contables, financieros u otros expertos. El encargo ha de versar necesariamente sobre problemas concretos de cierto relieve y complejidad que se presenten en el desempeño del cargo.

La decisión de contratar ha de ser comunicada al Presidente del Consejo de Administración de la Sociedad y puede ser vetada por el Consejo si se acredita:

- (i) que no resulta necesaria para el cabal desempeño de las funciones encomendadas a los consejeros externos;
- (ii) que su coste no es razonable a la vista de la importancia del problema y de los activos e ingresos de la Sociedad;
- (iii) que la asistencia técnica que se recaba puede ser dispensada adecuadamente por expertos y técnicos de la Sociedad; o
- (iv) que pueda suponer un riesgo para la confidencialidad de la información a ser tratada.

In order to assist them in performing their duties, the non-executive Directors may request, when necessary due to the special circumstances, that legal, accounting or financial consultants or other experts are hired at the expense of the Company. The work must in all cases be related to specific problems of certain importance and complexity involved in performing their duties.

The decision to hire the aforementioned experts must be notified to the Chairperson of the Company's Board of Directors and may be vetoed by the Board of Directors if the following circumstances are accredited:

- (i) It is unnecessary to fully perform the duties entrusted to the external Directors.
- (ii) Its costs its unreasonable bearing in mind the importance of the problem and the Company's assets and income.
- (iii) The technical assistance included may be suitably provided by the Company's experts and technicians.
- (iv) It could jeopardise the confidentiality of the information that will be dealt with.

TITLE VII. REMUNERATION OF DIRECTORS

Article 15.- Remuneration of Directors

The Directors, in their capacity as such will have the right to receive the attendance allowances for remuneration set by the Board of Directors according to the provisions in the Articles of Association and in accordance with Directors' remuneration policy approved from time to time by the General Meeting.

The Board of Directors shall ensure that the amount of the remuneration paid to the Directors offers them incentives for their time, but does not compromise their independence.

The Board of Directors shall approve an annual report on the remuneration for the Directors according to the legally stipulated terms. This report shall be provided to the shareholders at the time the summons is announced for the Ordinary General Shareholders' Meeting and shall be submitted to a ballot at such meeting, of an advisory nature, as a separate item on the agenda. Also, proposed by the Board of Directors, the General Meeting will approve as a separate item on the agenda, at least every three years, the Director's remuneration policy, which will be adjusted as appropriate to the provided statutory compensation system. This proposal shall be reasoned and shall be accompanied by a specific report of the Appointments and Remuneration Committee.

TITLE VIII. DUTIES AND RESPONSIBILITY OF THE DIRECTORS

Article 16.- Duties of the Directors

When performing their duties, the Directors shall do so with the diligence of an orderly businessperson and loyal representative, complying with the duties imposed by law and the Company's corporate governance rules. Their actions shall be guided by the Company's interests and interpreted to the benefit of the Company, always endeavouring to ensure the best defence and protection of the interests of all the shareholders.

Notwithstanding all the commitments stipulated by law and the Company's corporate governance rules, including these Regulations, in particular, the Directors shall be obliged to perform the following duties:

- (i) To suitably prepare and attend the meetings of the company's body they belong to and to actively take part in the deliberations thereof.
- (ii) To diligently provide information on the running of the Company.
- (iii) To carry out any specific work assigned thereto by the Board of Directors and that is reasonably included in their commitment for time.
- (iv) To investigate any irregularity in the Company's management that could have been notified and supervise any risk situation.
- (v) To oppose any illegal resolutions or those that infringe the Articles of Association, the company's corporate governance rules or are against the Company's interest and request their opposition to be recorded in the minutes.

16.1. Loyalty commitment

The Directors must get in charge of his position with the loyalty of a faithful representative, acting in good faith and in the best interest of the Company. In particular, loyalty commitment obliges Directors to:

- (i) Do not exercise its authority for other purposes than those for which they have been granted.
- (ii) To keep in secret any information, data, reports or background to which it has had access in the performance of their duties, even when it has ceased, except in those cases permitted or required by law.
- (iii) To abstain from participating in the deliberation and voting on resolutions or decisions in which he or a related person has a conflict of interest, direct or

indirect. Agreements or decisions will be excluded from this obligation to abstain those which affect them as Directors, such as the appointment or revocation of positions in the Board of Directors or other similar meaning.

- (iv) To carry out his duties on the principle of personal responsibility with freedom of opinion or judgment and independence from instructions and links to third parties.
- (v) To adopt the necessary measures to avoid incurring in situations in which their interests may conflict with the public interest and their duties to the Company.

16.2. Commitment to avoid conflicts of interest

In particular, the duty to avoid conflicts of interest that Article 16.1 (v) abovementioned refers to, obliges Directors to abstain from:

- (i) Performing perform transactions with the Company, except ordinary transactions, made under standard conditions for customers and of little relevance, defined as those whose information is not necessary to show a reliable picture of present assets, financial situation and results of the Company.
- (ii) Using the name of the Company or invoke their status as Director to improperly influence the performance of private operations.
- (iii) Making use of corporate assets, including confidential information of the Company for private purposes. Included in this obligation, the duty of every director not to use non-public information of the Company for their own benefit, either directly or facilitating it to third parties, and must abstain, or suggest anyone, from performing an operation on shares of the Company or its subsidiaries, associated or related to the disposal, by virtue of his charge, of non-public information, all abovementioned without prejudice to the obligations incumbent on Directors under the regulations of the Securities and standards of conduct contained in the Company's Internal Regulations for Conduct.
- (iv) Taking advantage of the business opportunities of the Company. Accordingly, the Directors may not execute, for their own benefit or that of persons related to him, investments or transactions relating to the assets of the Company that has knowledge, when the investment or transaction has been offered to the Company or it has interest in it, as long as the Company has not rejected the investment or transaction without the influence of the Director and the execution is authorized by the Board of Directors.

For this purpose, it is understood that the term business opportunity is any possibility of making an investment or commercial operation which has arisen or been discovered in connection with the exercise of charge by the Director, or by the use of media and information of the Company, or under such circumstances that would be reasonable to think that the third party's offer was actually addressed to the Company.

- (v) To obtain benefits or remuneration from third parties other than the Company and its group associated with the performance of his duties, except in the case of mere courtesy attentions.

- (vi) Carrying out self-employed or employed activities involving effective competition, whether actual or potential, with the Company or that, otherwise, it is placed on the same permanent conflict with the interests of the Company. From this obligation to abstain charges exercised by Directors in subsidiaries or associated entities of the Company are excluded.

The foregoing provisions shall also apply in the event that the recipient of the prohibited or activities acts is a person related to a Director, under the terms of Article 231 of the Spanish Capital Companies Act.

In any case, the Directors must notify to the Board of Directors of any conflict situation, direct or indirect, which them or persons related to them may have with the interests of the Company. The conflict of interest incurred by the Directors shall be reported in the Annual Accounts and in the Annual Corporate Governance Report.

16.3. Exemption regime

The Company may have exemptions of the prohibitions contained in Article 16.2 abovementioned in particular cases authorizing the execution by a Director or a person related to the transaction with the Company, the use of certain corporate assets, the use of a specific business opportunity, obtaining an advantage or remuneration from a third party.

The authorization must necessarily be agreed by the General Shareholders' Meeting when the purpose is the exemption from the ban of obtaining a benefit or compensation of third parties, or affects a transaction whose value exceeds ten percent (10%) of corporate assets.

In other cases, authorization may also be granted by the Board of Directors, as long as the independence of those members who grant the authorization is guaranteed. It will also be necessary to ensure the safety of operation authorized for the company's assets or, where appropriate, its implementation under market conditions and transparency of the process.

Exceptionally, a Director may be released from the obligation to meet consideration for the use of certain company assets, but in this case, in the context of the statutory provisions, the benefits would be considered indirect remuneration and must be authorized by the General Shareholders' Meeting, and always discounting the direct remuneration that has to be perceived from the Director.

The obligation not to compete with the Company may only be exempt in the event that damage for the Company is not expected or, if the damage is produced, this would be offset by the benefits obtained from the exemption foreseen. The exemption is granted by express and separate agreement of the General Shareholders' Meeting. In any case, at the request of any shareholder, the General Shareholders' Meeting shall decide on the dismissal of the Director that is developing competitive activities when the risk of damage for the Company becomes relevant.

16.4. Other duties of information

The Directors must inform the Company of the shares thereof that they directly hold or that are held through companies in which they have a controlling interest. They shall also notify

information of any others they directly or indirectly hold through persons associated therewith.

The Directors must also notify any significant change in their professional situation that affects the nature or condition by virtue of which they were appointed as Directors.

Similarly, the Directors must notify any situation that affects them or could affect the prestige or reputation of the Company, in particular, criminal cases in which they are involved as defendants and any important legal difficulties. After examining the situation in question, the Board of Directors may require that the Director is dismissed, and this decision shall be binding for the Director.

Article 17.- Transactions of the Company with significant shareholders

El Informe Anual de Gobierno Corporativo de la Sociedad incluirá información sobre estas transacciones.

The Board of Directors, directly or through the Audit Committee, shall ensure that the transactions between the Company or companies of its group with significant shareholders are carried out according to arm's length conditions and observe the principle of equal treatment of the shareholders that are in the same situation.

If they are ordinary transactions and are of a habitual or recurrent nature, the general authorisation of the operating line and the conditions for performance shall be deemed sufficient, with a prior report in favour issued by the Audit Committee.

The authorisation by the Board of Directors shall not be deemed necessary however when the conditions are met stipulated in section (t) of Article 4 of these Regulations.

The Annual Corporate Governance Report of the Company shall include information about these transactions.

Article 18.- Directors' liability

The Directors shall be held liable by the Company, the shareholders and the company's creditors for any damages caused by acts or omissions that are against the law or the Articles of Association, or those performed by breaching the duties they perform due to holding such position, as long as it has intervened fraud or offence, presuming guilty, unless proved otherwise, when the act is against the Law or the Articles of Association.

The persons acting as de facto Directors of the Company shall be held personally liable thereby, and by the shareholders and creditors for any damages caused by acts that are against the law or the Articles of Association, or those performed by breaching the duties imposed by law for those that formally hold the post of Director. Also in this particular case, it will be required that fraud or offence has existed, presuming guilty, unless proved otherwise, when the act is against the Law or the Articles of Association.

All the members of the Board of Directors shall be held jointly and severally liable if any act is performed or resolution is adopted that could harm the Company, unless they can prove that, since they were not involved in adopting or performing it, they were unaware of its

existence or, even if they knew about it, they did everything they could to avoid the harm caused or at least expressly opposed it.

Under no circumstances shall they be exonerated from liability by that fact that the harmful act or resolution was adopted, authorised or ratified by the General Shareholders' Meeting.

TITLE IX. RELATIONSHIP OF THE BOARD OF DIRECTORS

Article 19.- Relationship with the shareholders and investors

The Board of Directors shall guarantee the functioning of suitable measures to be informed of the proposals the shareholders may make related to the Company's management. Moreover, it shall supervise the IT systems provided by the Company for the various groups of shareholders, without this implying any privilege whatsoever for any of them.

The Company shall also have a policy of communication of economic-financial, non-financial and corporate information, in order to maximise the dissemination and quality of the information available to the market, investors and other stakeholders.

Likewise, the Board shall supervise the mechanisms established in the Company for the regular exchange of information with investors who are not represented on the Board, even if they form part of the shareholders with a significant holding, through the aforementioned policy of communication of economic-financial, non-financial and corporate information. Under no circumstances shall the relationship between the Board and significant shareholders entail a situation of privilege or advantage over other shareholders.

According to the provisions in the Regulations of the General Shareholders' Meeting, the Board of Directors shall promote the participation of the shareholders at their meetings.

Article 20.- Relationship with the auditors

The Board of Directors shall establish an objective, professional and ongoing relationship of the Audit Committee with the company's external auditors appointed by the General Shareholders' Meeting. In all cases, it shall observe the independence of such auditors and ensure that they are provided with accurate information.

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