

REGULATIONS OF THE BOARD OF DIRECTORS OF

MEDIASET ESPAÑA COMUNICACIÓN, S.A.

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Preliminary

Article 1. - Purpose

These Regulations aim to define the principles guiding the performance of the Board of Directors of Mediaset España Comunicación, S.A. (hereinafter, “Mediaset España” or “the Company”), as well as the basic organisational and functioning rules and the conduct of its members.

Article 2. - Scope of application

1. These Regulations apply to the members of the Board of Directors, its delegated bodies, both group-based and uni-personal, and its internal Committees.
2. The rules of conduct for Board Members set forth in these Regulations will be applicable, to the extent that they are compatible with their specific nature, to the company's senior managers. The term senior manager is understood to cover those acting under the immediate control of the Board of Directors, the Executive Committee or the Chief Executives of the Company's and, in any case, the internal auditor.
3. For the purpose of these Regulations, the Company's Group is understood to be comprised of those companies in which the Company has a direct or indirect share of over 50% of the share capital and, in addition, the Company exercises effective management control.

Article 3. - Distribution

1. Board members and senior managers have the obligation to know, comply with and enforce these Regulations. For this purpose, the Secretary of the Board will provide them with a copy of the Regulations.
2. These Regulations will be submitted to the National Stock Exchange Commission (CNMV) and registered in the Commercial Registry, in accordance with the applicable guidelines. Likewise, they shall be made available on the Company's Website.

Article 4. - Modification

1. Any modification to these Regulations shall be validly made upon the prior consent of two thirds (2/3) of the Board Members present or represented following a report from the Audit and Compliance Committee. The Board of Directors will report the amendments to the Regulations at the first General Meeting held thereafter.
2. The text of the proposal, together with an explanatory report drafted by its authors and, the report by the Audit and Compliance Committee, shall be attached to the call for the Board of Directors' meeting where a decision is to be made thereon.

Article 5. - Interpretation

1. These Regulations are based on the recommendations contained in the “Unified Corporate Governance Code” approved by the National Stock Exchange Commission.
2. The Regulations shall be construed pursuant to the applicable legal and statutory rules and the most widely recognised good governance principles and recommendations at all times.
3. These Regulations expand upon and supplement the legal and statutory rules applicable to the Company’s Board of Directors.
4. The Board of Directors shall resolve any doubts or divergences that arise in their application or interpretation.

TITLE I. COMPANY’S MANAGEMENT AND BOARD OF DIRECTORS MISSION

Article 6. - Powers of the Board of Director

1. Except for the matters reserved for the competence of the General Meeting by Law or the Articles of Association, the Board of Directors is capable of adopting resolutions regarding any matter, being the highest decision-making body of the Company.
2. Notwithstanding the widest powers and authority to manage, direct, represent and administrate the Company that correspond to the Board of Directors, the Board essentially focuses its activity on the definition and supervision of strategies and general management guidelines which must be followed by the Company and its Group, as well as the distribution, coordination and monitoring of the general implementation of strategies, policies and management guidelines of the Company and its Group with the overall objective of creating value for shareholders, generally trusting the management and the running of the ordinary business of the Company to the representative bodies and the management team.
3. In any event, those powers which are necessary for the responsible exercise of general supervisory functions will be reserved exclusively to the plenary Board of Directors without the possibility of delegation, as well as those powers and functions that are legally, statutorily or by way of these Regulations reserved for the knowledge of the plenary Board.
4. In this regard, the following powers of the Board of Directors’ may not be delegated:
 - (i) Its own organization and operation.
 - (ii) The call of the General Meeting, the preparation of the Agenda and proposed resolutions.
 - (iii) Compiling the annual financial statements, the management report, which shall

include, where appropriate, the statement of non-financial information and the distribution of profits proposal, as well as the consolidated financial and management reports and its presentation to the General Meeting.

- (iv) The preparation of any report that the law requires of the Board of Directors, provided that the operation to which the report refers cannot be delegated.
- (v) The approval of a policy for the selection of directors and the diversity of the Board of Directors that is in line with the current legislation and the Corporate Governance recommendations.
- (vi) Approval of the policy on communication, contacts and involvement with shareholders, institutional investors and proxy advisors, including the policy on communication of economic-financial, non-financial and corporate information.
- (vii) The appointment of co-opted Directors and submission of proposals in relation to the appointment, ratification, re-election or dismissal of Directors to the General Meeting.
- (viii) The appointment and dismissal of, or, where applicable, of the Chief Executive Officers of the Company, and establishing the conditions of their contracts.
- (ix) The designation and renewal of the internal positions of the Board of Directors' and the Committee members.
- (x) To establish the Directors' remuneration in accordance with the Articles of Association, at the proposal of the Appointments and Remuneration Committee.
- (xi) Following a favourable report issued by the Appointments and Remuneration Committee, formulation of the Remuneration Policy Report of the directors in accordance with applicable law and corporate governance recommendations.
- (xii) Interim dividend payments.
- (xiii) Any public purchase bid announcement regarding shares issued by the Company.
- (xiv) The approval and amendment of the Board of Directors Regulations which governs its organization and internal operations.
- (xv) The formulation of the Annual Corporate Governance Report.
- (xvi) Exercising the powers delegated by the General Meeting when the option for delegation is not provided and to exercise any functions which the General Meeting has assigned to them, unless it had been expressly authorised to sub delegate by the General Meeting.
- (xvii) The approval, following a report from the Appointments and Remuneration Committee, of the transactions that the Company or companies of the Group conduct with Board Members, under the terms established by the law at all times, or with shareholders, who individually or jointly, of a significant shareholding

including shareholders represented on the Board of Directors of the Company or other companies within the Group or with persons related thereto. The affected Board members or those they represent or are linked to affected shareholders must abstain from participating in the deliberation and voting on the agreement in question except for those operations established by Law at all times.

Following a report of the Appointments and Remuneration Committee, the approval of the Board of Directors is not required for related operations between the Company when the following three conditions are simultaneously present: (i) they are carried out under contracts whose conditions are standardized and applied en masse to a large number of customers, (ii) they are carried out at market rates, generally set by the person supplying the goods or services in question, and (iii) that the amount does not exceed one percent of annual income of the Company.

- (xviii) The approval, of investments and transactions of all kinds, which due to their high value or special characteristics, are of a strategic nature or are a tax risk, unless their approval corresponds to the General Meeting.
- (xix) Execution of any agreement or creation of any legal relation between the Company and a third party whose value exceeds 80,000,000 Euros, unless its approval corresponds to the General Meeting
- (xx) The determination of the general policies and strategies of the Company, in particular:
 - a) Approval of annual budgets and where appropriate, the strategic plan.
 - b) Approve and supervise management objectives and the dividend policy.
 - c) Approval and supervision of the investment and financing policy.
 - d) Define the corporate structure of the group of companies of which the Company is the controlling entity.
 - e) Approval and supervision of the Corporate Governance policy of the Company and its Group.
 - f) Approval and supervision of the Corporate Social Responsibility and Sustainability policy.
 - g) Approval of the remuneration policy for the Board Members, to be submitted to the General Meeting.
 - h) Approval of the Company's treasury stock policy
- (xxi) Determine the Company's tax strategy.
- (xxii) Performance appraisal of the Company's Executive Directors.
- (xxiii) Supervise the effective functioning of the Committees that have been constituted and the performance of the delegated bodies and the managers who

have been appointed.

(xxiv) The Approval and monitoring, based on a prior report by the Audit and Compliance Committee, of the risk control and management policy, including tax issues, as well as the supervision of internal information and control systems.

(xxv) The appointment and dismissal of managers who report directly to the Board of Directors or any of its members, and the establishment of the basic conditions of their contracts, including their remuneration.

(xxvi) Approval, at the proposal of the Audit and Compliance Committee, of the financial information to be periodically published by the Company.

(xxvii) Approval of the creation or acquisition of holdings in special purpose entities or entities domiciled in countries or territories deemed as tax havens, as well as any similar transactions or operations that, due to their complexity, may impair the Group's transparency.

(xxviii) The authorization or waiver of the obligations arising from the duty of loyalty in accordance with the mandatory and waiver rules established by law.

(xxix) Any other matters that these Regulations reserve to the plenary Board.

(xxx) The creation, organization and supervision of an internal complaints system.

5. When there are urgent circumstances, duly justified, decisions relating to the matters in the preceding paragraphs i, xii, xv, xvi, xviii a), xviii b), xviii c) xviii d), xviii e), xviii f), xix, xxii, xxv and xxvi, may be adopted by the Executive Committee or Chief Executive Officer, those decisions must be ratified at the first Board of Directors held after the decision is adopted.

Article 7. - Value Creation for shareholders and other interests

1. The Board of Directors shall perform its duties with a single purpose and independent criteria and shall treat all shareholders the same and be guided by the corporate interest, understood as the achievement of a profitable and sustainable business in the long term, promoting continuity and maximizing the economic value of the company.
2. In pursuit of corporate interest, in addition to compliance with the laws and regulations, and based on acting with good faith, ethics and respect to the uses and good practices commonly accepted, the Board of Directors shall endeavour to reconcile its own corporate interest with, where appropriate, the legitimate interests of its employees, its suppliers, its customers and those of other groups of interest that may be affected, and the impact of the Company's activities in the community as a whole and the environment.

TITLE II. Composition of the Board of Directors

Article 8. - Number of Directors

1. The management body of the Company shall be made up of a Board of Directors with a

minimum of eleven (11) members and a maximum of nineteen (19) members, who shall be appointed, re-elected or ratified by the Shareholders General Meeting without prejudice to the proportional representation system which corresponds to the shareholders under the terms provided by Law.

2. The Board of Directors may propose to the Annual General Meeting the number of Directors which, according to the circumstances of the company, and within the maximum and minimum numbers indicated in the previous paragraph, proves to be the most suitable to ensure the Company's proper representation and effective performance, as well as, reflecting an appropriate balance of experience and knowledge that enriches the decision making and contributes multiple points of view to the discussion of the issues raised by the Board of Directors. In turn, the Board shall ensure that the candidates proposed are respectable, qualified and of recognized solvency, competence, experience, training and availability for the performance of their duties.

The General Meeting shall determine the number of Members by express agreement, or, indirectly by providing or not providing vacancies, or by appointing new directors or not.

Article 9. - Qualitative Composition of the Board of Directors

1. The Directors will be categorised as executive or non-executive, distinguishing between proprietary, independent and other external, all in accordance with the provisions of the Law, the Articles of Association and these Regulations.
2. In the exercising of its powers to present proposals to the Annual General Meeting and its powers of co-optation to fill in vacancies, the Board of Directors shall ensure that the composition of the board includes, external Directors or non-executive Directors representing a majority over executive Directors and that among them there are a number of independent Directors in line with the capital structure of the Company.

For this purpose, the Directors who perform senior management duties within the Company or its Group, whatever the legal relationship they have with it, shall be deemed to be executive Directors. However, the Directors who are senior managers or Directors of the Company's belonging to the Group of the parent company shall be considered here as proprietary Directors. Wherever a Director performs senior management duties and, at the same time, is or represents a significant shareholder or representing on the Company's Board of Directors, such Director shall be considered an executive.

3. The Board of Directors shall also ensure that the majority group of non-executive Directors includes both shareholders or representatives of significant stable shareholdings in the capital of the Company or who have been appointed because of their status as shareholders of the Company (proprietary Directors) as persons who, having been appointed based on their personal and professional conditions, are able to perform their duties without being influenced by relations with the Company or its Group, significant shareholders or its directors (independent Directors), provided that they always meet the requirements listed below.

For such purposes, the following terms shall be understood as follows:

- a) External proprietary directors.

Any person who has a shareholding greater than or equal to that considered legally significant or any person having been appointed as result of their capacity as shareholder, even where their shareholding does not reach such amount or those representing such shareholders.

For the purposes of this definition, a Director shall be considered to represent a shareholder where:

- They have been appointed in the exercising of the right to proportional representation at the Board of Directors.
- They are a Director, senior manager, employee or regular service supplier to such shareholder or companies belonging to the Mediaset España Group;
- It is clear from the corporate documentation that the shareholder assumes that the Director has been appointed or represents them.
- They are a spouse or spousal equivalent or a second degree relative of a significant shareholder.

b) Independent External Directors

Any person who, having been appointed based on their personal and professional conditions, may perform their duties without being influenced by relations with the Company or its Group, its significant shareholders, or executives.

Under no circumstances may those persons who find themselves in the following situations be appointed as independent Directors:

- (i) Any person who has been an employee or executive Director of the Mediaset España Group, unless 3 or 5 years have passed, respectively, from termination of that employment.
- (ii) Any person who receives from the Company, or its Group, any amount or benefit on account of anything other than the director's remuneration, unless such amount or benefit is insignificant for the director.

For the purposes of this provision, neither dividends nor pension supplements received by the Director by reason of their former professional or employment relationship shall not be taken into account, provided that these supplements are unconditional and, therefore, the company paying them is unable to, on a discretionary basis and without any breach of obligations, suspend, modify or revoke accrual thereof.

- (iii) Any person who is or has been in the last three (3) years, a partner of the external auditor or person responsible for the audit report, of Mediaset España's audit during the said period as well as the audit of any other company of the Group.
- (iv) Any person who is an executive Director or a senior manager of a different company in which an executive director or senior manager of the Mediaset España Group is an external director.
- (v) Any person who maintains or has maintained for the last year a significant business relationship with Mediaset España or any other company of the Group, either on its own behalf or on behalf of a significant shareholder, Director or senior manager of an entity maintaining or having maintained such a relationship.

Suppliers of goods or services, including financial, advisory or consultancy services, will be considered as business relationships.

- (vi) Any person who is a significant shareholder, executive director or senior manager of an entity which receives or has received during the last three (3) years, donations from Mediaset España or any other company of the Group.

Any persons who are mere trustees of a foundation receiving donations shall not be deemed to be included within this definition.

- (vii) Any person who is a spouse or spousal equivalent or a second degree relative of an executive director or senior manager of the Company.

- (viii) Any person who has not been proposed, either for appointment or renewal, by the Appointments and Remuneration Committee.

- (ix) Any person who has been Director for a continuous period of more than twelve (12) years.

- (x) Any person who, with respect to some significant shareholder or a shareholder represented on the Board, in any of the circumstances described in subparagraphs (i), (v), (vi) or (vii) of this section. In the case of kinship as described in (vii), the limitation shall apply not only to the shareholder but also to its Proprietary Directors of the investee company.

Proprietary Directors who cease to act in such capacity as a result of the sale of their shareholding by the shareholder they used to represent may only be re-elected as Independent Directors where the shareholder they used to represent has sold all of its shares in Mediaset España.

A director having one or more shareholdings in the Company may be independent provided that they meet all of the conditions established in this section and moreover, that their participation is not significant.

- c) Other external.

Those non-executive directors that cannot be considered proprietary or independent.

4. In order to establish a reasonable balance between the Proprietary Directors and the Independent Directors, The Board of Directors shall consider the ownership structure of the Company, so that the relationship between the two kinds of directors reflects the ratio of stable capital to floating capital.
5. Notwithstanding the provisions of the preceding paragraphs, other external Directors may be exceptionally integrated into the Board. In this case, the Company shall explain such circumstances and its relationships with the executives, shareholders or with the Company itself.
6. The capacity of each director shall be explained by the Board of Directors to the Shareholders General Meeting, which shall make or ratify their appointment, or agree their re-election, and it will be confirmed or, if appropriate, reviewed annually in the Annual Corporate Governance Report, following a report or proposal from the Appointments and Remuneration Committee.

Also, the Annual Corporate Governance Report shall explain the reasons why, as the

case may be, Proprietary Directors have been appointed upon request of shareholders not holding a significant shareholding in the share capital and shall explain why they did not respond for the formal requests of representation on the Board of Directors made by shareholders whose shareholding is equal to or greater than that of others at whose request Proprietary Directors were appointed.

7. The Board of Directors shall ensure that the selection procedures of its members promote diversity of experience and knowledge of background, age, disability and gender and that there is no implied bias entailing any kind of discrimination and, in particular, to facilitate the selection of female directors, establishing a diversity policy or guidelines to that effect.

TITLE III. Appointment and Removal of Directors

Article 10. - Appointment of Directors

1. Directors shall be appointed by the General Meeting pursuant to the provisions contained in the Law and the Company's internal rules.
2. The proposals for appointments of Directors submitted to the General Meeting by the Board of Directors and the decisions on appointments adopted by the Board of Directors, by virtue of its powers of co-optation attributed to it, must be preceded by the corresponding report from the Appointments and Remuneration Committee, which shall assign the new director to one of the categories contemplated in these Regulations. In the case of Independent Directors, their appointment must be made upon the proposal of the Appointments and Remuneration Committee.
3. In the event the Board decides not to follow the proposals or reports of the Appointments and Remuneration Committee, it shall state its reasons for this decision, leaving them recorded in the minutes.
4. The position of Director is waivable, revocable and re-appointable once or more times. The appointment of directors shall take effect from the time of acceptance.
5. Proposals for the appointment or reappointment of Directors in any case must be accompanied by an explanatory report from the Board of Directors in which it values the competence, experience and merits of the nominee, which will also be attached to the minutes of the General Meeting or the actual Board meeting.
6. The provisions of this Article shall also apply to natural persons who are designated representatives of a Director who is a legal person. The proposal of the natural person representative shall be subject to the report of the Appointments and Remuneration Committee.
7. The Board of Directors and, within the scope of its powers, the Appointments and Remuneration Committee, shall ensure that the proposed candidates presented to the General Meeting for appointment as directors, and the appointments directly made to cover vacancies when exercising its powers of co-optation, shall be suitable persons of recognized integrity, competence and experience, and must be extremely rigorous in relation to those persons called to cover the position of independent Director.

8. The Company shall provide orientation programs that give the new Directors rapid and sufficient knowledge of the Company and its Group, as well as the Corporate Governance rules, also offering informational updating programs when the circumstances require it.

Article 11. - Incompatibilities

The following may not be appointed Directors or, if applicable, individual representatives of a legal entity:

- a) Companies, foreign or domestic, in the audio-visual sector competing with the Company and its managers or senior directors, except where such companies are part of the same group to which the Company belongs.

Excluded from the above rule are “*historic shareholders*”, their managers and senior directors. For that purpose, “*historic shareholders*” shall be those who have maintained a shareholding greater than ten percent (10%) of the Company’s share capital for more than five (5) years and who still maintain that shareholding at the time of appointment.

- b) Natural or legal persons who exercise the position of Director in more than three companies with shares listed on domestic or foreign markets.
- c) Natural or legal persons who are engaged in any case of incompatibility or prohibition prescribed by the applicable rules, including those that are in any way contrary to the interests of the Company or its Group.

Article 12. - Term of Office

1. The Directors shall remain in office for a term of four (4) years, as long as the General Meeting does not resolve to remove or renounce them from their position, they may be re-elected for equal periods. Upon expiration of the term, the appointment shall terminate after the next General Meeting or upon expiration of the legal term to call for the next Ordinary General Meeting.
2. Independent Directors may hold office for a maximum term of twelve (12) years and may not be re-elected after the expiration of this term.
3. The vacancies that arise may be filled by co-optation by the Board of Directors until the first General Meeting held thereafter, which will ratify the appointments or elect the persons who should substitute the unratified Directors or remove the vacancies. If ratified, the Directors appointed by co-optation shall cease to hold office on the date their predecessor would have ceased to hold office. If the vacancy occurs after the General Meeting has been called and before its conclusion, the Board of Directors may appoint a director by co-optation until the holding of the next General Meeting.

Article 13. - Resignation and removal of Directors

1. The Directors shall leave their office when decided by the General Meeting, upon their notice of termination or resignation to the Company and when the term for which they were appointed has elapsed, in accordance with the provisions of the preceding article. In the latter case, the termination shall be effective on the date that the first General Meeting is held thereafter.

2. In the event of termination of any Director prior to the expiration of their term, by resignation or for any other reason, they must explain their reasons in writing to all of the members of the Board of Directors. The termination shall be communicated to the National Stock Exchange Commission as a significant event, also acknowledging the reasons in the Annual Corporate Governance Report.
3. A Director must tender its resignation to the Board of Directors, and formalise the corresponding resignation, if the Board of Directors deems it appropriate, in the following cases:

- a. When they reach eighty five (85) years of age. Their removal as director and resignation from their position shall occur during the first Board of Directors meeting held after the General Meeting which approves the financial statements for the financial year in which the director reaches the said age.

In the event that the appointment is a legal person, the acceptance of this provision shall affect individuals appointed as representatives.

- b. Upon termination of the executive positions to which their appointment as Director was associated.
- c. When, due to supervening circumstances, they are involved in any of the cases of incompatibility or prohibition provided by law, the Articles of Association or these Regulations.
- d. Upon being seriously reprimanded by the Appointments and Remuneration Committee for having breached their duties as Directors.
- e. Where their continuance on the Board may jeopardise, for whatever reason directly or indirectly or situations arise that affect them, whether or not related to their performance in the Company itself, which may adversely affect the credit and reputation of the Company, and they must inform the Board of Directors, in particular, of any criminal proceedings in which they are under investigation, as well as of the procedural developments thereof.

Having been informed or having otherwise become aware of any of the situations mentioned in the preceding paragraph, 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 resignation of the Director or proposing his or her removal. This shall be reported in the Annual Corporate Governance Report, unless there are special circumstances that justify it, which shall be recorded in the minutes, without prejudice to the information that the Company must disclose, if appropriate, at the time the corresponding measures are adopted; or,

- f. When the reasons for which they were appointed cease and, in particular, in the case of proprietary Directors, when the shareholder or shareholders who proposed, requested or decided on their appointment sell or transfer all or part of their interest with the consequence of losing the status of significant or sufficient to justify the appointment.

4. In the event that a natural person represents a legal person (Director) falls within any of the cases provided for in paragraph 3, they will be prevented from exercising such representation.
5. The Board of Directors may not propose the termination of any independent director before the expiration of the statutory period for which they were appointed, except where just cause is found by the Board, following a report from the Appointments and Remuneration Committee. In particular, it is understood that there is just cause when the Director has breached the duties inherent in his position or falls within any of the circumstances described in paragraph 3 of this article.

TITLE IV. POSITIONS ON THE BOARD OF DIRECTORS

Article 14. – Chairman of the Board of Directors

1. The Chairman of the Board of Directors shall be elected from among its members following a report from the Appointments and Remuneration Committee, and shall be considered as the President of the Company.
2. The President is ultimately responsible for the effective functioning of the Board, and in addition to the powers that correspond to him/her according to the Law and the Articles of Association, the Chairman shall have the following powers:
 - (a) To call and preside over all Board of Directors' meetings and the Executive Committee's meetings and establish the agenda for all meetings and directing all discussions and deliberations.
 - (b) To preside over the Shareholders General Meetings and direct all discussions and deliberations at these meetings.
 - (c) To submit to the Board any proposals it deems convenient for the Company's proper management and, particularly, any proposals corresponding to the functioning of the Board itself and the other corporate bodies.
 - (d) To ensure, with the cooperation of the Secretary, that the Directors receive all the necessary information to deliberate on the items on the agenda, sufficiently in advance of the meetings.
 - (e) To stimulate debate and active participation of the Directors during the meetings, safeguarding their freedom to take a position and express their opinion.
3. In addition, the Chairman of the Board of Directors will organize and coordinate with the Chairmen of the Committees of the Board on the operation and periodic evaluation of the Board of Directors and its Committees.
4. The Chairman of the Board of Directors as well as the Vice Chairman, Secretary and Vice Secretary of the Board who are re-elected as members of the Board of Directors by the General Meeting, will continue in the positions which they formerly held within that

body without the need to be newly elected and without prejudice to the power of revocation which with respect to such position corresponds to the Board of Directors.

Article 15. - Independent Coordinating Director

1. The Board of Directors may appoint, following a proposal from the Appointments and Remuneration Committee, one of the Independent Directors as Independent Coordinating Director and shall always do so, with the abstention of Executive Directors when the Chairman of the Board holds the position of executive Director.
2. The Independent Coordinating Director will be specifically empowered to call meetings of the Board of Directors or include new items on the agenda of an already convened Board, coordinate and bring together the non-executive directors and manage, where appropriate, the periodic evaluation of the Chairman of Board of Directors.

Article 16. - The Vice Chairman

The Board of Directors, following a report from the Appointments and Remuneration Committee, may elect from among its Directors a Vice-Chairman who shall replace the Chairman in the event of absence, incapacity or impossibility.

Article 17. - The Secretary and Vice Secretary of the Board of Directors

1. The Board of Directors shall appoint a Secretary and, as the case may be, a Vice-secretary, who may be a director or not, in which case they would have the right to speak but not to vote. The appointment to and termination of both positions shall be reported by the Appointments and Remuneration Committee and approved by the plenary Board of Directors.
2. The Vice-secretary, if any, shall assist the Secretary of the Board of Directors and may attend the Board of Directors' meetings and, if applicable, the Committees to assist the Secretary in their duties and in the drafting of the minutes of the meeting. In the case of absence, incapacity or impossibility of the Secretary, the Vice-secretary shall substitute them in the exercise of their functions. If the Secretary and the Vice-secretary are absent, the director appointed by the Board itself from among the meeting attendants shall act in such capacity.
3. In addition to the functions assigned under the Law and the Articles of Association, the Secretary of the Board of Directors shall:
 - (a) Keep all corporate documents, duly reflect in the minute books the development of the meetings and attest to the agreements by the collective management bodies, writing down in the Minutes any matters which could not be solved by the Board of Directors.
 - (b) Assist the President so that the Directors receive the information relevant to the performance of their duties well in advance and in the proper format.
 - (c) Process any requests by the Directors regarding the information and documentation relating to any matter under the scope of the Board of Directors.

- (d) Ensure that the acts of the Board of Directors (i) adhere to the letter and spirit of the Laws and Regulations, (ii) comply with the Company's Articles of Association and the Company's Regulations, (iii) consider the recommendations on good governance contained in the Unified Code, or in any other code approved by the National Stock Exchange Commission.
4. The Secretary of the Board of Directors shall also be the Secretary of the Executive Committee. The Secretary may also serve as the secretary of all other Committees of the Board of Directors, if so decided by each Committee.

TITLE V. DELEGATED AND ADVISORY BODIES

Article 18. - Chief Executive Officer

1. The Board of Directors will appoint one or more Chief Executive Officers, it may delegate to them, wholly or partially, all of the powers not delegated under the Law, the Articles of Association or these Regulations.
2. The permanent delegation of powers of the Board of Directors and the appointment of a Director or Directors to whom powers are delegated shall only be valid upon the favourable vote of at least two thirds (2/3) of the members of the Board of Directors.

Article 19. - Executive Committee

1. Within the Board of Directors, an Executive Committee that will hold all the powers inherent to the Board, except for those which cannot be delegated by the Law, the Articles of Association, or the regulations.
2. The Executive Committee shall consist of a minimum of four (4) and a maximum of eight (8) members, it is for the Board to determine the number of members within those limits. The appointment of members to the Executive Committee and the permanent delegation of powers within the same shall be made by the Board of Directors with the favourable vote of two thirds (2/3) of its members following the prior proposal from the Appointments and Remuneration Committee. Renewals shall occur in the time, manner and number decided by the Board of Directors. Also in any case, the Chairman of the Board of Directors, who will chair the meetings, the Vice Chairman, if appointed, and the CEO(s) will all be members of the Committee. The Board of Directors Secretary will act as the Secretary of the Executive Committee and in his absence the Vice Secretary, and in the absence of both, the member of the Committee appointed from among those attending the meeting in question.

The Board of Directors shall see that the qualitative composition of the Executive Committee adheres to efficiency criteria and that at least two non-executive Directors are present, one of whom is independent.

3. The Committee shall meet at least four (4) times per year and as many other times as the Chairman deems appropriate. The Chairman may also decide to suspend any of the ordinary meetings if it considers appropriate. The Executive Committee shall deal with all matters within the authority of the Board of Directors which, at the Committee's discretion, must be resolved without further delay, except those which are not delegated by Law, The Articles of Association and these Regulations. The resolutions adopted by

the Executive Committee will be notified to the Board of Directors in its first meeting thereafter.

4. The Executive Committee will adopt its resolutions by a majority of votes of those present and represented at the meeting. The resolutions adopted by the Executive Committee will be recorded in the minutes, which shall be available to all members of the Board of Directors.
5. The Articles of Association and the provisions of these Regulations relating to the Board's operation shall apply to the Executive Committee, insofar as they are not incompatible with its specific nature.

Article 20. - Internal Committees of the Board

1. The Board of Directors shall create an Audit and Compliance Committee and an Appointments and Remuneration Committee with the powers provided by the Law, the Articles, these Regulations of the Board of Directors and, where appropriate, the Regulations of the Committee itself.
2. Furthermore, the Board of Directors may create other internal Committees or Commissions, assigning the powers or functions that the Board considers advisable for the best performance of its functions, appointing their members and establishing the functions assumed by each.
3. The Committees will be governed in supplementary manner, in so far as that they are not inconsistent with its nature, by the provisions relating to the functioning of the Board and, in particular, with regard to convening meetings, delegation of representation for another member of the Committee in question, constitution, not convened meetings, holding the meetings and a system for adopting resolutions, voting in writing without a meeting and approval of the minutes of the meetings.
4. The decisions of the committees are recorded in the minutes, which shall be available to all members of the Board of Directors.

Article 21. - Audit and Compliance Committee

1. An Audit and Compliance Committee shall be created from among the Board of Directors with the powers and functions provided by Law, the Articles of Association and these Regulations, it will be composed of a minimum of three (3) and a maximum of seven (7) Directors, it corresponds to the Board to set the number of members within those limits, and the appointment of the same, following a proposal from the Appointments and Remuneration Committee.

All of the members of this Committee must be non-executive directors, the majority of whom will be independent directors and one of them shall be appointed taking into account their knowledge, capacity and experience in accounting, auditing or both. As a whole, the members of the Commission will have the relevant technical knowledge in relation to the sector of activity to which the Company belongs.

The members of the Audit and Compliance Committee cease voluntarily, by the non-renewal in their position as directors or when decided by the Board of Directors.

2. The Chairman of the Audit and Compliance Committee shall be appointed by the Board of Directors from among its independent members, and shall be substituted every four (4) years. He may be re-elected after one (1) year has passed from their cessation.

The Audit and Compliance Committee shall also have a Secretary, who needs not be a member of this committee, appointed by it.

3. Notwithstanding any other powers set forth in these Regulations, The Articles of Association or by Law, the Audit and Compliance Committee shall have the following powers:

- (a) Submit proposals to the Board of Directors for the appointment, reappointment and substitution of the external auditor, being responsible for the recruitment process, in accordance with the applicable regulations, as well as the proposals for the conditions of their contract, all in accordance with the applicable regulations.
- (b) Regularly review the external auditor on the audit plan and its execution as well as preserving their independence in the exercise of their functions.
- (c) Supervise the effectiveness of the internal control of the Company, the internal audit and systems for the identification, control and management of financial and non-financial risks, and discuss with the auditor any significant weaknesses detected in the internal control system during the course of the audit, all without undermining their independence. For such purposes, and where appropriate, they may submit recommendations or proposals to the management body and the corresponding deadline for follow-up.
- (d) Annually issue, prior to issuance of the audit report, a report expressly stating the opinion on the independence of the auditor. This report shall include, in all cases, the valuation of the provision of additional services referred to in the following point j), considered individually and collectively, distinct from the statutory audit and in connection with the rules of independence or with the regulations governing the audit activity.
- (e) Revise the Company accounts, supervise compliance with legal requirements and the correct application of accounting principles used in Spain and the International Accounting Standards (IAS), and give opinions on management proposals to modify accounting principles and criteria.
- (f) Evaluate the results of each audit and the responses of the management team to its recommendations, and mediate and act as arbitrator in the event of discrepancies between the management and the auditor with regard to the principles and criteria applicable in preparing the financial statements.
- (g) Supervising the preparation and presentation of the required financial and non-financial information and they may submit recommendations or proposals to the Board of Directors directed towards safeguarding their integrity, overseeing the

internal audit and review the appointment and replacement of those in charge thereof.

- (h) Supervise the fulfilment of the auditors' contract and ensure that the auditor's opinion on all financial statements and main contents of the auditor's report are drafted clearly and precisely.
- (i) Monitor and report, in advance, to the Board of Directors on all matters provided by Law, the Articles of Association and the Board Regulations and in particular, on:
 - 1) The financial information that the Company must periodically make public, and
 - 2) The creation or acquisition of shares in special purpose vehicles or domiciled in countries or territories considered tax havens.
- (j) Liaising with the Auditors in order to determine any issues that may threaten their independence, for consideration by the Committee, and any other issues related to the carrying out of the audit work and, and when appropriate, the authorisation of services other than those prohibited, in the terms contemplated in the applicable regulations; and receiving information from, as well as communicating with the Auditors on the matters foreseen in the audit legislation and regulations and in the auditing standards.

In all cases, they must receive annually, the external auditors declaration of independence, in relation to the Company or entities related to it directly or indirectly, as well as information of any class of additional services provided and the fees received from these entities by the external auditors or by persons or entities related to them in accordance with the provisions of the auditing legislation.

- (k) Report to the General Meeting on issues arising in relation to those matters within the competence of the Committee and, in particular, about the result of the audit, explaining how this has contributed to the integrity of the financial information and the role that the Commission has played in that process.
- (l) Inform the Board in advance regarding the approval and modification of the Internal Codes of Conduct of the Company and the Group, in particular, the Stock Market Internal Code of Conduct, as well as the internal rules for implementing the same is subject to the approval of the Board, overseeing compliance with the Internal Code of Conduct in the stock markets and in general, the Company's rules of governance and compliance and to make the necessary proposals for their improvement;

The internal body responsible for the functions regarding regulatory compliance shall periodically inform the Audit and Compliance Committee of the performance of its functions. In addition, the Audit and Compliance Committee shall previously inform the Board of Directors of the rules, internal risk control and regulatory compliance procedures or programs that the internal body responsible for regulatory compliance proposes or approves within the framework of its powers.

- (m) Review compliance of the actions and measures resulting from reports or inspection activities from the administrative authorities of supervision and control.
- (n) Become aware of, and, if applicable, deal with any initiatives, suggestions or complaints raised by the shareholders regarding the scope of the powers of the Committee and are submitted by the Company's Board of Directors, and
- (o) Report on the proposals to modify these Regulations in advance of its approval by the Board of Directors.
- (p) Supervise the creation and functioning of an internal complaints system.
- (q) Any other powers conferred by the Articles of Association or these Regulations.

The provisions in points a), b), d) and j) of this section shall be without prejudice to the rules governing the audit.

4. The Committee shall meet at least once (1) per quarter and whenever deemed appropriate, upon notice from the Chairman, by its own decision, or in response to three of its members, members of the Executive Committee or the Board of Directors. One of its meetings shall be dedicated to evaluating the efficiency of and compliance with the Company's governance rules and procedures, and to prepare the information to be approved by the Board of Directors and included as part of the annual public documentation.
5. The Audit and Compliance Committee shall be deemed to be validly constituted when at least one half plus one of its members are present; its resolutions shall be approved when voted for by an absolute majority of those present. In case of tie, the Chairman shall have the deciding vote. The members of the Committee may grant proxies to other members, with a maximum of two proxies being held by any one member.
6. The Secretary of the Committee shall keep minutes of its meetings, which should be available to all members of the Board of Directors
7. All members of the management team or the company's staff shall be obliged to attend the Audit and Compliance Committee meetings and collaborate and provide access to information in their power, if requested. The Audit and Compliance Committee may also require that the Auditors be present at its meetings.
8. The Audit and Compliance Committee will submit, for the Board of Directors approval, an annual report or a report detailing their activities during the fiscal year, which will be subsequently made available to shareholders and Investors and will serve as a basis for the evaluation, by the Board of Directors, of the Committee's functioning.

Article 22. - Appointments and Remuneration Committee

1. An Appointments and Remuneration Committee shall be created from among the Board of Directors with the powers and functions provided by Law, the Articles of Association and these Regulations, it will be composed of a minimum of three (3) and a maximum of five (5) Directors, it corresponds to the Board to set the number of members within those limits, and the appointment of the same, following a proposal from the Committee itself.

All of the members of this Committee must be non-executive directors, at least two (2) of whom will be independent directors. The members of the Appointments and Remuneration Committee cease voluntarily, by the non-renewal in their position as directors or when decided by the Board of Directors.

2. The Chairman of the Appointments and Remuneration Committee shall be appointed by the Board of Directors from among its independent members.

The Appointments and Remuneration Committee shall also have a Secretary, who will not need to be a member thereof, appointed by it.

3. Irrespective of other powers laid down by Law, The Articles of Association or these Regulations, the Appointments and Remuneration Committee shall have the following powers:

- (a) Evaluate the skills, knowledge and experience on the Board of Directors. For this purpose, define the roles and capabilities required of the candidates to fill each vacancy and evaluate the time and dedication necessary for them to effectively perform their duties;
- (b) Establish a target of representation for the underrepresented gender on the Board of Directors and develop guidance on how to achieve that objective;
- (c) Ensure on an annual basis, the compliance with the criteria for the promotion of diversity in the composition of the Board of Directors established by the Company, which will be reported in the Annual Corporate Governance Report
- (d) Present the Board of Directors, with proposals for, the appointment of independent directors who are to be appointed by co-optation or, for the consideration of the General Meeting, as well as, the proposals for re-election or removal of such Directors by the General Meeting of Shareholders;
- (e) Report on appointment proposals of the remaining Directors for their appointment by co-optation or for the consideration and decision of the General Meeting and the proposals for re-election or removal by the General Meeting;
- (f) Report on proposals for appointment and removal of senior managers and the basic terms of their contracts;
- (g) Report on the appointment of the Chairman and the Vice Chairman of the Board; and report the appointment and removal of the Secretary and, if appropriate, Vice Secretary of the Board of Directors;
- (h) Examine and organize the succession of the Chairman of the Board of Directors and Chief Executive of the Company and, where appropriate, make proposals to the Board so that such succession occurs in an orderly and planned manner;
- (i) Propose to the Board, the remuneration policy for directors and general managers or persons carrying out their senior management functions under direct control of the Board or Executive Committee or the Chief Executive Officers, as well as the

individual remuneration and other contractual conditions of the Executive Directors and to ensure they are followed;

- (j) Ensure the Directors compliance with the duties and obligations under these Regulations;
 - (k) Ensure the transparency of remunerations and the inclusion of information regarding Directors remunerations in the Annual Report, Annual Corporate Governance Report and the Annual Remuneration Report, submitting all appropriate information to the Board.
4. The Appointments and Remuneration Committee shall meet whenever deemed appropriate, upon notice from the Chairman, by its own decision, or in response to three (3) of its members, members of the Executive Committee or the Board of Directors. In any event, the Committee shall meet twice (2) per year to prepare the information regarding Directors' remuneration, to be approved by the Board of Directors and included within the annual public documentation.
 5. The Appointments and Remuneration Committee shall be deemed to be validly constituted when at least a majority of its members are present; its resolutions shall be approved when voted for by an absolute majority of those present. In case of tie, the Chairman shall have the deciding vote. The members of the Committee may grant proxies to other members, with a maximum of two (2) proxies being held by any one member. Any person may attend the Committee's meetings, either from the Company or externally, as deemed appropriate.
 6. The Appointments and Remuneration Committee will prepare an annual report on its activities during the year, which will serve as a basis for the evaluation carried out by the Board of Directors on the functioning of the Committee.

TITLE VI. FUNCTIONING OF THE BOARD

Article 23. - Board of Directors' Meetings

1. The Board of Directors will meet on the initiative of its Chairman, at least once (1) per quarter and on as many occasions deemed appropriate by the Chairman for the proper functioning of the Board. The schedule for these ordinary meetings will be fixed by the Board of Directors before the beginning of each year and may be amended by the Board of Directors.
2. The Board of Directors shall also meet on as many other occasions as deemed appropriate by the Chairman for the proper functioning of the Board. The Chairman shall convene the Board of Directors when requested by at least three (3) Directors or the Independent Coordinating Director. The directors who represent at least one third (1/3) of the members of the Board may convene the meeting indicating the agenda for the meeting in the area where the head office is situated if, upon previous request to the Chairman, he had not convened the meeting without just cause within one (1) month.
3. The Board meeting may be held simultaneously in various rooms, as long as following are assured, audio-visual or telephonic means to ensure recognition and identification of

the attendees, the permanent communication between the attendees regardless of where they are, and the intervention and casting of votes, all in real time, and as such ensuring the unity of the meeting. In such cases, the connectivity systems will be stated in the notice of the meeting and, where applicable, the places where the technical means necessary to attend are available and to participate in the meeting. Attendees at any of the sites shall be deemed for all purposes relating to the Board of Directors, as attendees at the same individual meeting. Resolutions shall be deemed adopted at the place where the Chairman is present.

4. The Board shall meet at the registered office or at the place or places designated in Spain or abroad by Chairman in the meeting notice. Exceptionally, if no director objects, the session may be held in writing and without a physical meeting. In the latter case, Directors may submit their votes to the Secretary of the Board, or whoever assumes those duties in each case by email, as well as the considerations that they wish to have included in the minutes. Resolutions adopted by this procedure shall be recorded in minutes prepared pursuant to the provisions of applicable law.
5. The Board of Directors shall periodically evaluate its own functioning and that of its Committees, and shall propose based on the 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 as an annex thereto.

Article 24. - Calling the Board of Directors' Meetings

1. Notice of ordinary meetings shall be personally addressed to each board member and sent by letter, fax, telegram or e-mail or by any other means allowing for receipt; it shall be authorised with the signature of the Secretary or Vice Secretary by order of the Chairman. The notice shall be sent at least five (5) days prior to the date of the meeting. However in extraordinary situations, the Board of Directors can meet immediately by telephone or by any other means.
2. The notice calling the meeting shall always include the agenda of the meeting and duly prepared and summarized relevant information; each director may propose any other items not originally included in the agenda.
3. Notwithstanding the aforementioned, the Board of Directors shall be validly constituted without the need for notice if all the members are present either personally or by representation, and unanimously accept that the meeting be held and the items on the agenda.

Article 25. – Conduct of Meetings

1. Board of Directors Meetings will be validly constituted when the majority of its members, present either personally or through a representative are in attendance.
2. The Directors shall do all in their power to attend meetings of the Board. However, Directors who cannot personally attend the meeting shall endeavour to have themselves represented at the meeting by another director. Representation shall be granted in writing and specifically for each meeting, which should be communicated to the Chairman or the Secretary by any means allowing for receipt, one Director may hold several proxies. In

any case, non-executive directors may only be represented by another non-executive director.

3. Directors may intervene in the deliberations of the Board, speaking and making the proposals they deem convenient on the different matters included in the agenda. The Chairman shall promote the active participation of all Directors in the meetings and deliberations of the Board, safeguarding their free decision making.

Article 26. - Adoption of resolutions by the Board of Directors

1. Resolutions shall be adopted by an absolute majority of the Directors present or represented.
2. This excludes the situations when the Law, the Articles of Association or these Regulations provide for a greater majority. In any case, when it comes to the permanent delegation of any of the Board's powers to an Executive Committee or to one or more CEO's, the appointment of directors who hold such positions, the appointment of the Chairman of the Board of Directors when they are an executive, approval of contracts between the Directors with executive functions and the Company, the favourable vote of at least two-thirds (2/3) of the Board members will be required. In addition, amendments to these Regulations require the favourable vote of at least two-thirds (2/3) of those attending the meeting, present or represented.
3. The Chairman of the Board of Directors may invite to the Board of Directors meetings, or to certain points on the agenda, all those who can contribute to improving the Directors information and is empowered to convert the resolutions adopted by the Board, and any other corporate agreements, into a public deed.

Article 27. - Minutes of the Board of Directors' Meeting

1. Resolutions of the Board shall be recorded in the minutes, which shall be transcribed or recorded in the Board's Minutes Book. The minutes shall be approved by the Board at the end of the actual meeting or in the following meeting. The minutes shall also be approved by the Chairman and two (2) Directors named for said effect in the corresponding meeting.
2. Upon approval, the minutes shall be signed by the Secretary of the Board or of the meeting, with the approval of the person who chaired it. In the event that it is impossible for the individuals mentioned to attend the meeting, they shall be substituted by the individuals set by Law, the Articles of Association or these Regulations.
3. Resolutions of the Board shall be accredited by the certification issued by the Secretary of the Board, or where appropriate, the Vice Secretary, with the Chairman's approval or, where applicable, the Vice Chairman.
4. The minutes shall include any concerns that the Directors or the Secretary may have regarding any of the proposals or, in the case of Directors, regarding the functioning of

the company, upon request of those persons who had expressed concerns where such concerns are not resolved within the Board of Directors.

TITLE VII. DIRECTORS REMUNERATION

Article 28. - Directors Remuneration

1. The Directors, by virtue of their membership on the Board of Directors and its Committees, shall be entitled to receive remuneration consisting of a fixed annual amount and attendance fees. The maximum annual amount that the Company may pay to all the directors for their membership of the Board of Directors and its Committees shall be set by the General Meeting and shall remain in force until the General Meeting resolves to modify it. Until such time as it is modified by the General Meeting, this amount shall be increased annually in accordance with the Consumer Price Index.
2. The exact amount to be paid within that limit and its distribution among the different Directors shall be determined by the Board of Directors, based on the functions and responsibilities attributed to each Director. In this regard, the Board shall take into account, among other possible objective circumstances, the membership of Board Committees and the Chairman of the Company's status, when he does not have executive duties, given his special dedication, functions and responsibility inherent in the exercise of his position
3. In addition, the Managing Directors or those with executive functions by any other title within the Company, within the maximum limit established by the General Meeting for Managing Directors or those with executive functions, shall be entitled to receive remuneration for the performance of these functions, consisting of (a) a fixed part, corresponding to the services and responsibilities assumed; (b) a variable part, correlated to some indicator of the Director's or the Company's performance; (c) a welfare part, which shall include the appropriate welfare and insurance systems and, if applicable, Social Security; (d) compensation in kind under the system established by the Company for directors; and (e) compensation in the event of separation or any other form of termination of the legal relationship with the Company, exclusivity agreements, post-contractual non-competition and/or permanence or loyalty agreements.

The Board of Directors is responsible for determining the amount of these items of remuneration, including the indicators for calculating the variable part (which under no circumstances may consist of a share in the Company's profits), all in accordance with the provisions of the Directors' Remuneration Policy, which must be approved by the General Meeting at least every three years, as a separate point on the agenda, following a report from the Appointments and Remuneration Committee.

The remuneration attributed to Directors with delegated or executive functions in accordance with the above-mentioned concepts will be included in a contract, which must respect the Remuneration Policy approved by the General Meeting, and which will be concluded between each Director and the Company, and must be previously approved by the Board of Directors with the favourable vote of two thirds (2/3) of its members, and incorporated as an annex to the minutes of the meeting. The Director concerned must abstain from attending the deliberation and from participating in the vote.

4. The remuneration of all directors may include, within the maximum limit established by the General Meeting indicated above, in addition to the amounts determined in accordance with the preceding paragraphs, the delivery of shares or options on shares or remuneration indexed to the value of the shares.

This remuneration must be agreed by the General Meeting of Shareholders. The resolution must include the maximum number of shares that can be assigned in each year to this remuneration system, the exercise price or the system for calculating the exercise price of the stock options, the value of the shares that, if applicable, is taken as a reference and the duration of the plan.

5. The Company is authorised to take out civil liability insurance for its Directors.
6. The remuneration of the Directors shall be in line with their dedication to the Company and shall be in reasonable proportion to the importance of the Company, its economic situation at any given time and the market standards of comparable companies. The remuneration system established must be aimed at promoting the long-term profitability and sustainability of the Company, and must incorporate the necessary precautions to avoid excessive risk taking and the rewarding of unfavourable results.
7. The remuneration received by the Directors will be recorded in the Annual Report in the terms established by law or regulations, as well as in the Annual Remuneration Report which will be submitted to the vote of the General Meeting in an advisory capacity and as a separate item on the agenda, and this without prejudice to the approval of the Directors' Remuneration Policy by the General Meeting

TITLE VIII. DIRECTOR'S INFORMATION

Article 29. - Powers of Information and Inspection

1. In carrying out their functions, the Director has the duty and the right to require the Company to obtain adequate and necessary information that will serve to fulfil their obligations. In this regard, Directors shall be vested with the widest powers to obtain information regarding any aspect of the Company, to examine its books, records, documents and any other records of corporate operations, to inspect its facilities and to communicate with the Company's senior management.
2. The exercise of the powers of information shall be directed through the Chairman, or the Secretary to the Board of Directors, who shall respond to the requests of the director, directly providing the information, putting the Director in contact with the appropriate person within the organisation's structure or taking measures that permit the Director to carry out the examination or inspection requested on site.

Article 30. - Expert Assistance

1. In order to be assisted in the performance of their duties, any director may request the hiring of legal, accounting, technical, financial, commercial, or other experts, to be paid for by the company.

2. The request must necessarily deal with specific problems of a certain importance and complexity arising in the performance of their duties.
3. The hiring request will be channelled through the Chairman or the Secretary of the Board of Directors, who may subject it to prior approval of the Board of Directors, who may decline the request for good reason, including, among others, the following:
 - (a) If the request for and assistance from experts is not necessary for the proper performance of the duties assigned to the Director.
 - (b) If the cost associated with the expert assistance is not reasonable, considering the importance of the problem and the company's financial situation
 - (c) If the technical assistance requested can be adequately provided by experts and technicians within the company.
 - (d) If, for reasons of confidentiality, it is not advisable that the expert in question has access to sensitive information.

TITLE IX. DIRECTORS' DUTIES

Article 31. - Directors' General Obligations

1. The Directors function is to guide and control the management of the Company with the objective of maximizing its value to the benefit of its shareholders.
2. In carrying out their duties, Directors have to act with the diligence of a prudent corporate agent and the loyalty of a faithful representative.

Article 32. - Duty of Care

1. Directors must perform their duties and fulfil the duties imposed by Law and the Articles with the diligence of a dedicated professional, considering the nature of the position and the tasks assigned to each of them.

Directors must have the proper dedication and adopt the necessary measures for the proper management and control of the Company.

2. The duties of care oblige the Director to:
 - (a) Obtain the appropriate and necessary information on the progress of the Company, gathering information from the Company that will serve to fulfil their obligations, and adequately prepare the Board meetings and, where appropriate, the meetings of the Executive Committee or the Committees to which they belong.
 - (b) Attend the meetings of the Board and Committees of which they are member of and actively participate in deliberations so that their opinion actually contributes to the decision-making process. In the event that, for justified reasons, the Director cannot attend the meeting to which they have been convened, they must endeavour

to instruct those Directors who will represent them, under the terms established in these Regulations.

- (c) Perform any specific objective assigned by the Board of Directors or the delegated bodies or any Committee that reasonably falls within their scope of dedication.
 - (d) Report and communicate to the Board of Directors of any irregularity in the management of the Company of which they may be aware and monitor any risky situations.
 - (e) Encourage, where appropriate, the convening of a Board of Directors' meeting or the inclusion of new items on the agenda for the first meeting to be held, in order to deliberate on points which they deem appropriate.
 - (f) Oppose resolutions contrary to the Law, the Articles of Association, to these Regulations and any other internal rules of the Company or the corporate interest, and to request that their opposition be reflected in the minutes when considered suitable for the protection of the company's interests.
 - (g) Inform the Board of Directors of any criminal proceedings in which they appear as an accused party, and any developments thereof.
 - (h) Inform the Appointments and Remuneration Committee of any other professional duties and, particularly, of their participation in other Boards of Directors.
3. Within the scope of strategical and business decisions, subject to business discretion, the standard of care of an orderly businessman will be understood to have been met when the director has acted in good faith, without personal interest in the matter under decision, with sufficient information and in accordance with appropriate decision making procedures.

Article 33. - Duty of loyalty

1. The Director shall act at all times with the loyalty of a faithful representative, acting in good faith and in the best interests of the Company and, in this respect, at all times, will put the interests of the Company before his own and fulfil the obligations and duties established in the applicable regulations and in these Regulations.
2. In particular, the duty of loyalty obliges the Director to:
 - a) Not exercise their powers for purposes other than those for which they have been granted.
 - b) Keep secret any information, data, reports or background to which it has had access in the performance of their duties, even when employment has ended, except in the cases where the Law permits or requires.
 - c) Abstain from participating in the deliberation and voting on resolutions or decisions in which they or a person related has a conflict of interest, directly or indirectly. Resolutions or decisions relating to them in their position as Director, such as the

appointment or revocation of positions on the Board of Directors or others of similar significance are excluded from the aforementioned obligation to abstain.

- d) Perform their duties under the principle of personal responsibility with freedom of opinion or judgment and independence from instructions and links to third parties.
- e) Take the necessary measures to avoid entering into situations in which their interests, whether employed or self-employed, may conflict with the corporate interest and their duties to the Company.

Article 34. - Duty to avoid conflicts of interests

1. Under the duty to avoid conflicts of interest indicated in section 2.e) of the previous article, Directors and related persons, in the event that these are the beneficiaries of the acts or prohibited activities, should refrain from:

- a) Using the Company name or their position as Director to improperly influence the performance of private operations.
- b) Making use of company assets, including confidential Company information for private purposes.
- c) Taking advantage of the business opportunities of the Company.

For these purposes, a business opportunity is understood as any possibility of making an investment or commercial operation which has arisen or been discovered in connection with the exercise of office by the director or by the use of Company resources and information, or under such circumstances it is reasonable to think that the third party offer was actually addressed to the Company.

- d) To obtain benefits or remuneration from parties other than the Company and its Group associated with the performance of their duties, unless they are mere acts of courtesy.
- e) To engage in self-employed or employed activities which involve effective competition, whether actual or potential, with the Company or, in any other way, they are in a permanent conflict with the interests of the Company.

In this regard, before accepting any executive position in another company or entity, the Board Member must consult the Appointments and Remuneration Committee.

Also, the director who leaves office or for any other reason ceases to hold his position, he may not be a director or manager, or work for a company that is totally or partially similar to that of the Company's corporate purpose, or is a competitor, during the period of two (2) years. The Board of Directors, if appropriate, may release the outgoing Director from this obligation or shorten its duration.

- f) Carry out transactions with the Company or the companies of the Group, except in the case of ordinary transactions, made under standard conditions for customers, and of little relevance, defined as those whose information is not necessary to give a true and fair view of the equity, financial position and results of the Company.

2. In any case, Directors must inform the Board of Directors of any conflict situation, direct or indirect, which they or persons related to them may have with the interests of the Company. The conflict of interest which the Directors find themselves in shall be reported in the Company's accounts.
3. The General Meeting of the Company may exempt a Director or a Related Person from the prohibition to obtain an advantage or remuneration from third parties or those transactions whose value exceeds ten percent (10%) of company assets. The above obligation not to compete with the company as stated in paragraph 1e) may only be waived in the event that it is not expected to damage the Company or, they can be expected to be offset by the benefits derived from providing the waiver. The exemption is granted by express and separate agreement of the General Meeting.
4. In all other cases involving the prohibitions contained in this Article, the authorisation may also be granted by the Board of Directors, following a favourable report from the Appointments and Remuneration Committee, provided that it guarantees the independence of the members who granted the said authorisation regarding the excused Director or related person involved. It will also be necessary to ensure the safety of authorized operation with regards to the company's equity or, where appropriate, its implementation in market conditions and transparency of the process. The affected directors or their representatives or those related to the shareholders concerned must abstain from participating in the deliberation and voting on the agreement in question.
5. They may only be exempted from the obligation of authorization provided in the preceding paragraph, for those transactions that simultaneously meet the following three features:
 - a) They are carried out in virtue of contracts whose conditions are standardised and applied en masse to a large number of customers;
 - b) They are carried out at market prices or rates generally set by the person supplying the goods or services concerned;
 - c) That its amount does not exceed one percent (1%) of the annual income of the Company.

Article 35. - Duty to Notify

1. Directors must report any holding, directly or through related persons, which they have in the capital of a company with the same, similar or complementary activity that constitutes the corporate purpose, as well as the positions or functions they exercise and the carrying out, as self-employed or employed persons, of the aforementioned, similar or complementary to the activity that constitutes the corporate purpose.
2. Directors shall inform the Board of Directors of any criminal proceedings in which they appear as an accused party, and any developments thereof.
3. Directors shall inform the Appointments and Remuneration Committee of any other professional duties and, particularly, of their participation in other Boards of Directors.

Article 36. – Company Transactions with Directors and Significant Shareholders

1. Any transaction by the Company or the Group's companies with its Directors and significant shareholders, individually or collectively with others, regarding a significant participation, including shareholders represented on the Board of Directors of the Company or the other companies of the Group or persons related to them or their directors, shall require a prior report by the Appointments and Remuneration Committee, unless their approval corresponds to the General Meeting in accordance with the provisions of the applicable regulations. The Directors representing or related to the shareholders concerned shall refrain from participating in the deliberation and voting on the agreement in question.
2. The Board of Directors and the Appointments and Remuneration Committee shall value the transaction from the point of view of market conditions', reviewing the transactions with significant shareholders, as well as, from the perspective of the principle of equal treatment of shareholders.
3. Only exempted from this approval are those operations which simultaneously meet the three requirements set forth in paragraph 5 of the previous article with respect to transactions carried out by the Company and its directors or persons related thereto.

TITLE X. INFORMATION POLICY AND BOARD OF DIRECTORS' RELATIONS

Part 1. Information Policy

Article 37. - Annual Corporate Governance Report

1. Upon prior report by the Audit and Compliance Committee, the Board of Directors shall annually approve the Company's Corporate Governance report including the legal points required by law together with those it deems appropriate, as the case may be.
2. The Corporate Governance report shall be approved prior to the publication of the call for the Ordinary General Meeting for the relevant fiscal year and shall be made available to the shareholders together with the remaining documentation of the General Meeting.
3. Additionally, the Annual Corporate Governance report shall be published as provided in the applicable regulations, and must in any case, be communicated to the National Stock Exchange Commission, enclosing a copy of the document.

Article 38. - Website

1. The Company shall maintain a website, for the exercise of the shareholders right to information, and to distribute the relevant information required by the applicable rules, which shall include the documents and information provided for under the Law and the Corporate Governance rules of the Company and, inter alia, the following:
 - (a) The Articles of Association.
 - (b) The latest approved individual and consolidated financial statements.

- (c) The Annual General Meeting Regulations.
- (d) The Board of Directors Regulations and, if applicable, the regulations of the Committees of the Board of Directors, as well as other provisions of Corporate Governance
- (e) The Annual Report.
- (f) The Internal Code of Conduct for the stock markets.
- (g) The annual reports on Corporate Governance.
- (h) The annual reports on the remuneration of directors.
- (i) All documents pertaining to the Ordinary and Extraordinary General Meetings with information on agendas, the proposals made by the Board of Directors, as well as any other relevant information that may be required by shareholders in adopting their voting decisions, within the period indicated by the National Stock Exchange Commission.
- (j) Information on the conduct of General Meetings held, in particular, on the composition of the General Meeting at the time of its constitution, the resolutions adopted stating the number of votes cast and the direction of thereof on each of the proposals on the agenda.
- (k) The annual financial reports for the past five years.
- (l) The half-yearly financial report covering the first six months of the year.
- (m) The second half-yearly financial report covering the twelve months of the year.
- (n) The interim management statement.
- (o) The channels of communication between the Company and its shareholders and in particular, explanations pertinent to the shareholders' right to information indicating the postal and electronic addresses shareholders may contact.
- (p) The means and procedures for granting representation at the Annual General Meetings according to the specifications established by the National Stock Exchange Commission.
- (q) The means and procedures for remote voting, in accordance with the legislation implementing this system, including, where applicable, the forms to verify attendance and voting by electronic means at General Meetings.
- (r) Inside information and other relevant information communicated to the National Stock Exchange Commission in the terms required by the applicable regulations at all times.

- (s) Information about the Directors including: (i) a brief professional and biographic profile; (ii) outline of all Boards to which they belong, whether or not they are listed companies, as well as on their other remunerated activities of any kind whatsoever; (iii) indication of the category of director; (iv) indication of the date of first or subsequent appointments; (v) number of shares and option rights held.
 - (t) An electronic forum for shareholders to be enabled prior to the holding of the General Meeting, which is accessible and, with proper safeguards, to both individual shareholders and any voluntary associations that may be established, in order to facilitate communication. The Forum may publish proposals that are intended to be submitted as a complement to the agenda announced in the call, requests for adherence to such proposals, initiatives to reach the percentage required to exercise a minority right provided by Law, as well as offers or requests of voluntary representation.
2. In connection with the contents above, it is the Board of Directors' responsibility to keep updated information on the Company's Website and coordinate its contents with the contents of the documents filed and registered with the relevant public registries.

Part 2. Board of Directors' Relations

Article 39. - Shareholders Relations

1. The Board of Directors shall determine the appropriate channels for the proposals put forward by shareholders regarding the management of the Company.
2. The Board of Directors, with the assistance of the members of senior management it deems appropriate, may organize informational meetings on the operation of the Company and the Group or any other aspect of interest for shareholders residing in areas where the most relevant financial markets in Spain and abroad are located. In its relations with the shareholders, the Board of Directors shall guarantee the equal treatment of all of them.
3. The Board of Directors shall establish equally suitable mechanisms to exchange regular information with any investors who hold a significant shareholding and form part of the Company's shareholders structure and are not represented at the Board of Directors; under no circumstances may these mechanisms be understood as the provision of any information to investors that may provide them with a privileged situation or advantage over the remaining shareholders.
4. The public requests for the grant of proxies made by the Board of Directors or any of its members shall in any case be applied as provided by Law, the Articles of Association and the General Meeting Regulations.
5. The Board of Directors shall encourage shareholders' informed participation at General Meetings and adopt the relevant measures it deems appropriate to allow the General Meeting to effectively perform its duties under the Law and the Articles of Association, in compliance with the General Meeting Regulations.

Article 40. - Stock Market Relations

1. The Board of Directors shall inform the public in accordance with the applicable regulations on the following matters:
 - (a) Privileged information capable of significantly affecting the price of the shares issued by the Company.
 - (b) Any changes in the Company's ownership structure such as changes in significant shareholdings (direct or indirect), syndication agreements and any other form of coalition it may become aware of.
 - (c) Any substantial modifications to the Company's governance rules.
 - (d) The treasury stock policy which, as the case may be, the Company may intend to develop under the authorizations granted at the General Meeting.
 - (e) Any changes in the composition, organization and functioning rules of the Board of Directors and Committees thereof, or the duties or positions of each director within the Company as well as any other relevant modification to the corporate governance system.
2. The Board of Directors shall adopt the appropriate measures to ensure that the quarterly, half-yearly and any other financial and non-financial information that the Law requires to be made available to the stock markets, is prepared in accordance with the same principles, criteria and professional standards used to prepare the annual financial statements and has the same reliability as the latter. The Audit and Compliance Committee shall report in advance to the Board of Directors on the financial information that the Company must periodically make public.

Article 41. - Relations with the External Accounts Auditor

1. The Board of Directors relationship with the external auditor of the Company will be guided via the Audit and Compliance Committee, when it comes to matters within the scope of the powers of that Committee.
2. The Audit and Compliance Committee shall refrain from proposing to the Board of Directors, which in turn, shall refrain from submitting to the Annual General Meeting the appointment of any audit firm which it knows (i) has been found to be incompatible in accordance with the audit legislation or (ii) the fees to be paid by the company for all concepts exceeds five per cent (5%) of its total revenue for the last fiscal year.
3. The Audit and Compliance Committee shall authorize the contracts between the company and the accounts auditor for any activities outside of account auditing.
4. The Board of Directors shall publicly report on the fees paid by the Company to the audit firm for both auditing and non-auditing services, detailing the amounts paid to the accounts auditors and the amounts paid to any company in the group of companies to which the accounts auditor belongs or to any other company to which the auditor may be related whether as a result of joint ownership, management or control.

5. The Audit and Compliance Committee shall ensure that the annual accounts that the Board of Directors submits to the General Shareholders' Meeting are drawn up in accordance with accounting regulations and, in those cases in which the auditor has included a qualification in its audit report, the Chairman of the Audit and Compliance Committee shall clearly explain the 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 General Meeting, together with the rest of the proposals and reports of the Board, and a summary of said opinion shall be made available to the shareholders at the time the notice of the General Meeting is published, together with the rest of the Board's proposals and reports.