

Circular 2/2018, of 12 June, of the Spanish Securities and Exchange Commission, that modifies Circular 5/2013, of 12 June, of the Spanish Securities and Exchange Commission, that established the templates for the Annual Corporate Governance Report for listed companies, savings banks and other entities that issue securities traded on official securities markets, and Circular 4/2013, of 12 June, of the Spanish Securities and Exchange Commission, that established the templates for the annual report on the remuneration of directors of listed companies and of the members of the Board of Directors and of the control commission of the savings banks that issue securities traded on official securities markets.

Circular 7/2015, of 22 December, of the Spanish Securities and Exchange Commission, that modified Circular 5/2013, of 12 June, that established the templates for the Annual Corporate Governance Report for listed companies, savings banks and other entities that issue securities traded on official securities markets, and Circular 4/2013, of 12 June, that established the templates for the annual report on the remuneration of the directors of listed companies and of the members of the Board of Directors and of the control commission of the savings banks that issue securities traded on official securities markets, adapted the templates for the Annual Corporate Governance Report and the annual report on the remuneration of directors in accordance with the terms of Act 31/2014, of 3 December, that modified the Corporate Enterprises Act, for the enhancement of corporate governance and included the new recommendations of the Good Governance Code for Listed Companies, approved by the Board of the Comisión Nacional del Mercado de Valores (CNMV) in February 2015.

To date, the obliged entities have been forwarding their corporate governance reports and their reports on the remuneration of their directors, by using the established standardised templates. Although the foregoing system clearly has a significant number of benefits, a series of disadvantages have also been detected. Said disadvantages include a certain lack of flexibility for the companies, that has

limited their capacity to organise and structure the information in the manner that they consider best explains the history and business trends of the company. This lack of flexibility also implied that, in addition to the legal standardised template, certain companies have drafted other forms with a format that is better adapted to the context and circumstances and to the corporate image of the company, in order to be distributed among their shareholders, institutional investors, proxy advisors and other stakeholders.

Accordingly, for issuing companies, it is now considered necessary to remove the compulsory use of the templates contained in the standardised electronic documents of the corporate governance reports and the reports on the remuneration of directors as established in Circulars 4/2013 and 5/2013, of the CNMV. In this respect, companies that do not want to use the standardised electronic document are hereby allowed to file the reports in a free format. Be that as it may, the content thereof must comply with the minimum requirements established by legislation, including this Circular. These free format reports must necessarily be accompanied by statistical appendices in order to continue to provide a minimum amount of information in a standardised format. This helps the CNMV with the compilation and subsequent processing of data, so that the CNMV continue to exercise its supervisory functions effectively.

On the other hand, Royal Decree-law 18/2017, of 24 November, that modified the Code of Commerce, the recast text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July, and the Accounts Audit Act 22/2015, of 20 July, in terms of non-financial and diversity reporting, extends the scope of the information to be provided in the Annual Corporate Governance Report regarding the diversity policies applied by the company. This information about diversity policies must refer to gender diversity and, for the companies that are not SMEs, according to the definition included in the accounts audit legislation, this information must also include diversity in age, disability, training and professional experience of the directors.

Likewise, over recent years it has also become clear that a series of technical adjustments are necessary, both in relation to the Annual Corporate Governance

Report and in relation to the Annual Report on The Remuneration of Directors. Certain sections that are no longer relevant must be removed and other sections must be introduced or developed in order to understand adequately the corporate governance systems of the issuer entities of securities and the remuneration of the directors of listed companies.

Finally, a new and more simplified template for the Annual Corporate Governance Report has also been included due to the particularities of the entities belonging to the institutional public sector that are issuers of securities, other than shares, The Second Final Provision of Order ECC/461/2013, of 20 March, that establishes the terms and the structure of the Annual Corporate Governance Report, of the Annual Report on Remuneration and of other reporting instruments of listed companies, of savings banks and of other entities that issue securities traded on official securities markets, empowers the CNMV to define the terms and structure of the Corporate Governance Report and the Report on the Remuneration of Directors. For these purposes the CNMV may establish templates according to which the entities must disclose the aforementioned reports to the public.

In light of the foregoing, the Board of the Spanish Securities and Exchange Commission, at its meeting held on 12 June 2018, and in exercise of its inherent powers and functions, following a report from the Advisory Committee ,provided:

Rule One. Modification of Circular 4/2013, of 12 June, of the Spanish Securities and Exchange Commission, that established the templates for the Annual Report on The Remuneration of The Directors of listed companies and of the members of the Board of Directors and of the control commission of the savings banks that issue securities traded on official securities markets.

Circular 4/2013, of 12 June, of the Spanish Securities and Exchange Commission, is hereby modified as set out hereinbelow:

One. The template of the Annual Report on The Remuneration of Directors of listed companies included in Annex I of Circular 4/2013, of 12 June, is hereby replaced by the template included in Annex I of Appendix I of this Circular, that must be completed in accordance with the instructions established therein.

Two. Rule Four shall, hereinafter, read as follows:

“Rule Four. Method of remittance of the Annual Report on Remuneration to the CNMV.

1. For the dissemination as a relevant fact, the reports provided for in Rule One and Rule Two of this Circular must be submitted to the Electronic Register of the CNMV, in accordance with the provisions of the Resolution of the Chairman of the Spanish Securities and Exchange Commission dated 16 November 2011 by which the Electronic Register of the CNMV is created and governed. The reports must be filed as a standardised electronic document through the corresponding procedure available through the CIFRADOCC/CNMV service.
2. The foregoing filing obligation shall be deemed to be fulfilled when the entity receives, through the telematic system of the CNMV, a message that confirms the correct inclusion of the corresponding report and, where appropriate, the corresponding statistical annex.
3. The listed entities, if they so desire, may submit The Annual Report on The Remuneration of Directors in PDF format, with the format that they freely determine, without using the standardised electronic document, provided that they comply with the terms of the template defined in Rule One. In this case, the report in the freely-determined format, together with Statistical Annex III will be disseminated as a relevant fact and will be submitted to a consultative vote at the general shareholders' meeting.
4. Those listed companies that choose to submit the report in their own format must necessarily accompany and publish the annual report with a statistical appendix that must comply with the template defined in Statistical Annex III herein regarding the format, terms and structure thereof. This appendix will be submitted, as a standardised electronic document, through the corresponding procedure available through the CIFRADOCC/CNMV service. The instructions established for filling in the template for the annual remuneration report will also be valid for completing the statistical annex. The annual remuneration report in

the freely-determined format and the statistical annex must be submitted simultaneously.

5. Savings banks that issue securities admitted to trading on official securities markets that so wish may also submit the annual remuneration report in a freely-determined PDF format, provided they respect the content of the template defined in Rule Two. Savings banks that choose to submit the report in a freely-determined format do not need to submit the statistical annex.
6. Notwithstanding the provisions of the foregoing paragraphs and at the request of the entity, the CNMV, exceptionally and on justified grounds, may authorise that the reports provided for in Rules One and Two together with, where appropriate, the corresponding Statistical Annex III, be provided in the corresponding template by any other means , without the obliged entity being released from the obligation to subsequently file the report and, where appropriate, the statistical appendix, through the corresponding procedure available through the CIFRADOCC/CNMV service.”

Rule Two. Modification of Circular 5/2013, of 12 June, of the Spanish Securities and Exchange Commission, that established the templates for the Annual Corporate Governance Report for listed companies, savings banks and other entities that issue securities traded on official securities markets.

Circular 5/2013, of 12 June, of the Spanish Securities and Exchange Commission, is hereby modified as set out hereinbelow:

One. The template of the Annual Corporate Governance Report of the listed companies included in Annex I of Circular 5/2013, of 12 June, is hereby replaced by the template included in Annex I of Appendix II of this Circular.

Two. Paragraph 2 of Rule One shall, hereinafter, read as follows:

“2. Without prejudice to the foregoing, the companies that do not comply with the recommendations of the Good Governance Code for Listed Companies, that are set out hereinbelow, shall not be required to complete the corresponding sections of Annex I:

In relation to recommendation 14, section C.1.7

In relation to recommendation 19, section C.1.8.

In relation to recommendation 22, sections C.1.37 and C.1.38.

In relation to recommendation 27, section C.1.26.

In relation to recommendation 36, section C.1.17, section two and C.1.18.

In relation to recommendation 42.2.c), section C.1.31.

In any event, chapter “G” of the Annual Corporate Governance Report shall include the necessary explanations when the companies do not comply with, or partially comply with, the recommendations of the Unified Good Governance Code for Listed Companies.”

Three. The template of the Annual Corporate Governance Report for other issuer companies included in Annex II of Circular 5/2013, of 12 June, is hereby replaced by the template included in Annex II of Appendix II of this Circular.

Four. A new Rule Four is hereby introduced, that shall, hereinafter, read as follows:

“Rule Four. Template of the Annual Corporate Governance Report of entities that form part of the institutional public sector that issue securities that are traded on official securities markets.

The Annual Corporate Governance Report of entities that belong to the institutional public sector that issue securities traded on official securities markets, governed by Article 7 of Order ECC/461/2013, of 20 March, that establishes the terms and the structure of the Annual Corporate Governance Report, of the annual report on remuneration and of other reporting instruments of listed companies, of savings banks and of other entities that issue securities traded on official securities markets, shall be amended regarding the format, terms and structure thereof, in accordance with the template defined in Annex IV of Appendix II of this Circular.”

Five. Rule Four is renumbered as Rule Five and shall, hereinafter, read as follows:

“Rule Five. Instructions for completion.

When preparing annual corporate governance reports, entities shall take into account the instructions for completion found with each one of the respective applicable templates from those set out in Annexes I, II, III and IV to this Circular.

These same instructions must be taken into account when completing the statistical appendices referred to in Rule Six.”

Six. Rule Five is renumbered as Rule Six and is worded as follows:

“Rule Six. Method of remittance of the Annual Corporate Governance Report.

1. For the dissemination as a relevant fact and for the purposes of the processing of the information for statistical purposes, as well as for the publication of the information provided for in Article 540(5) of the recast text of the Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July, the reports provided for in Rule One, Rule Two, Rule Three and Rule Four of this Circular must be submitted to the Electronic Register of the CNMV, in accordance with the provisions of the Resolution of the Chairman of the Spanish Securities and Exchange Commission dated 16 November 2011, by which the Electronic Register of the CNMV is created and governed. The reports must be filed as a standardised electronic document where appropriate, or in PDF format by entities that choose to submit reports in a freely-determined format, together, where appropriate, with the corresponding statistical annex, through the corresponding procedure available through the CIFRADOC/CNMV service.
2. The foregoing filing obligation shall be deemed to be fulfilled when the entity receives through the telematic system of the CNMV a message that confirms the correct inclusion of the corresponding report and, where appropriate, the corresponding statistical annex.
3. The entities subject to the scope of the templates established in Rules One and Two, if they so desire, may submit the Annual Corporate Governance Report in PDF format, with the format that they freely determine, without using the pro forma electronic document, provided that they comply with the terms of the

template defined in the aforementioned applicable Rules. This report, together with, where appropriate, the corresponding statistical annex, will be disseminated as a Relevant Fact and will be a part of the Management Report.

4. The entities referred to in the above paragraph that use their own format must necessarily accompany and publish the annual report with a statistical appendix that must perforce comply with the template defined in Annex V or VI, as appropriate, of this Circular, in relation to the format, terms and structure thereof. The annual report with the statistical appendix will be submitted, as a standardised electronic document, through the corresponding procedure available through the CIFRADOCC/CNMV service. The instructions established for the template for the annual remuneration report will also be valid for completing the statistical annex. The annual remuneration report in the freely-determined format and the statistical annex must be submitted simultaneously.
5. Savings banks that issue securities admitted to trading on official securities markets that so wish may also submit the annual remuneration report in a freely-determined PDF format, provided they respect the content of the template defined in Rule Two. Savings banks that choose to submit the report in a freely-determined format do not need to submit the statistical annex.
6. The entities that belong to the institutional public sector must forward their Annual Corporate Governance Report in PDF format in accordance with the terms and format requirements established in the template referred to under Rule Four.
7. Notwithstanding the provisions of the foregoing paragraphs and at the request of the entity, the CNMV, exceptionally and on justified grounds, may authorise that the reports provided for in Rule One, Rule Two, Rule Three and Rule Four of this Circular be provided in the corresponding template by any other means, without the obliged entity being released from the obligation to subsequently file the report and, where appropriate, the statistical annex, through the corresponding procedure available through the CIFRADOCC/CNMV service.

Sole Final Provision. Entry into force.

This Circular shall enter into force on the date following the publication thereof in the “Official State Gazette” and shall be applicable to the Annual Corporate Governance Reports and the Annual Reports on The Remuneration of Directors that the obliged entities are required to file for the financial years ending on or after 31 December 2018, inclusive.

Madrid, 12 June 2018.- The CNMV Chairperson, Sebastián Albella Amigo.

ANNEX I:

**Template and statistics on the Annual Report on Director Remuneration under
CNMV Circular 4/2013**

ANNEX I TEMPLATE
ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

ISSUER IDENTIFICATION

YEAR- END DATE

Tax Identification No.
[C.I.F.]

Company Name:

Registered Office:

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

A REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.1 Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

The specific determinations for the year in progress should be described, both the remuneration of directors in their status as such and as a result of their executive functions carried out for the Board pursuant to the contracts signed with executive directors and to the remuneration policy approved by the General Shareholders' Meeting

At any event, the following aspects should be reported:

- Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.
- Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- Information on whether any external advisors took part in this process and, if so, their identity.

- []
- Relative importance of variable remuneration items *vis-à-vis* fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to guarantee a suitable balance between the fixed and variable components of the remuneration. In particular, state the actions adopted by the company in relation to the remuneration system to reduce exposure to excessive risks and adapt this to the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures to guarantee that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company and measures to avoid conflict of interest, as the case may be.

Furthermore, state whether the company has established any period for the accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or the handover of accrued and consolidated financial instruments, or if any clause exists reducing the deferred remuneration or that obliges the director to return remuneration received, when such remuneration has been based on certain figures that have clearly been shown to be inaccurate has been agreed.

- Amount and nature of fixed components that are due to be accrued during the year by directors in their status as such.

- Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

- Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

- Amount and nature of variable components, differentiating between those established in the short and long term. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration in the year in progress, explaining the extent to which these parameters are related to performance, both of the director and of the company, together with their risk profile, and the methodology, deadline necessary and techniques established to determine the degree of compliance with the parameters used in the design of the variable remuneration at the end of the year.

State the range, in monetary terms, of the different variable components according to the degree of compliance with the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

- Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether through defined contributions or benefits, the annual contribution that needs to be made to the defined contribution system, the benefits directors are entitled to in the event of defined benefit systems, the conditions under which economic rights are consolidated for directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director.

- State if the accrual or consolidation of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the short- or long-term performance of the director.

- Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of

agreement reached, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the director to any type of remuneration.

- State the conditions that contracts should respect for those exercising senior management functions as executive directors. Among others, information should be provided on the duration, limits on amounts of severance pay, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to hiring bonuses, compensation and golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, permanence and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

- The nature and estimated amount of any other supplementary remuneration accrued by directors in the year in progress in consideration for services rendered other than those inherent in the post.

- Other remunerative items or by-products, as the case may be, of the company granting the director advance payments, loans, guarantees or any other remuneration.

- The nature and estimated amount of any other planned supplementary remuneration accrued by directors in the year in progress that are not included in the previous sections, whether payment is satisfied by the company or another group company.

A.2 Explain any significant change in the remuneration policy applicable in the current year resulting from:

- A new policy or a modification of the policy already approved by the General Meeting.
- Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.
- Proposals that the board of directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and which are proposed to be applicable to the current year.

A.3 Identify the direct link to the document where the current company remuneration policy is posted, which must be available on the web page of the company.

A.4 Explain, taking into account the data provided in Section B.4, the outcome of voting, of a consultative nature, by shareholders at the General Shareholders' Meeting on the annual report on remuneration for the previous year.

B OVERALL SUMMARY OF HOW REMUNERATION POLICY HAS BEEN APPLIED DURING THE YEAR ENDED

B.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and, as the case may be, the identity and the role of the external advisors whose services have been used in the process to apply the remuneration policy in the year ended.

B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adapting them to the long-term objectives, values and interests of the company, including a reference to the measures that have been adopted to guarantee that the long-term results of the company have been taken into consideration in the remuneration accrued and that a suitable balance has been attained between the fixed and variable components of the remuneration, the measures that have been adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile and the measures that have been adopted to avoid conflicts of interest, if appropriate.

B.3 Explain how the remuneration accrued over the year meets the provisions contained in the current remuneration policy.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, as the case may be, how the variations in the performance of the company have influenced changes in the remuneration of directors and how the latter contribute to the short- and long-term results of the company.

B.4 Report on the result of the consultative vote at the General Shareholders’ Meeting on remuneration in the previous year, indicating the number of votes against that may have been cast:

	Number	% of total
Votes cast		

	Number	% cast
Votes against		
Votes in favour		
Abstentions		

Remarks

B.5 Explain how the fixed components accrued during the year by the directors in their capacity as such have been determined and how they have changed with respect to the previous year

--

B.6 Explain how the salaries accrued by each one of the executive directors over the past financial year for the performance of management duties were determined, and how they have changed with respect to the previous year.

--

B.7 Explain the nature and the main characteristics of the variable components of the remuneration systems accrued in the year ended.

In particular:

- Identify each one of the remuneration plans that have determined the different types of variable remuneration accrued by each of the directors in the year ended, including information on their scope, their date of approval, their date of incorporation, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria used and the period necessary to be in a position to suitably measure all the conditions and criteria stipulated.

In the case of share options and other financial instruments, the general characteristics of each plan will include information on both the conditions to acquire unconditional ownership (consolidation) and to exercise these options or financial instruments, including the price and term to exercise them.

- Each one of the directors, together with their category (executive directors, proprietary external directors, independent external directors and other external directors), that are beneficiaries of remunerations systems or plans that include variable remuneration.

- As the case may be, information is to be provided on periods for the accrual or deferment of payment applied and/or the periods for withholding/unavailability of shares or other financial instruments, if they should exist.

Explain the short-term variable components of the remuneration systems

Explain the long-term variable components of the remuneration systems

B.8 Indicate whether certain variable components have been reduced or clawed back when, in the case of the former, payment has been consolidated and deferred or, in the case of the latter, consolidated and paid, on the basis of data that have subsequently proved to be inaccurate. Describe the amounts reduced or clawed back through the application of the reduction or clawback clauses, why they were implemented and the years to which they refer.

--

B.9 Explain the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit that are financed, totally or partially, by the company, whether through internal or external contributions, indicating the type of plan, whether it is a defined contribution or benefit, the contingencies covered, the conditions to consolidate economic rights for directors and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the company and the director.

--

B.10 Explain, where appropriate, the severance pay or any other type of payment deriving from early dismissal or early resignation, or from the termination of the contract in the terms provided for therein, accrued and/or received by directors during the year ended.

--

B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, where appropriate, explain such changes. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

--

B.12 Explain any supplementary remuneration accrued by directors as consideration for services rendered outside of their post.

--

B.13 Explain any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, their key characteristics and the amounts

eventually returned, as well as the obligations taken on by way of guarantee or collateral.

--

B.14 Itemise the remuneration in kind accrued by the directors over the year, briefly explaining the nature of the different salary components.

--

B.15 Explain the remuneration accrued by directors by virtue of payments settled by the listed company to a third company at which the director renders services when these payments seek to remunerate the director's services to the company.

--

B.16 Explain any other items of remuneration other than those mentioned in the previous sections, whatever their nature or the group company that settles the payment, particularly when this is a related operation or its settlement distorts the true image of the total remuneration accrued by the director.

--

C ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in year t
Director 1		
Director 2		

C.1 Complete the following tables regarding the individual remuneration of each director (including the salary received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration in cash (thousand euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in year t	Total In year t-1
Director 1										
Director 2										

Remarks

ii Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at start of year t		Financial instruments granted at start of year t		Financial instruments consolidated during the year				Instrumen ts matured but not exercised	Financial instruments at end of year t	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instrumen ts	No. of equivalent shares/hand ed over	Price of the consolida ted shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	No. of instrumen ts	No. of instruments	No. of equivalen t shares
Director 1	Plan 1											
	Plan 2											

Remarks

iii) Long-term saving systems

	Remuneration from consolidation of rights to savings system
Director 1	

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Year t		Year t-1	
	Year t	Year t-1	Year t	Year t-1	Systems with consolidated economic rights	Systems with unconsolidated economic rights	Systems with consolidated economic rights	Systems with unconsolidated economic rights
	Director 1							

Remarks

iv) Details of other items

Name	Item	Amount remunerated
Director 1		

Remarks

b) Remuneration of the company directors for seats on the boards of other group companies:

i) Remuneration in cash (thousand euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in year t	Total In year t-1
Director 1										
Director 2										

Remarks

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at start of year t		Financial instruments granted at start of year t		Financial instruments consolidated during the year				Instrument mated but not exercised	Financial instruments at end of year t	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/handed over	Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
Director 1	Plan 1											
	Plan 2											

Remarks

iii) Long-term saving systems

	Remuneration from consolidation of rights to savings system
Director 1	

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Year t		Year t-1	
	Year t	Year t-1	Year t	Year t-1	Systems with consolidated economic rights	Systems with unconsolidated economic rights	Systems with consolidated economic rights	Systems with unconsolidated economic rights
Director 1								

Remarks

iv) Details of other items

Name	Item	Amount remunerated
Director 1		

Remarks

c) Summary of remunerations (thousand €):

This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to each director (thousand €).

Name	Remuneration accrued in the company					Remuneration accrued in group companies				
	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Gross profit from options exercised	Remuneration for other items	Total FY2016 company	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Gross profit from options exercised	Remuneration for other items	Total year t group
Director 1										
Total:										

Remarks

D OTHER INFORMATION OF INTEREST

If there are any relevant issues relating to directors' remuneration that you have not been able to address in the previous sections of this report, but which are necessary to provide more comprehensive and fully reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

This annual remuneration report has been approved by the Board of Directors of the company on_____.

State whether any director has voted against or abstained from approving this report

Yes

No

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non- attendance)	Explain the reasons

INSTRUCTIONS FOR COMPLETING THE ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

(These instructions are applicable to both the template and the statistics of the Annual Report on the Remuneration of Directors of Listed Public Limited Companies)

General aspects:

The information in relation to natural or legal persons must be separately provided by means of the corresponding NIF (Tax ID. No), CIF (V.A.T. No.) or similar code, where applicable, without prejudice to the fact that said information shall not be considered to constitute public information, for the purposes of the dissemination of the annual remuneration report subject to this Circular, as well as the fact that said information shall be subject, in the case of natural persons, to data protection regulations.

When the parameters for measuring targets or financial performance or the valuation of instrument do not use the criteria established in the International Financial Reporting Standards (IFRS), the company must explain the reasons why said alternative criteria are considered to be more relevant, how the criteria are measured and how said values are calculated from the audited financial reporting, and the company must provide a report with comparative values extracted directly from the IFRS.

Although a director has not performed any director functions during the complete period subject to the financial reporting, the remuneration that has accrued in respect thereof shall be included in the report, which must state the specific dates of the start and finish of the director's functions within the company.

The remuneration of a director shall also include, as the case may be, remuneration received through other persons other than the director, that is to say, any transaction between the company and a third party when the purpose of the transaction is to remunerate or compensate the director for the functions thereof within the Company

The tables in Sections C.1.a.i) and C.1.b.i) "Remuneration in cash" will not include remuneration resulting from share-based remuneration schemes.

General considerations for credit institutions and investment firms

The sections, classifications and definitions set out below, and for the purposes of this Circular, are without prejudice to the requirements established in the prudential legislation applicable to credit institutions and investment firms.

The provisions of Section A.1, under the subheading relating to "Amount and nature of variable components", must be understood without prejudice to the fact that, for prudential purposes and with the specific features provided for in applicable legislation, the variable remuneration of credit institutions and investment firms will include all remuneration items other than fixed remuneration, per diems, remuneration for membership of board committees and salaries, as defined in this Circular. In addition, and for the same purposes, it should take into account that the variable component may not exceed one hundred percent, or two hundred percent if approved by the General Meeting, of the fixed component of the total remuneration of each director.

The provisions of Section A.1, under the subheading relating to "Main characteristics of long-term savings systems", must be understood without prejudice to the fact that, for prudential purposes, discretionary pension benefits are considered to be variable remuneration.

In Section A.1, under the subheading relating to "the conditions that contracts should respect for those exercising senior management functions as executive directors", it should be taken into

account that such contracts, to the extent that they relate to directors of credit institutions or investment firms, must also include clauses to reduce deferred variable remuneration and to recover remuneration already paid (clawback).

If these contracts include agreements recognising the right of the executive director and/or the credit institution or investment firm to exercise early retirement as from a certain age, the payments made for this item shall be considered, for prudential purposes and with the specific features set out in applicable legislation, as variable remuneration, even though they are reported in the template as compensation or remuneration for savings systems.

In the definition of remuneration mix included in this Circular, the estimation criteria applied may not entail the deferred remuneration being paid more quickly than on a proportional basis.

Specific aspects:

For the purposes of completing the Annual Report regarding the Remuneration of Directors, the following definitions shall be applicable:

Equivalent shares: (i) Maximum number of shares that the director shall receive in the case that the conditions of the applicable plan or scheme are complied with, as well as the rest of the requirements, including, as the case may be, the payment of a price; (ii) Maximum number of shares that shall be used to calculate the final amount of the remuneration of the director pursuant to the applicable plan or scheme; or (iii) For the plans or schemes that establish a monetary amount that must be invested for the purchase of shares at the end of the period, the equivalent shares shall be estimated in light of the listed price of the shares at the date on which the Board or the Appointments and Remuneration Committee determines the monetary amount that corresponds thereto as variable remuneration.

Contributions made during the year: The funds contributed during the financial year to any investment, insurance or financial vehicle providing coverage to the plan (irrespective of whether the beneficiary of any benefits is the company or the director) must be calculated.

Gross profit of the shares handed over or consolidated financial instruments:

In the case of options on shares or other financial instruments whose settlement is referenced to or based on the share price, the gross profit corresponding to the shares will be included in the event that unconditional ownership has been acquired during the year (as all the conditions established in the plan have been met). The amount of such gross profit will be recognised at fair value or market value at the time of unconditional acquisition, without prejudice to the applicability of clawback clauses or the existence of retention clauses or vesting periods.

In the specific case where the plan consists of the direct delivery of shares during the year ("free" delivery or zero strike price), the gross profit to be disclosed as accrued remuneration in the year will include the amount resulting from multiplying the number of consolidated shares by their market price, which is understood as the share price at the time of consolidation, when they are no longer subject to further conditions, without prejudice to the applicability of clawback clauses or the existence of retention clauses or vesting periods.

It should be noted that in such cases, where the plan provides for the delivery of shares, the amount of the accrued remuneration must include the gross amount of the consolidated shares in the period.

Conditions for the exercise thereof: The conditions applicable to the exercise of the instruments shall be explained.

Conditions and other requirements for the exercise of the option: The conditions established in the plan or scheme shall be stated. In the case that, at the close of the financial year, all of the

targets and conditions applicable in respect of the financial instruments have been complied with, however the option rights for the financial instruments have not yet been exercised at the end of the financial year, in said column the following statement shall be included: “no requirements exist for the exercise of the option rights”.

Attendance fees: Total amount of the attendance fees for attending Board meetings and, as the case may be, the delegated committees thereof.

Current financial year. The current financial year is the year in which the general shareholders’ meeting is held, to which the ADRR is submitted for approval, on a consultative basis.

Amount of the accumulated funds: The amount of the funds accrued in any investment, insurance or financial vehicle that provides coverage to the pension system (irrespective of whether the beneficiary of the possible funds provisions is the company or the director) and, in any event, the foregoing shall not be less than the present actuarial value of the obligation accrued in favour of the director, adjusted proportionally to the services effectively substantiated in the financial year in respect of the services required for payment.

Severance pay: Any remuneration accrued by the director by reason of the termination of the relationship thereof with the company, whether by way of rescission or removal from office, and whether by reason of the resignation of the director or the removal thereof by the company, or the result of the termination of the contractual relationship, in the terms established between the company and the director.

Financial instruments granted during the financial year: Financial instruments, including shares or options and other rights in relation to shares or any other remunerative instrument related to or referenced to the value of the shares, granted to the director in accordance with an established plan or scheme, although the holding or ownership thereof is subject to conditions, pursuant to the requirements established in said plan, including, among others, “malus” clauses or retention clauses or vesting periods.

Financial instruments consolidated during the financial year: This concept includes the number of shares or financial instruments that have been consolidated during the financial year, even if the shares are not delivered or the instruments are not exercised until a later time, and that, accordingly, are not subject to any subsequent conditions, without prejudice to the application of the clawback clauses, or the existence of retention clauses or vesting periods.

Remuneration mix: In calculating the remuneration mix, entities shall take into account the fixed remuneration and the estimated amount of variable remuneration in the plans corresponding to the policy for the current financial year, regardless of whether these plans are consolidated in subsequent financial years or whether previous plans are consolidated in the current financial year.

Other concepts: Total amount of the rest of the remuneration accrued during the financial year that have not been included in the previous concepts or in any of the previous paragraphs, including the remuneration that results from the payment by the company of life, health and accident insurance policy premiums, or the granting of advance payments, credits and guarantees, or any other type of remuneration in kind.

Remuneration in kind is valued at the opportunity cost for the company of the use, consumption or receipt of the goods, rights or services by the director.

Option period: Period of time in which the director may exercise the instruments that effectively correspond thereto, or in respect of which the rights shall be settled based upon the revaluation of the shares. The period to be included shall be the maximum period, without prejudice to any temporary sale restrictions in respect thereof.

Option price: purchase price, in Euros, of the shares that may be opted for by reason of the instrument, in accordance with the conditions of the plan or scheme or the value of the share, in Euros, pursuant to which the rights shall be settled based upon the revaluation of the shares.

Price of the shares consolidated during the year: Average listed price of the share on the consolidation date of the financial instrument.

Fixed remuneration: Amount of the cash payments, subject to a pre-established payment frequency, whether or not consolidated over time and accrued by the director by reason of being a member of the Board, irrespective of the effective attendance of the director at Board meetings.

Remuneration for consolidation of rights within savings systems. The amount that results from the sum of (i) the remuneration resulting from the contributions carried out during the financial year by the company to savings systems, when the rights are directly consolidated in favour of the director, as is the case in relation to many of the defined contribution schemes; (ii) the amount of the accumulated funds pending consolidation, the consolidation of which relates to the current financial year (economic rights in relation to savings systems that had not yet been consolidated at the close of the previous financial year of the year subject to the report); and (iii) the amount of the accumulated funds of the savings systems the economic rights of which were not consolidated, however when the plan or scheme has concluded within the financial year, by reason of the application of any of the contingencies, as provided for therein, for the payment thereof to the beneficiary.

Consolidation is independent of the existence of clawback clauses.

Remuneration for status as members of Board committees: Amount of concepts other than attendance fees that are payable to directors for being members of the executive or advisory committees of the Board, irrespective of the effective attendance of the director at the meetings of the foregoing committees.

Short-term variable remuneration: Variable amount linked, over an accrual period of one year or less, to performance or achievement of a series of individual or group (quantitative or qualitative) targets.

For the purposes of this Circular, the director will be deemed to have accrued short-term variable remuneration on the end date of the accrual period when the objectives to which the variable remuneration was linked have been met and, therefore, the remuneration has been consolidated. The accrual period is the period of time over which the performance and achievement of the qualitative and quantitative targets set for the director for the purposes of determining the short-term variable remuneration is measured, irrespective of the method or periods stipulated for payment of said remuneration or whether payment is subject to deferment, retention, or clawback clauses.

Long-term variable remuneration: Variable amount linked, over an accrual period of more than one financial year, to performance or achievement of a series of individual or group (quantitative or qualitative) targets.

For the purposes of this Circular, the director will be deemed to have accrued long-term variable remuneration on the end date of the accrual period when the objectives to which the variable remuneration was linked have been met and, therefore, the remuneration has been consolidated.

The accrual period is the period of time over which the performance and achievement of the qualitative and quantitative targets set for the director for the purposes of determining the long-term variable remuneration is measured, irrespective of the method or periods stipulated for payment of said remuneration or whether payment is subject to deferment, retention or clawback clauses.

Long-term savings systems: All of the long-term savings plans must be explained, including retirement and any other survivor benefits, that are partially or totally financed by the company, whether provided for internally or externally.

The systems with consolidated economic rights must be distinguished from the systems with economic rights that are not consolidated.

Group companies: For the purposes of this Circular, the definition of group companies established in Article 42 of the Code of Commerce shall be applicable.

Salary: Amount of the remuneration that is not of a variable nature and that has been accrued by the director by reason of executive functions.

ANNEX III – STATISTICS ON ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

ISSUER IDENTIFICATION

YEAR- END DATE

Tax Identification No.
[C.I.F.]

Company Name:

Registered Office:

STATISTICAL ANNEX OF THE ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

B OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED

B.4 Report on result of consultative vote at General Shareholders' Meeting on annual report on remuneration from previous year, indicating number of votes against, as the case may be.

	Number	% of total
Votes cast		

	Number	% of votes cast
Votes against		
Votes in favour		
Abstentions		

C ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in year t
Director 1		
Director 2		

C.1 Complete the following tables on individual remuneration of each director (including the remuneration for exercising executive functions) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration in cash (thousand euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in year t	Total In year t-1
Director 1										
Director 2										

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at start of year t		Financial instruments granted at start of year t		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of year t	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/handed over	Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
Director 1	Plan 1											
	Plan 2											

iii) Long-term saving systems

	Remuneration from consolidation of rights to savings system
Director 1	

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights					
	Year t	Year t-1	Year t	Year t-1	Year t		Year t-1	
					Systems with consolidated economic rights	Systems with unconsolidated economic rights	Systems with consolidated economic rights	Systems with unconsolidated economic rights
Director 1								

iv) Details of other items

Name	Item	Amount remunerated
Director 1		

b) Remuneration of the company directors for seats on the boards of other group companies:

i) Remuneration in cash (thousand euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in year t	Total In year t-1
Director 1										
Director 2										

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at start of year t		Financial instruments granted at start of year t		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of year t	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/handed over	Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
Director 1	Plan 1											
	Plan 2											

iii) Long-term saving systems

	Remuneration from consolidation of rights to savings system
Director 1	

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Year t		Year t-1	
	Year t	Year t-1	Year t	Year t-1	Systems with consolidated economic rights	Systems with unconsolidated economic rights	Systems with consolidated economic rights	Systems with unconsolidated economic rights
	Director 1							

iv) Details of other items

Name	Nombre	Item	Amount remunerated
Director 1	Consejero 1		

c) Summary of remuneration (thousand €):

The summary should include the amounts corresponding to all the items of remuneration included in this report that have been accrued by the director, in thousand euros.

Name	Remuneration accrued in the company					Remuneration accrued in group companies				
	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Gross profit from options exercised	Remuneration for other items	Total FY2016 company	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Gross profit from options exercised	Remuneration for other items	Total year t group
Director 1										
Total:										

This annual report on remuneration has been approved by the Board of Directors of the company, at its meeting on _____.

State if any directors have voted against or abstained from approving this report.

Yes

No

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non- attendance)	Explain the reasons

ANNEX II:

**Form and statistics on the Annual Report on Corporate Governance under CNMV
Circular 5/2013**

ANNEX I TEMPLATE

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

ISSUER IDENTIFICATION

YEAR- END DATE

Tax Identification No.
[C.I.F.]

Company Name:

Registered Office:

A CAPITAL STRUCTURE

A.1 Complete the table below with details of the share capital of the company:

Date of last change	Share capital (Euros)	Number of shares	Number of voting rights

Remarks

Please state whether there are different classes of shares with different associated rights: :

Yes No

Class	Number of shares	Par value	Number of votes	Associated rights

Remarks

A.2 Please provide details of the company's significant direct and indirect shareholders at year end, excluding any directors:

Name of shareholder	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	

Remarks

Breakdown of the indirect holding

Name of indirect shareholder	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights

Remarks

State the most significant shareholder structure changes during the year:

--	--	--

--	--	--

Most significant movements

A.3 In the following tables, list the members of the Board of Directors (hereinafter “directors”) with voting rights in the company:

Name of director	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights	% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect

Total percentage of voting rights held by the Board of Directors	
---	--

Remarks

Breakdown of the indirect holding:

Name of director	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments

Remarks

A.4 If applicable, state any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, except those that are reported in Section A.6:

Name of related Party	Nature of relationship	Brief description

A.5 If applicable, state any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

Name of related party	Nature of relationship	Brief description

A.6 Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of proprietary directors.

Explain, as the case may be, how the significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies in its group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of directors, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post

Remarks

A.7 State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Ley de Sociedades de Capital ("Corporate Enterprises Act" or "LSC"). If so, describe these agreements and list the party shareholders:

Yes

No

Parties to the shareholders' agreement	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable

Remarks

State whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes

No

Parties to the concerted action	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable

Remarks

If any of the aforementioned agreements or concerted actions have been modified or terminated during the year, please specify expressly:

--

A.8 State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Ley de Mercados de Valores (“Spanish Securities Market Act” or “LMV”). If so, please identify them:

Yes No

Name of individual or company

Remarks

A.9 Complete the following table with details of the company’s treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital

Remarks

(*) through:

Name of direct shareholder	Number of direct shares
Total:	

Remarks

Explain any significant changes during the year:

Explain significant changes

A.10 Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

--

A.11 Estimated working capital:

	%
Estimated working capital	

Remarks

A.12 State whether there are any restrictions (article of associations, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and those regimes for the prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes

No

Description of restrictions

A.13 State if the shareholders have resolved at a meeting to adopt measures to neutralise a take-over bid pursuant to the provisions of Act 6/2007.

Yes

No

If so, please explain the measures approved and the terms under which such limitations would cease to apply:

Explain the measures approved and the terms under which such limitations would cease to apply

A.14 State if the company has issued shares that are not traded on a regulated EU market.

Yes

No

If so, please list each type of share and the rights and obligations conferred on each.

List each type of share

B GENERAL SHAREHOLDERS' MEETING

B.1 State whether there are any differences between the quorum established by the LSC for General Shareholders' Meetings and those set by the company and if so, describe them in detail:

Yes

No

	% quorum different from that contained in Article 193 LSC for general matters	% quorum different from that contained in Article 194 LSC for special resolutions
Quorum required at 1st call		
Quorum required at 2nd call		

Description of differences

B.2 State whether there are any differences in the company’s manner of adopting corporate resolutions and the manner for adopting corporate resolutions described by the LSC and, if so, explain:

Yes

No

Describe how it is different from that contained in the LSC.

	Qualified majority different from that established in Article 201.2 LSC for Article 194.1 LSC matters	Other matters requiring a qualified majority
% established by the company for adoption of resolutions		

Describe the differences

B.3 State the rules for amending the company’s Articles of Association. In particular, state the majorities required for amendment of the Articles of Association and any provisions in place to protect shareholders’ rights in the event of amendments to the Articles of Association.

--

B.4 Give details of attendance at General Shareholders’ Meetings held during the year of this report and the previous year:

Date of General Meeting	Attendance data				Total
	% physically present	% present by proxy	% distance voting		
			Electronic voting	Other	

Of which, free float:					

Remarks

B.5 State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by the shareholders for any reason.

Yes

No

Points on agenda not approved	% votes against (*)

(*) If the non-approval of the point is for a reason other than the votes against, this will be explained in the text part and "N/A" will be placed in the "% votes against" column.

B.6 State if the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or on distance voting:

Yes

No

Number of shares required to attend General Meetings	
Number of shares required for distance voting	

Remarks

B.7 State whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions that must be subject to the approval of the General Shareholders' Meeting.

Yes

No

Explain the decisions that must be subject to the General Shareholders' Meeting, other than those established by law

B.8 State the address and manner of access to the page on the company website where one may find information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

--

C COMPANY ADMINISTRATIVE STRUCTURE

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the Articles of Association and the number set by the general meeting:

Maximum number of directors	
Minimum number of directors	
Number of directors set by the general meeting	

Remarks

C.1.2 Please complete the following table on directors:

Name of director	Natural person representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board	Date of birth

Total number of directors	
----------------------------------	--

State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Name of director	Director type at time of leaving	Date of last appointment	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term

Reason for leaving and other remarks

C.1.3 Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name or company name of director	Post in organisational chart of the company	Profile

Total number of executive directors	
Percentage of Board	

Remarks

PROPRIETARY DIRECTORS

Name of director	Name or company name of the significant shareholder represented or that has proposed their appointment	Profile

Total number of proprietary directors	
Percentage of the Board	

Remarks

INDEPENDENT DIRECTORS

Name of director	Profile

Number of independent directors	
Percentage of the Board	

Remarks

State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with

the company or any company in the group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

In this case, include a statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name of the director	Description of the relationship	Statement of the Board

OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

Name of director	Reason	Company, director or shareholder to whom the director is related	Profile

Total number of other external directors	
Percentage of the Board	

Remarks

State any changes in status that has occurred during the period for each director:

Name of director	Date of change	Previous Status	Current status

Remarks

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				% of directors for each category			
	Year t	Year t-1	Year t-2	Year t-3	Year t	Year t-1	Year t-2	Year t-3
Executive								
Proprietary								

Independent								
Other external								
Total								

Remarks

C.1.5 State whether the company has diversity policies in relation to the Board of Directors of the company on such questions as age, gender, disability and training and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

Yes No Partial policies

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been implemented, including results achieved

C.1.6 Describe the means, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates and which makes it possible to achieve a balance between men and women:

Explanation of means

In the event that there are few or no female directors in spite of any measures adopted, please explain the reasons that justify such a situation:

Explanation of means

C.1.7 Describe the conclusions of the appointments committee regarding verification of compliance with the selection policy for directors; in particular, as it relates to the goal of ensuring that the number of female directors represents at least 30% of the total membership of the Board of Directors by the year 2020.

--

C.1.8 If applicable, please explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name of shareholder	Reason

State whether the Board has failed to meet any formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed. If this is the case, please explain why the aforementioned requests were not met:

Yes No

Name of shareholder	Explanation

C.1.9 State the powers delegated by the Board of Directors, as the case may be, to directors or Board committees:

Name of director	Brief description

C.1.10 Identify any members of the Board who are also directors or officers in other companies in the group of which the listed company is a member:

Name of director	Name of group member	Position	Does the director have executive powers?

Remarks

C.1.11 List any legal-person directors of your company who are members of the Board of Directors of other companies listed on official securities markets other than group companies, and have communicated that status to the Company:

Name of director	Name of listed company	Position

Remarks

C.1.12 State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

Yes No

Explanation of the rules and identification of the document where this is regulated

C.1.13 State total remuneration received by the Board of Directors:

Board remuneration in financial year (thousand euros)	
Amount of vested pension interests for current members (thousand euros)	
Amount of vested pension interests for former members (thousand euros)	

Remarks

C.1.14 Identify senior management staff who are not executive directors and their total remuneration accrued during the year:

Name	Position

Total senior management remuneration (thousand euros)	
--	--

Remarks

C.1.15 State whether the Board rules were amended during the year:

Yes No

Description of amendment

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors: the competent bodies, steps to follow and criteria applied in each procedure.

--

C.1.17 Explain how the annual evaluation of the Board has given rise to significant changes in its internal organisation and to procedures applicable to its activities:

Description of changes

Describe the evaluation process and the areas evaluated by the Board of Directors with the help, if any, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas

C.1.18 Describe, in those years in which the external advisor has participated, the business relationships that the external advisor or any group company maintains with the company or any company in its group.

--

C.1.19 State the situations in which directors are required to resign.

--

C.1.20 Are qualified majorities other than those established by law required for any specific decision?

Yes No

If so, please describe any differences.

Description of differences

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, to be appointed as chairman of the Board of Directors.

Yes No

Description of requirements

C.1.22 State whether the Articles of Association or the Board Rules establish any limit as to the age of directors:

Yes No

	Age limit
Chairman	
CEO	
Directors	

Remarks

C.1.23 State whether the Articles of Association or the Board Rules establish any term limits for independent directors other than those required by law:

Yes No

Additional requirements and/or maximum number of term limits	
---	--

C.1.24 State whether the Articles of Association or Board Rules establish specific proxy rules for votes at Board meetings, how they are to be delegated and, in particular, the maximum number of delegations that a director may have, as well as if any limit regarding the category of director to whom votes may be delegated and whether a director is required to delegate to a director of the same category. If so, please briefly describe the rules.

--

C.1.25 State the number of meetings held by the Board of Directors during the year, and if applicable, the number of times the Board met without the chairman present. Meetings where the chairman sent specific proxy instructions are to be counted as attended.

Number of Board meetings	
Number of Board meetings without the chairman	

Remarks

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	
---------------------------	--

Remarks

Please specify the number of meetings held by each committee of the Board during the year:

Number of meetings held by the Executive Committee	
Number of meetings held by the Audit Committee	
Number of Meetings held by the Appointments and Remuneration Committee	
Number of meetings held by the Appointments Committee	
Number of meetings held by the Remuneration Committee	
Number of meetings held by the _____ Committee	

Remarks

C.1.26 State the number of meetings held by the Board of Directors during the year in which all of its directors were present. For the purposes of this section, proxies given with specific instructions should be considered as attendance

Number of meetings when all directors attended	
% of attendance over total votes during the year	
Number of meetings in situ or representations made with specific instructions of all directors	
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	

Remarks

C.1.27 State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

Yes No

Identify, if applicable, the person/s who certified the individual and consolidated financial statements of the company for preparation by the Board:

Name	Position

Remarks

C.1.28 Explain any measures established by the Board of Directors to prevent the individual and consolidated financial statements prepared by the

Board from being submitted to the General Shareholders' Meeting with a qualified audit opinion.

--

C.1.29 Is the secretary of the Board also a director?

Yes No

If the secretary is not a director, please complete the following table:

Name of the secretary	Representative
Remarks	

C.1.30 State, if any, the concrete measures established by the entity to ensure the independence of its external auditors, financial analysts, investment banks, and rating agencies, including how legal provisions have been implemented in practice.

--

C.1.31 State whether the company changed its external auditor during the year. If so, please identify the incoming and outgoing auditor:

Yes No

Outgoing auditor	Incoming auditor
Remarks	

If there were any disagreements with the outgoing auditor, please provide an explanation:

Yes No

Explanation of disagreements

C.1.32 State whether the audit firm provides any non-audit services to the company and/or its Group and, if so, the fees paid and the corresponding percentage of total fees invoiced to the company and/or Group:

Yes No

	Company	Group Companies	Total
Amount invoiced for non-audit services (thousand euros)			
Amount invoiced for non-audit services/Amount for audit work (in %)			

Remarks

C.1.33 State whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the chairman of the audit committee to explain the content and extent of the aforementioned qualified opinion or reservations.

Yes

No

Explanation of reasons

C.1.34 State the number of consecutive years the current audit firm has been auditing the financial statements of the company and/or group. Furthermore, state the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years		

	Individual	Consolidated
Number of years audited by the current audit firm/number of fiscal years the company has been audited (by %)		

Remarks

C.1.35 State whether there is a procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time and provide details if applicable:

Yes

No

Explanation of procedure

C.1.36 State whether the company has established rules whereby directors must provide information regarding and, if applicable, resign, in circumstances that may damage the company's standing and reputation. If so, provide details:

Yes No

Explain the rules

C.1.37 State whether any member of the Board of Directors has notified the company that he or she has been tried or notified that legal proceedings have been filed against him or her, for any offences described in Article 213 of the LSC:

Yes No

Name of director	Criminal charge	Remarks

State whether the Board of Directors has examined the case. If so, explain in detail the decision taken as to whether the director in question should continue in his or her post or, if applicable, describe any actions taken by the Board up to the date of this report, or which it intends to take.

Yes No

Decision/Action taken	Explanation

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

--

C.1.39 Identify individually for director, and generally in other cases, and provide detail of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of beneficiaries	
Type of beneficiary	Description of agreement

State if these contracts have been communicated to and/or approved by management bodies of the company or of the Group. If they have, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	General Shareholders' Meeting
Body authorising the severance clauses		

	YES	NO
Are these clauses notified to the General Shareholders' Meeting?		

Remarks

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their membership, and the proportion of executive, proprietary, independent and other external directors that comprise them:

EXECUTIVE COMMITTEE

Name	Post	Category

% of executive directors	
% of proprietary directors	
% of independent directors	
% of external directors	

Remarks

Explain the duties exercised by this committee, other than those that have already been described in Section C.1.10, and describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed

thereto by law, in the Articles of Association or other corporate resolutions.

--

AUDIT COMMITTEE

Name	Post	Category

% of proprietary directors	
% of independent directors	
% of external directors	

Remarks

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

--

Identify the directors who are member of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Name of directors with experience	
Date of appointment of the chairperson	

Remarks

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Post	Category

% of proprietary directors	
% of independent directors	
% of external directors	
Remarks	

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

--

APPOINTMENTS COMMITTEE

Name	Post	Category

% of proprietary directors	
% of independent directors	
% of external directors	

Remarks

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

--

REMUNERATION COMMITTEE

Name	Post	Category

% of proprietary directors	

% of independent directors	
% of external directors	

Remarks

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

--

----- COMMITTEE

Name	Post	Category

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

--

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

Number of female directors			
Year t	Year t-1	Year t-2	Year t-3
Number %	Number %	Number %	Number %

Executive committee				
Audit committee				
Appointments and remuneration committee				
Appointments committee				
Remuneration committee				
----- committee				

Remarks

C.2.3 State, where applicable, the existence of any regulations governing Board committees, where these regulations may be found, and any amendments made to them during the year. Also state whether any annual reports on the activities of each committee have been voluntarily prepared.

--

D RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1 Describe, if applicable, the procedure for approval of related-party and intragroup transactions.

--

D.2 Describe any transactions which are significant, either because of the amount involved or subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name of significant shareholder	Name of company within the group	Nature of the relationship	Type of transaction	Amount (thousand euros)

Remarks

- D.3 Describe any transactions that are significant, either because of their amount or subject matter, entered into between the company or entities within its group and directors or managers of the company:

Name of director or manager	Name of the related party	Relationship	Type of transaction	Amount (thousand euros)

Remarks

- D.4 Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the preparation of the consolidated financial statements and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any event, note any intragroup transaction conducted with entities established in countries or territories which are considered tax havens:

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)

Remarks

- D.5 State the amount of any transactions conducted with other related parties that have not been reported in the previous sections.

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)

Remarks

- D.6 Describe the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders.

--

- D.7 Is there more than one company in the group listed in Spain?

Yes

No

Identify the other companies that are listed in Spain and their relationship to the company:

Identity and relationship with other listed group companies

State if the respective areas of activity and business relationships between the listed companies have been defined publicly and precisely, as well as between the subsidiary and other members of the group;

Yes

No

Describe the business relationship between the parent and subsidiary listed companies as well as between the subsidiary and other members of the group

Identify measures taken to resolve potential conflicts of interest between the listed subsidiary and the other group companies:

Measures taken to resolve potential conflicts of interest

E RISK MANAGEMENT AND CONTROL SYSTEMS

E.1 Explain the scope of the company's Risk Management and Control System, including tax compliance risk.

--

E.2 Identify the bodies within the company responsible for creating and executing the Risk Management and Control System, including tax compliance risk.

--

E.3 State the primary risks, including tax compliance risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives

--

E.4 State whether the entity has a risk tolerance level, including tolerance for tax compliance risk.

--

E.5 State which risks, including tax compliance risks, have materialised during the year.

E.6 Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, as well as the procedures followed by the company in order to ensure that the board of directors responds to any new challenges that arise.

F INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms comprising the System of Internal Control over Financial Reporting (ICFR) of your company.

F.1 Control environment

Report on at least the following, describing their principal features:

- F.1.1. The bodies and/or departments that are responsible for (i) the existence and maintenance of an adequate and effective ICFR; (ii) their implementation; and (iii) their supervision.
- F.1.2. State whether the following are present, especially if they relate to the creation of financial information:
- Departments and/or mechanisms in charge of: (i) design and review of corporate structure; (ii) clear definition of lines of responsibility and authority with an adequate distribution of tasks and functions; and (iii) assurance that adequate procedures exist for proper communication throughout the entity.
 - Code of conduct, the body approving this, degree of dissemination and instruction, including principles and values, (state if there is specific mention of transaction recording and creation of financial information), a body charged with analysing breaches and proposing corrective actions and sanctions.
 - Whistleblower channel, that allows notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and

unlawful activities undertaken in the organisation, reporting, as the case may be, if this is of a confidential nature.

- Training and periodic refresher programmes for staff involved in the preparation and revision of financial information, as well as assessment of the ICFR (Internal Control System for Financial Information), that covers at least accounting rules, audits, internal control and risk management.

F.2 Assessment of financial information risks

Report on at least the following:

F.2.1. The main characteristics of the risk identification process, including error and fraud risk, as regards:

- Whether the process exists and is documented.
- If the process covers all of the objectives of financial information, (existence and occurrence; completeness; valuation; delivery; breakdown and comparability; and rights and obligations), whether it is updated and with what frequency.
- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex company structures, shell companies, or special purpose entities.
- If the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.
- The governing body within the company that supervises the process.

F.3 Control activities

Report on whether the company has at least the following, describing their main characteristics:

F.3.1. Review and authorisation procedures for financial information published by the stock markets and a description of the ICFR, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including financial closing procedures and the specific review of judgements, estimates, valuations and relevant forecasts.

F.3.2. Internal IT control policies and procedures (access security, change controls, their operation, operational continuity, and segregation of duties, among others) which support relevant processes within the

company and relate to the creation and publication of financial information.

- F.3.3. Internal control policies and procedures intended to guide the management of subcontracted activities and those of third parties, as well as those aspects of assessment, calculation or evaluation entrusted to independent experts, which may materially affect financial statements.

F.4 **Information and communication**

State whether the company has at least the following, describing their main characteristics:

- F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.
- F.4.2. Measures for capturing and preparing financial information with consistent formats for application and use by all of the units of the entity or the group, and which contain the main financial statements and notes, as well as detailed information regarding ICFR.

F.5 **Supervision of system performance**

Describe at least the following:

- F.5.1. The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function that has among its mandates support of the committee and the task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible prepares the assessment reports on its results, whether the company has an action plan describing possible corrective measures, and whether its impact on financial reporting is considered.
- F.5.2. If there is a procedure by which the account auditor (in accordance with the contents of the *Normas Técnicas de Auditoría* (NTA) - "Auditing Standards"), internal auditor and other experts may communicate with senior management and the audit committee or senior managers of the company regarding significant weakness in internal control identified during the review of the annual accounts or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses found.

F.6 **Other relevant information**

--

F.7 External auditor's report

Report from:

- F.7.1. If the ICFR information submitted to the markets has been subject to review by the external auditor, in which case the entity shall include its report as an attachment. If not, reasons why should be given.

G EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's level of compliance with recommendations from the Unified Code of Good Governance.

In the event that a recommendation is not followed or only partially followed, a detailed explanation should be included explaining the reasons in such a manner that shareholders, investors and the market in general have enough information to judge the company's actions. General explanations are not acceptable.

1. **That the Articles of Association of listed companies do not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of shares on the market.**

Complies Explanation

2. **That when the parent company and a subsidiary are listed on the stock market, both should publicly and specifically define:**
- a) **The respective areas of activity and possible business relationships between them, as well as those of the listed subsidiary with other group companies.**
- b) **The mechanisms in place to resolve any conflicts of interest that may arise.**

Complies Complies Partially Explanation Not Applicable

3. **That, during the course of the ordinary General Shareholders' Meeting, complementary to the distribution of a written Annual Corporate Governance Report, the chairman of the Board of Directors makes a detailed oral report to the shareholders regarding the most material aspects of corporate governance of the company, and in particular:**

- a) **Changes that have occurred since the last General Shareholders' Meeting.**
- b) **Specific reasons why the company did not follow one or more of the recommendations of the Code of Corporate Governance and, if so, the alternative rules that were followed instead.**

Complies Complies partially Explanation

4. That the company has defined and promoted a policy of communication and contact with shareholders, institutional investors and proxy advisors that complies in all aspects with rules preventing market abuse and gives equal treatment to similarly situated shareholders.

And that the company has made such a policy public through its web page, including information related to the manner in which said policy has been implemented and the identity of contact persons or those responsible for implementing it.

Complies Complies partially Explanation

5. That the Board of Directors should not propose to the General Shareholders' Meeting any proposal for delegation of powers allowing the issuance of shares or convertible securities without pre-emptive rights in an amount exceeding 20% of equity at the time of delegation.

And that whenever the Board of Directors approves any issuance of shares or convertible securities without pre-emptive rights the company immediately publishes reports on its web page regarding said exclusions as referenced in applicable company law.

Complies Complies partially Explanation

6. That listed companies which draft reports listed below, whether under a legal obligation or voluntarily, publish them on their web page with sufficient time before the General Shareholders' Meeting, even when their publication is not mandatory:

- a) Report regarding the auditor's independence.
- b) Reports regarding the workings of the audit committee and the appointments and remuneration committee.
- c) Report by the audit committee regarding related-party transactions
- d) Report on the corporate social responsibility policy.

Complies Complies partially Explanation

7. That the company reports in real time, through its web page, the proceedings of the General Shareholders' Meetings.

Complies Explanation

8. That the audit committee ensures that the Board of Directors presents financial statements in the audit report for the General Shareholders' Meetings which do not have qualifications or reservations and that, in the exceptional circumstances in which qualifications may appear, that the chairman of the audit committee and the auditors clearly explain to the shareholders the content and scope of said qualifications or reservations.

Complies Complies partially Explanation

9. That the company permanently maintains on its web page the requirements and procedures for certification of share ownership, the right of attendance at the

General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies Complies partially Explanation

10. That when a verified shareholder has exercised his right to make additions to the agenda or to make new proposals to it with sufficient time in advance of the General Shareholders' Meeting, the company:

- a) Immediately distributes the additions and new proposals.
- b) Publishes the attendance card credential or proxy form or form for distance voting with the changes such that the new agenda items and alternative proposals may be voted upon under the same terms and conditions as those proposals made by the Board of Directors.
- c) Submits all of these items on the agenda or alternative proposals to a vote and applies the same voting rules to them as are applied to those drafted by the Board of Directors including, particularly, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the results of said additions or alternative proposals is communicated.

Complies Complies Partially Explanation Not Applicable

11. That, in the event the company intends to pay for attendance at the General Shareholders' Meeting, it establish in advance a general policy of long-term effect regarding such payments.

Complies Complies Partially Explanation Not Applicable

12. That the Board of Directors completes its duties with a unity of purpose and independence, treating all similarly situated shareholders equally and that it is guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, and the promotion of continuity and maximisation of the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and in engaging in conduct based on good faith, ethics and a respect for commonly accepted best practices, it seeks to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders, as well as the impact of its corporate activities on the communities in which it operates and the environment.

Complies Complies partially Explanation

13. That the Board of Directors is of an adequate size to perform its duties effectively and collegially, and that its optimum size is between five and fifteen members.

Complies Explanation

14. That the Board of Directors approves a selection policy for directors that:

- a) Is concrete and verifiable.
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the needs of the Board of Directors.
- c) Favours diversity in knowledge, experience and gender.

That the resulting prior analysis of the needs of the Board of Directors is contained in the supporting report from the appointments committee published upon a call from the General Shareholders' Meeting submitted for ratification, appointment or re-election of each director.

And that the selection policy for directors promotes the objective that by the year 2020 the number of female directors accounts for at least 30% of the total number of members of the Board of Directors.

The appointments committee will annually verify compliance with the selection policy of directors and explain its findings in the Annual Corporate Governance Report.

Complies Complies partially Explanation

15. That proprietary and independent directors constitute a substantial majority of the Board of Directors and that the number of executive directors is kept at a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

Complies Complies partially Explanation

16. That the percentage of proprietary directors divided by the number of non-executive directors is no greater than the proportion of the equity interest in the company represented by said proprietary directors and the remaining share capital.

This criterion may be relaxed:

- a) In companies with a high market capitalisation in which interests that are legally considered significant are minimal.
- b) In companies where a diversity of shareholders is represented on the Board of Directors without ties among them.

Complies Explanation

17. That the number of independent directors represents at least half of the total number of directors.

Nonetheless, when the company does not have a high level of market capitalisation or in the event that it is a high cap company with one shareholder or a group acting in a coordinated fashion who together control more than 30% of the company's equity, the number of independent directors represents at least one third of the total number of directors.

Complies Explanation

18. That companies publish and update the following information regarding directors on the company website:

- a) Professional profile and biography.

- b) Any other Boards to which the director belongs, regardless of whether the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) The date of their first appointment as a director of the company's Board of Directors, and any subsequent re-election.
- e) The shares and options they own.

Complies Complies partially Explanation

19. That the Annual Corporate Governance Report, after verification by the appointments committee, explains the reasons for the appointment of proprietary directors at the proposal of the shareholders whose equity interest is less than 3%. It should also explain, where applicable, why formal requests from shareholders for membership on the Board meeting were not honoured, when their equity interest is equal to or exceeds that of other shareholders whose proposal for proprietary directors was honoured.

Complies Complies Partially Explanation Not Applicable

20. That proprietary directors representing significant shareholders must resign from the Board if the shareholder they represent disposes of its entire equity interest. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors representing this shareholder.

Complies Complies Partially Explanation Not Applicable

21. That the Board of Directors may not propose the dismissal of any independent director before the completion of the director's term provided for in the Articles of Association unless the Board of Directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties attendant to his post as a director, fails to complete the tasks inherent to his or her post, or enters into any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public share offer, joint venture or similar transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of the proportionate representation criteria provided for in Recommendation 16.

Complies Explanation

22. That companies establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which may damage the company's standing and reputation. Specifically,

directors must be required to report any criminal acts with which they are charged, as well as the consequent legal proceedings.

And that should a director be indicted or tried for any of the offences set out in company law legislation, the Board of Directors must investigate the case as soon as possible and, based on the particular situation, decide whether the director should continue in his or her post. And that the Board of Directors must provide a reasoned written account of all these events in its Annual Corporate Governance Report.

Complies Complies partially Explanation

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies in the case of the secretary of the Board of Directors, despite not being a director.

Complies Complies Partially Explanation Not Applicable

24. That whenever, due to resignation or any other reason, a director leaves before the completion of his or her term, the director should explain the reasons for this decision in a letter addressed to all the directors of the Board of Directors. Irrespective of whether the resignation has been reported as a relevant fact, it must be included in the Annual Corporate Governance Report.

Complies Complies Partially Explanation Not Applicable

25. That the appointments committee ensures that non-executive directors have sufficient time in order to properly perform their duties.

And that the Board rules establish the maximum number of company Boards on which directors may sit.

Complies Complies partially Explanation

26. That the Board of Directors meet frequently enough so that it may effectively perform its duties, at least eight times per year, following a schedule of dates and agenda established at the beginning of the year and allowing each director individually to propose items do not originally appear on the agenda.

Complies Complies partially Explanation

27. That director absences only occur when absolutely necessary and are quantified in the Annual Corporate Governance Report. And when absences occur, that the director appoints a proxy with instructions.

Complies Complies partially Explanation

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes, upon a request from the protesting party.

Complies Complies Partially Explanation Not Applicable

29. That the company establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies Complies partially Explanation

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances require

Complies Explanation Not Applicable

31. That the agenda for meetings clearly states those matters about which the Board of Directors are to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, under exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies Complies partially Explanation

32. That directors shall be periodically informed of changes in equity ownership and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies Complies partially Explanation

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out his duties required by law and the Articles of Association, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances so dictate.

Complies Complies partially Explanation

34. That when there is a coordinating director, the Articles of Association or the Board rules should confer upon him the following competencies in addition to those conferred by law: chairman of the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; reflect the concerns of non-executive directors; liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns

relate to corporate governance of the company; and coordinate a succession plan for the chairman.

Complies Complies Partially Explanation Not Applicable

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account the recommendations regarding good governance contained in this Code of Good Governance and which are applicable to the company.

Complies Explanation

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:
- a) The quality and efficiency of the Board of Directors' work.
 - b) The workings and composition of its committees.
 - c) Diversity of membership and competence of the Board of Directors.
 - d) Performance of the chairman of the Board of Directors and the chief executive officer of the company.
 - e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the appointments committee.

Every three years, the Board of Directors will rely upon the assistance of an external advisor for its evaluation, whose independence shall be verified by the appointments committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group shall be specified in the Annual Corporate Governance Report.

The process and the areas evaluated shall be described in the Annual Corporate Governance Report.

Complies Complies partially Explanation

37. That if there is an executive committee, the proportion of each different director category must be similar to that of the Board itself, and its secretary must be the secretary of the Board.

Complies Complies Partially Explanation Not Applicable

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies Complies Partially Explanation Not Applicable

39. That the members of the audit committee, in particular its chairman, are appointed in consideration of their knowledge and experience in accountancy, audit and risk

management issues, and that the majority of its members be independent directors.

Complies Complies partially Explanation

40. That under the supervision of the audit committee, there must be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies Complies partially Explanation

41. That the person in charge of the group performing the internal audit function should present an annual work plan to the audit committee, reporting directly on any issues that may arise during the implementation of this plan, and present an activity report at the end of each year.

Complies Complies Partially Explanation Not Applicable

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

- a) Supervise the preparation and integrity of financial information relative to the company and, if applicable, the group, monitoring compliance with governing rules and the appropriate application of consolidation and accounting criteria.
- b) Ensure the independence and effectiveness of the group charged with the internal audit function; propose the selection, appointment, re-election and dismissal of the head of internal audit; draft a budget for this department; approve its goals and work plans, making sure that its activity is focused primarily on material risks to the company; receive periodic information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.
- c) Establish and supervise a mechanism that allows employees to report confidentially and, if appropriate, anonymously, any irregularities with important consequences, especially those of a financial or accounting nature, that they observe in the company.

2. With regard to the external auditor:

- a) In the event that the external auditor resigns, examine the circumstances which caused said resignation.
- b) Ensure that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
- c) Insist that the company file a relevant fact with the CNMV when there is a change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.

- d) Ensure that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks accomplished and regarding the development of its accounting and risks faced by the company.
- e) Ensure that the company and the external auditor comply with applicable rules regarding the rendering of services other than auditing, proportional limits on the auditor's billing, and all other rules regarding the auditor's independence.

Complies Complies partially Explanation

43. That the audit committee may require the presence of any employee or manager of the company, even without the presence of any other member of management.

Complies Complies partially Explanation

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draft a report beforehand to the Board of Directors regarding economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies Complies Partially Explanation Not Applicable

45. That the risk management and control policy identify, as a minimum:

- a) The various types of financial and non-financial risks (among those operational, technological, legal, social, environmental, political and reputational) which the company faces, including financial or economic risks, contingent liabilities and other off balance sheet risks.
- b) Fixing of the level of risk the company considers acceptable.
- c) Means identified in order to minimise identified risks in the event they transpire.
- d) Internal control and information systems to be used in order to control and manage identified risks, including contingent liabilities and other off balance sheet risks.

Complies Complies partially Explanation

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal control and management function should exist delegated to an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensure the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks that may affect the company.
- b) Actively participate in the creation of the risk strategy and in important decisions regarding risk management.
- c) Ensure that the risk management and control systems adequately mitigate risks as defined by policy issued by the Board of Directors.

Complies Complies partially Explanation

47. That members of the appointment and remuneration committee – or of the appointments committee and the remuneration committee if they are separate – are chosen taking into account the knowledge, ability and experience necessary to perform the duties they are called upon to carry out and that the majority of said members are independent directors.

Complies Complies partially Explanation

48. That high market capitalisation companies have formed separate appointments and remuneration committees.

Complies Explanation Not Applicable

49. That the appointments committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director may ask the appointments committee to consider potential candidates he or she considers appropriate to fill a vacancy on the Board of Directors.

Complies Complies partially Explanation

50. That the remuneration committee exercises its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) Propose basic conditions of employment for senior management.
- b) Verify compliance with company remuneration policy.
- c) Periodically review the remuneration policy applied to directors and senior managers, including remuneration involving the delivery of shares, and guarantee that individual remuneration be proportional to that received by other directors and senior managers.
- d) Oversee that potential conflicts of interest do not undermine the independence of external advice rendered to the Board.
- e) Verify information regarding remuneration paid to directors and senior managers contained in the various corporate documents, including the Annual Report on Director Remuneration.

Complies Complies partially Explanation

51. That the remuneration committee consults with the chairman and the chief executive of the company, especially in matters relating to executive directors and senior management.

Complies Complies partially Explanation

52. That the rules regarding composition and workings of supervision and control committees appear in the rules governing the Board of Directors and that they are consistent with those that apply to mandatory committees in accordance with the recommendations above, including:

- a) That they are comprised exclusively of non-executive directors, with a majority of them independent.

- b) That their chairmen be independent directors.
- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and detail their activities and accomplishments during the first plenary session of the Board of Directors held after the committee's last meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and the minutes be made available to all directors.

Complies Complies Partially Explanation Not Applicable

53. That verification of compliance with corporate governance rules, internal codes of conduct and social corporate responsibility policy be assigned to one or split among more than one committee of the Board of Directors, which may be the audit committee, the appointments committee, the corporate social responsibility committee in the event that one exists, or a special committee created by the Board of Directors pursuant to its powers of self-organisation, which at least the following responsibilities shall be specifically assigned thereto:

- a) Verification of compliance with internal codes of conduct and the company's corporate governance rules.
- b) Supervision of the communication strategy and relations with shareholders and investors, including small- and medium-sized shareholders.
- c) The periodic evaluation of the suitability of the company's corporate governance system, with the goal that the company promotes company interests and take into account, where appropriate, the legitimate interests of other stakeholders.
- d) Review of the company's corporate social responsibility policy, ensuring that it is orientated towards value creation.
- e) Follow-up of social responsibility strategy and practice, and evaluation of degree of compliance.
- f) Supervision and evaluation of the way relations with various stakeholders are handled.
- g) Evaluation of everything related to non-financial risks to the company, including operational, technological, legal, social, environmental, political and reputational.
- h) Coordination of the process of reporting on diversity and reporting non-financial information in accordance with applicable rules and international benchmarks.

Complies Complies partially Explanation

54. That the corporate social responsibility policy include principles or commitments which the company voluntarily assumes regarding specific stakeholders and identifies, as a minimum:

- a) The objectives of the corporate social responsibility policy and the

development of tools to support it.

- b) Corporate strategy related to sustainability, the natural environment and social issues.
- c) Concrete practices in matters related to: shareholders, employees, clients, suppliers, social issues, the natural environment, diversity, fiscal responsibility, respect for human rights, and the prevention of unlawful conduct.
- d) Means or systems for monitoring the results of the application of specific practices described in the immediately preceding paragraph, associated risks, and their management.
- e) Means of supervising non-financial risk, ethics, and business conduct.
- f) Communication channels, participation and dialogue with stakeholders.
- g) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies Complies partially Explanation

55. That the company reports, in a separate document or within the management report, on matters related to corporate social responsibility, following internationally recognised methodologies.

Complies Complies partially Explanation

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgment of non-executive directors.

Complies Explanation

57. That only executive directors receive remuneration linked to corporate results or personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments whose value is indexed to share value, or long-term savings plans such as pension plans, retirement accounts or any other retirement plan.

Shares may be given to non-executive directors under the condition that they maintain ownership of the shares until they leave their posts as directors. The foregoing shall not apply to shares that the director may be obliged sell in order to meet the costs related to their acquisition.

Complies Complies partially Explanation

58. That as regards variable remuneration, the policies incorporate limits and administrative safeguards in order to ensure that said remuneration is in line with the work performance of the beneficiaries and are not based solely upon general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk undertaken to achieve a given result.
- b) Promote sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with rules and internal operating procedures and risk management and control policies.
- c) Are based upon balancing short-, medium- and long-term objectives, permitting the reward of continuous achievement over a period of time long enough to judge creation of sustainable value such that the benchmarks used for evaluation are not comprised of one-off, seldom occurring or extraordinary events.

Complies Complies Partially Explanation Not Applicable

59. That a material portion of variable remuneration components be deferred for a minimum period of time sufficient to verify that previously established performance criteria have been met.

Complies Complies Partially Explanation Not Applicable

60. That remuneration related to company results takes into account any reservations which may appear in the external auditor's report which would diminish said results.

Complies Complies Partially Explanation Not Applicable

61. That a material portion of variable remuneration for executive directors depends upon the delivery of shares or instruments indexed to share value.

Complies Complies Partially Explanation Not Applicable

62. That once shares or options or rights to shares arising from remuneration schemes have been delivered, directors are prohibited from transferring ownership of a number of shares equivalent to two times their annual fixed remuneration, and the director may not exercise options or rights until a term of at least three years has elapsed since they received said shares.

The forgoing shall not apply to shares which the director may need to sell in order to meet the costs related to their acquisition.

Complies Complies Partially Explanation Not Applicable

63. That contractual arrangements include a clause which permits the company to seek reimbursement of variable remuneration components in the event that payment does not coincide with performance criteria or when delivery was made based upon data later deemed to be inaccurate.

Complies Complies Partially Explanation Not Applicable

64. That payments made for contract termination shall not exceed an amount equivalent to two years of total annual remuneration and that it shall not be paid until the company has verified that the director has fulfilled all previously established criteria for payment.

Complies Complies Partially Explanation Not Applicable

H FURTHER INFORMATION OF INTEREST

1. If there is any aspect regarding corporate governance in the company or other companies in the group that have not been included in other sections of this report, but which are necessary in order to obtain a more complete and comprehensible picture of the structure and governance practices in the company or group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not redundant.

Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

3. The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. In such a case, name the code in question and the date the company began following it. It should be specifically mentioned that the company adheres to the Code of Good Tax Practices of 20 July, 2010

This Annual Corporate Governance Report was approved by the Board of Directors of the company at the meeting held on _____.

State whether any directors voted against or abstained from voting on this report.

Yes

No

Name of director who has not voted for the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons
Remarks		

INSTRUCTIONS FOR COMPLETING THE ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

(These instructions are applicable to both the template and the statistics of the Annual Corporate Governance Report of Listed Public Limited Companies)

The information in relation to natural or legal persons must be separately provided by means of the corresponding NIF (Tax I.D. No), CIF (V.A.T. No.) or similar code, where

applicable, without prejudice to the fact that said information shall not be considered to constitute public information, for the purposes of the dissemination of the Annual Corporate Governance Reports subject to this Circular, as well as the fact that said information shall be subject, in the case of natural persons, to the data protection regulations.

The information requested in the template, unless otherwise stated, is the information applicable at the date of close of the financial year to which the report refers.

Without prejudice to the provisions of the foregoing paragraph, although a Board member or member of senior management has not performed his or her activities during the complete period subject to the reporting, the remuneration that he or she has received shall be included in the corresponding section. It shall also be necessary to detail the significant operations with significant shareholders, directors or senior managers, although they do not have said status as at the date of close of the financial year.

All of the information that must be included in the report but that is not held by the company shall be provided in relation to the best knowledge and belief of the company, of the communications that have been provided thereto in compliance with applicable legal provisions and in light of the public information included in public registers.

In each one of the sections of the report, the company may include all of the explanations that it considers pertinent in relation to the content thereof, provided that they are relevant and are not repetitive explanations.

A OWNERSHIP STRUCTURE

In order to determine whether a relationship is relevant, both quantitative and qualitative factors must be taken into account.

A.2 The **number of direct and indirect voting rights** shall be set out, in accordance with the terms of Royal Decree 1362/2007, that is to say, when the joint position in shares and financial instruments exceeds either of the reporting thresholds.

In the case of indirect shareholdings, only the direct shareholder with voting rights must be identified when the percentage thereof represents 3% of the total of the voting rights of the issuer, or 1% if resident in a tax haven.

A.3 The **number of direct and indirect voting rights** shall be set out, in accordance with the terms of Royal Decree 1362/2007, that is to say, the position in voting rights for shares and through financial instruments, irrespective of the percentage that they represent.

In the case of indirect shareholdings, only the direct shareholder with voting rights must be identified when the percentage thereof represents 3% of the total of the voting rights of the issuer, or 1% if resident in a tax haven.

The ***Number of Equivalent Voting Rights*** shall set out the number of votes associated with the shares that shall be received by the holder of the option rights if said option rights are exercised. When the number of shares is yet to be

determined as at the date on which this report is drafted, the maximum number of shares to be received by the Board member, as the case may be, shall be stated.

- A.4** In the section “*Type of relationship*” in relation to the significant shareholders, it shall be stated whether the relationship is a family, commercial, contractual or corporate relationship.

The relationships subject to the reporting requirements shall include:

Family relationships:

- a) The spouse or the person that has an analogous affective relationship.
- b) Parents, children and siblings and the respective spouses or persons with an analogous affective relationship.
- c) Parents, children and siblings of the spouse or of the person with an analogous affective relationship.

Corporate relationships:

- a) The holder of the significant shareholding that, either itself or through any intermediary, is subject to any of the situations provided for in paragraph one of Article 42 of the Code of Commerce in relation to any other holder of a significant shareholding.
- b) The directors, *de iure* or *de facto*, the liquidators, and empowered persons with general powers that represent the legal person holder of a significant shareholding.
- c) The companies that are holders of a significant shareholding that form part of the same corporate group and the partners thereof.

Types of commercial or contractual relationships:

- a) When the significant shareholders have or have had, during the financial year subject to the Annual Corporate Governance Report, an important business relationship such as, for example, suppliers of goods or services, advisory, consultancy or audit services.
- b) When a significant shareholder is or has been, during the financial year, the subject of the Annual Corporate Governance Report: director, employee, representative, empowered person or similar, of another significant shareholder.

Any relationship, other than the foregoing, between holders of significant shareholdings in the company, that is considered relevant for the purposes of the reporting included in the Annual Corporate Governance Report.

This section shall not include shareholders’ agreements and concerted actions among shareholders, which are now the subject of reporting by way of a specific section of the Annual Corporate Governance Report.

- A.5** In the section “*Type of relationship*” it shall be stated whether the relationship is a commercial, contractual or corporate relationship, in accordance with the criteria described in the foregoing paragraph.

- A.7** The term **Shareholders’ agreements** shall be deemed to include the agreements that govern the exercise of the voting rights at the General Shareholders’

Meetings or that restrict or condition the free transfer of the shares of listed companies.

In accordance with the provisions of Article 531 of the recast text of the Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July, the formalisation, extension or modification of a shareholders' agreement the purpose of which is the exercise of the voting rights at the General Shareholders' Meetings or that restrict or condition the free transfer of the shares or of the convertible or exchangeable debentures or bonds in the listed companies must be immediately notified to the company and to the Spanish Securities and Exchange Commission.

Said communication must be accompanied by a copy of the clauses of the document that governs the voting rights or that restricts or conditions the free transfer of the shares or of the convertible or exchangeable debentures or bonds. The shareholders' agreement must be published as a relevant fact.

Furthermore, the "**Brief description of the agreement**" shall include a reference to the relevant fact notified to the Spanish Securities and Exchange Commission (date and registration number) that may be accessed in order to obtain the complete terms thereof.

Those agreements that do not have a specific expiry date must be marked as "indefinite" in the corresponding box.

The term **Concerted Action** shall be deemed to mean formalisation of agreements or pacts with other shareholders, that imply the obligation to notify of a significant shareholding, in accordance with the terms of Royal Decree 1362/2007, by virtue of which the parties are required to adopt, by means of a concerted exercise of the voting rights thereof, a common policy in relation to the management of the company or the purpose of which is to have a relevant impact in respect thereof.

- A.8** When control over the company is exercised or may be exercised by way of a concerted action among shareholders, the "**Name or company name**" of the parties to the agreement shall be set out." Said particularities shall be included in "**Comments**."
- A.11** The term "**estimated floating capital**" shall be deemed to mean the part of the share capital that is not held by significant shareholders, members of the Board of Directors or the treasury stock of the company. For the estimated calculation, special care must be taken to remove the possible duplications that may exist in relation to the information included in sections A.2, A.3, A.7 and A.9.
- A.12** The restrictions regarding the voting rights must separately set out any limitations that require a minimum number of shares in order to be able to remotely exercise and cast votes, whether by way of postal correspondence, by electronic channels or by any other similar means of communication provided for in the Articles of Association, that guarantees the due identification of the person that exercises the voting rights.

B GENERAL SHAREHOLDERS' MEETING

- B.1** It shall be necessary to state whether the company has established quorum percentages that differ from those established in the Corporate Enterprises Act. If so, it shall be necessary to state the quorum percentage required by the company, by way of both first and second call, and it must be stated whether the quorum is established in relation to any of the general situations provided for in Article 193 or whether, to the contrary, the quorum refers to a special situation pursuant to Article 194.
- B.2** It shall be necessary to state whether the company has established majorities for the adoption of resolutions that differ from those established in the Corporate Enterprises Act. If so, it shall be necessary to state the qualified majority percentage established by the company, and it must be stated whether the qualified majority differs from that which is established in Article 194 or whether, to the contrary, the qualified majority percentage relates to other situations for the adoption of resolutions subject to a qualified majority.
- B.7** **By means of access to the web page** shall be deemed to mean the specific route to the web page where the information is stored regarding corporate governance and regarding General Shareholders' Meetings.

C STRUCTURE OF THE ADMINISTRATION OF THE COMPANY

- C.1.2** The members of the Board of Directors shall be included in the box, as at the close of the financial year subject to the report.

The "***date of first appointment***" of the most recent uninterrupted period of permanency of the Board member on the Board of Directors shall be stated. The date of appointment shall be deemed to mean the date of appointment as a Board member. If the date of acceptance as a Board member is different to the date of appointment, the date of acceptance shall be stated.

In "***Election procedure***" it shall be stated whether the Board member has been appointed at the General Shareholders' Meeting or whether the co-option system has been used.

If the Board member is a legal person, its **Representative** shall be stated.

The "**Date of birth**" field will not be public and will exclusively be completed for statistical purposes and for automatic processing by the CNMV in order to monitor the effectiveness of the diversity policies and measures relating to the age of the directors.

The "**Reason for leaving and other remarks**" field will include an explanation of the reasons, to the extent that these are known by the entity, leading to the directors identified in the table leaving, whether as a result of resignation, dismissal or any other reason.

At any event, in the case of removals agreed in the general shareholders' meeting that have not been proposed by the board of directors, sufficient information will be included in order to understand the reason and the source of the proposal.

At any event, information will also be included on the content of any statement made by the director in question with regard to their removal, whether made in writing or orally.

Proper completion of this section will be considered particularly important in the case of the removal of independent directors prior to the end of their term.

Furthermore, any additional explanations deemed appropriate may be added with regard to the information included in this section of the report.

- C.1.3** Members of the Board and their different categories: This information shall be drafted taking into account the definitions established in Article 529 *duodecies* of the Corporate Enterprises Act.

In the **Profile** of the directors, in addition to their pertinent personal and professional characteristics, it must also be stated what type of relationship, except when not relevant, in light of quantitative and qualitative factors, said directors have with other directors or senior managers, or with significant shareholders or shareholders represented on the Board of Directors. To the extent that part of this information is included in another section of the ACGR, said information may be included by way of cross-reference.

- C.1.13 Global remuneration of the Board of Directors:** In this section the company shall report upon the remuneration of the Board of Directors during the financial year subject to the report and also in relation to the funds accrued by the Board in terms of pensions, subject to the following details:

The remuneration shall be deemed to include the amount of the salaries, allowances and remuneration of all types, including remuneration in kind, accrued during the financial year by the members of the governing body, whatever the reason for said remuneration.

Rights accrued by the Board member in relation to pensions or the payment of life insurance premiums in respect of past and current members of the governing body. The foregoing shall include the amount of the funds accrued in any investment, insurance or financial vehicle that provides coverage to the pension system (irrespective of whether the beneficiary of the possible provisions of funds is the company or the director) and, in any event, the foregoing shall not be less than the present actuarial value of the obligation accrued in favour of the director, adjusted proportionally to the services effectively substantiated in the financial year in respect of the services required for payment.

The amount expressed in thousand Euros in the box "**Remuneration of the Board of Directors**" shall correspond to the amount that the company declares as the total accrued remuneration, pursuant to table c) "Remuneration summary" of section D.1 – "Details of the individual remuneration accrued by each one of the directors", of the template defined in Annex I of Circular 4/2013, of 12 June, of the CNMV, regarding the annual report on the remuneration of the directors of listed companies and of the members of the Board of Directors and of the control committee of the savings banks that issue securities traded on official securities markets.

The amount expressed in thousand Euros in the box **“Amount of the rights accrued by the current directors in relation to pensions”** shall correspond to the aggregate amount of all of the funds that the company declares as “Amount of the accrued funds” in table iii) “Long-term savings systems” of section D.1 – “Details of the individual remuneration accrued by each one of the directors”, of the report template defined in Annex I of Circular 4/2013, of 12 June, of the CNMV, regarding the annual report on the remuneration of the directors of listed companies and of the members of the Board of Directors and of the control committee of the savings banks that issue securities traded on official securities markets.

The amount expressed in thousand Euros in the box **“Amount of the rights accrued by the previous directors in relation to pensions”** shall correspond to the accrued rights in relation to pensions in respect of the past members of the governing body to the extent that the company continues to have any type of obligation in relation to said directors by virtue of the pensions system. The past members of the governing body shall be deemed to mean the directors that have ceased to be directors prior to the start of the period subject to the corresponding Annual Corporate Governance Report.

- C.1.14** The term **“senior management”** shall be deemed to mean the directors and managers that directly report to the Board or to the chief executive of the company and, in any event, the internal auditor.

The first table shall include the members of senior management as at the date of close of the financial year.

For the calculation of the **“total remuneration of senior management”** the same remuneration concepts as set out in section C.1.15 shall be taken into account, in the table related to the “Remuneration of the Board of Directors”, that are applicable thereto.

The calculation of the **“total remuneration of senior management”** shall include the remuneration of the members of senior management that have performed their functions during the complete reporting period. The foregoing calculation shall also include the remuneration that corresponds to the period in which the members of senior management have exercised their functions at any time during the financial year, although they no longer form part of the senior management at the date of close of the financial year.

Remuneration through persons other than the senior manager: The total remuneration shall also include remuneration received through persons other than the senior manager, that is to say, any transaction between the company and any third party when the purpose of said transaction is to remunerate or compensate a senior manager for his or her functions as a senior manager of the company.

- C.1.25** If the company has established an executive committee, then it shall be necessary to state the **“number of meetings of the executive committee”** held during the financial year.

The **“number of meetings of the appointments and remuneration committee”** must be stated but it shall not be necessary to complete the **“number of meetings of the appointments committee”** or the **“number of the meetings of the remuneration committee”**.

If the company has established an appointments committee, then it shall be necessary to state the “**number of meetings of the appointments committee**” but it shall not be necessary to complete the “**number of meetings of the appointments and remuneration committee**”.

If the company has established a remuneration committee, then it shall be necessary to state the “**number of meetings of the remuneration committee**” but it shall not be necessary to complete the “**number of meetings of the appointments and remuneration committee**”.

In “**number of meetings of the __ committee**” the company may, if it deems necessary, state the number of meetings of the different executive or advisory committees of the Board.

C.1.26 The “**% of in situ members of the total votes during the year**” corresponds to the result from dividing: (i) the total number of in situ members at the meetings of the Board of Directors during the financial year; by (ii) the total number of possible votes at said meetings.

The term “**in situ members**” shall include, in addition to the members physically present at the meetings, the remote attendance at the meetings by way of telematic means that provide for the direct interaction of the Board member. For the foregoing purposes, the proxy representations shall not be included as in situ members, including when subject to specific instructions.

C.1.27 It shall be understood that the annual individual and consolidated accounts are “**certified**” when presented to the Board of Directors with a formal declaration signed by the certifying persons that declares that said accounts reflect, in all significant aspects thereof, the true and accurate image of the financial and equity situation at the close of the financial year, as well as of the results of its operations and of the changes in relation to the financial situation thereof during the financial year and contain the necessary and sufficient information for the adequate understanding thereof, in accordance with applicable regulations.

C.1.30 The independence of the auditors, analysts, investment banks and credit rating agencies represents a key aspect of the corporate governance structure of the company. Accordingly, it is necessary to accurately describe, in light of the particular circumstances thereof, the specific mechanisms established in order to preserve said independence, especially in the case of accounts auditors, including how the regulatory provisions have been implemented in practice.

C.1.32 All of the services shall be included that have been provided both by the auditor or the audit firm as well as the by any of the companies that form part of their corporate network, as defined in Article 3 of the Accounts Audit Act 22/2015, of 20 July. The amounts and the percentage requested in this section shall be calculated in accordance with the criteria set out in Accounts Audit Act 22/2015, of 20 July, and in Regulation (EU) No 537/2014, of 16 April.

C.1.38 The information in relation to this section shall be included, except when disclosure may be seriously prejudicial to the company. The foregoing

exception shall not be applicable when the company is legally required to publish said information.

C.2.1 **Position:** The post of the Board member within the corresponding committee shall be stated: chairman, deputy chairman, committee member or secretary.

In the table called “ ___ *committee*”, as the case may be, the rest of the executive or advisory committees must be separately listed.

The information regarding the functioning of the committees must be presented in a clear, complete and understandable way, and must refer to how the issuer has exercised, in practice, during the past year, the functions and powers thereof, and must refer, in particular, to the specific and particular circumstances thereof.

D RELATED-PARTY TRANSACTIONS

In relation to definitions, criteria and types of aggregation in relation to the persons referred to in this report, the provisions of Order EHA/3050/2004, of 15 September, shall be applicable thereto, regarding the reporting for related-party transactions that must be provided by the companies that issue securities listed for trading in official secondary markets.

The sections “name or company name of the significant shareholder” and/or “name or company name of the directors or senior managers”, shall only be completed if said information is required, pursuant to the terms of the Ministerial Order regarding related-party transactions.

In order to determine whether a transaction is significant, that is, whether it constitutes a material transaction, both for the listed company as well as for the related party, both quantitative as well as qualitative criteria shall be taken into account and the provisions of the international financial reporting standards adopted by the Regulations of the European Union shall be applicable thereto.

If part of the information that is requested in this section is already included in the annual accounts or in the management report, said information may be referenced, provided that said information is clear, specific and precise.

E RISK CONTROL AND MANAGEMENT SYSTEMS

If part of the information that is requested in this section is already included in the management report, said information may be referenced, provided that said information is clear, specific and precise.

E.1 In this section it is necessary to explain which of the following options represents the scope of the Risk Management System of the company:

1. The Risk Management System is an integral system that is continuously operative, that consolidates the management activities per business area or unit or activity, subsidiaries, geographic zones and support areas (such as, for example, human resources, marketing or management control) at a corporate level.
2. The Risk Management System is implemented at a corporate or group level, however not within the scope of the business area or activity,

subsidiaries, geographic zones and support areas (such as, for example, human resources, marketing or management control) at a corporate level.

3. The Risk Management System exists at a business area level or for specific projects but does not consolidate information at a corporate or group level.
4. The company does not have a formally defined Risk Management System.

E.4 If shall be stated whether the company has a tolerance level in relation to the risk (acceptable level of risk) established at a corporate level. As the case may be, the established risk assessment process shall be explained (identification, definition of tolerances and rating scale), and the relevant criteria for the assessment of the main risks and the persons involved in said risk assessment shall also be stated.

E.5 In this section, it shall be necessary to state which risks have taken place during the year, and the circumstances that have caused said risks must be clearly and concisely described, as well as the way in which said risks have affected the results of the company and the capacity to generate value and whether or not the established response / control systems have worked properly.

F INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS FOR THE ISSUE OF FINANCIAL REPORTING (ICFR)

General aspects:

In June 2010, a document was published, drafted by a group of experts, regarding recommendations to the internal control systems for financial reporting (ICFR) for listed companies, that included, among other aspects, a catalogue of principles and good practices, a support guide to inform and supervise the ICFR and a glossary of terms and acronyms. The foregoing document, called “Internal control regarding financial reporting of listed companies” (hereinafter, the “Document regarding internal control”), that is currently available at the web page of the CNMV¹, constitutes the basis for completing the questions in Section F of this report.

The questions included in this section introduce a series of references in relation to internal control practices that must be narratively explained. Said references are grouped together in the first five sub-sections, that correspond to the components of the internal control system. Adequate responses from the company to the questions included in said sub-sections shall constitute an essential aspect in order to describe the degree of implementation of the ICFR.

Furthermore, the companies, in light of the particular circumstances thereof, may include in a sixth sub-section “Other relevant information”, other relevant information in relation to ICFR that is not set out in the previous sub-sections that the company considers necessary for the adequate interpretation of the mechanisms that comprise the ICFR at the company.

In the seventh sub-section, “External auditor’s report”, the companies shall state whether the external auditor has reviewed the information presented by the company.

The information regarding the ICFR included in the Annual Corporate Governance Report, must contain certain common characteristics in order to obtain the highest possible degree of

¹ <http://www.cnmv.es/Portal/Publicaciones/PublicacionesGN.aspx>.

specificity, conciseness, understanding and comparison. As a result thereof, said information must:

- Minimise the use of generalities and statements of principles. The purpose of the information is not to provide a theoretical explanation of the control objectives, but rather to specify the tools available in order to ensure the reliability of the financial reporting.
- Avoid exhaustive descriptions of the control systems of the organisation, which would be of little use to the users of the financial reporting.
- Be drafted in such a way that any user of the financial reporting is able to form an opinion regarding the nature of the ICFR mechanisms. The financial reporting must not include internal or external technical terminology that hinders the understanding thereof.
- Enable the market to assess and compare the financial reporting provided by the company over time and with that of other companies.
- Be of an annual nature and refer to the financial year subject to the Annual Corporate Governance Report.

Applicable definitions:

In order to enhance the utility and uniformity of the financial reporting, hereinbelow a glossary of terms is included, the definitions of which must be adhered to when used for the description of the ICFR:

- Control activities/control: policies and procedures that help ensure that the guidelines established by management are being correctly implemented. The control activities, whether automatic within a reporting system or whether manual procedures, may cover several control objectives and are applicable to different functional and organisational levels.
- Senior management: the directors and managers that report directly to the Board or to the chief executive of the company and, in any event, the internal auditor.
- Internal audit: independent and objective audit and advisory function established to add value and to enhance the operations of the organisation. Helps the organisation to comply with its objectives by providing a systematic and disciplined approach to assess and enhance the efficacy of the risks management, control and governance processes.
- Whistleblowing channel: direct channel of communication with the audit committee, the existence and access of which is disseminated throughout the members of the organisation, outside the scope of the standard operating hierarchy of the organisation, to report any irregularities, preferably of a financial and accounting nature.
- Code of conduct: sets out the principles and values that govern the actions of the staff of the organisation and the responsibilities of staff in the case of fraud, bad practices or illegal activities, in order to establish generally accepted business ethics.
- Good governance code for listed companies: Good governance code for listed companies, approved by the Council of the CNMV in February 2015.

- Internal control: process carried out by the Board of Directors, management and the rest of the employees of the organisation designed to provide reasonable certainty and security in relation to the achievement of objectives within the following categories:
 - Efficacy and efficiency of operations.
 - Reliability of the financial reporting.
 - Compliance with rules applicable to the company.
 - Safeguarding of assets.
- Key controls: the controls that adequately mitigate, with sufficient notice, the existence of fraud or errors that materially affect financial reporting. The key controls include general controls at a company level and control activities selected by reason that they mitigate the risks of material errors in financial reporting.
- Compensatory controls: the controls that are used to satisfy the objective of another control that did not function adequately and that help to reduce the risk to an acceptable level.
- Detection controls: the purpose of the detection controls is to detect errors or irregularities that may affect financial reporting.
- Process controls: controls regarding the operating processes of the organisation that shall be more specific than the general controls thereof.
- General controls of the company: the general controls operate throughout the entire organisation and are generally applicable in relation to processes, transactions or applications. The general controls of the company vary in relation to the precision or nature thereof and may have a direct or indirect impact on the probability that an error shall be halted or detected in time.
- Preventative controls: their purpose is to prevent errors or irregularities that may affect financial reporting.
- Material weakness: weakness of the ICFR or combination of weaknesses of the ICFR that represents a reasonable possibility that a material error takes place in the financial reporting and that is not halted or detected in time (see definition of Materiality).
- Significant weakness: weakness of the ICFR or combination of weaknesses of the ICFR that is not as severe as a material weakness, but sufficiently relevant to require attention from the persons that supervise the process for the drafting and issue of the financial reporting.
- Weakness of the ICFR: weakness of the internal control system caused because:
 - A weakness exists in the design of the system either by reason that the necessary controls are missing in order to guarantee the reliability of financial reporting, or because the existing controls are not adequately designed such that, although the control is effective, the risk is not covered.
 - A weakness exists in relation to the functioning of the system because the existing controls, although adequately designed, do not operate effectively.
- Accounting policy department or area: internal group within the company that is responsible for defining the accounting policies that are subsequently applicable throughout the entire organisation, such that the financial reporting rules applicable to

the company are abided by, as well as for resolving doubts or conflicts in relation to the interpretation thereof.

- Management: the person(s) with executive responsibility for carrying out the activities of the company, who report(s) to senior management.
- Listed companies: companies that issue securities listed for trading on official securities markets.
- Control environment: controls that are established by the management of an organisation and are applied throughout the entire organisation and include the functions, attitudes, knowledge and activities of the governing bodies and management in relation to internal control, as well as the importance of internal control within the company.
- Error: includes, for the purposes of this document, any accidental or intentional act by which information is omitted or incorrect information is presented, such that the financial reporting is not presented in accordance with the rules applicable at the company.
- Risk assessment: process to identify and assess the risks that affect the reliability of financial reporting and to establish the policies to manage said risks.
- Fraud: is an intentional act committed by one or more individuals of the management of a company, or by employees or third parties, that includes misleading activities for the purpose of obtaining an illegal or unfair advantage or benefit.
- Management of corporate risks: process designed to identify potential events that may affect the organisation, in order to manage the potential risks within the thresholds accepted by management and to provide a reasonable degree of security in relation to the fulfilment of the established targets.
- Financial reporting: the term financial reporting is deemed to mean the terms of the annual or half-yearly accounts, that include the balance sheet, the income statement, the statement of changes in net equity, the statement of cash flows and the annual report, as well as the accounting information contained in the management report and the interim quarterly returns.
- Information and communication: the information systems identify, compile, process and distribute the information regarding transactions and events. The communication systems help to disseminate within the organisation the criteria, guidelines, instructions and, in general, the information that is required by the members of the organisation in order to understand the functions and the manner and time in which said activities must be carried out.
- Manual of accounting policies: internal document of each company disseminated among all of the units and departments that constitute the company, containing and explaining the rules for the preparation of the financial reporting and how said rules must be applied to the specific operations of the company. The rules for the accounting manual are based upon the standards applicable to the company (generally IFRS or the General Chart of Accounts), which have been adapted for internal use. It is necessary to state the specific options adopted by the company, as the case may be, which furthermore cover all of the types of transactions carried out by the company.

- **Materiality:** is the magnitude of an error or omission in the financial reporting that may change or affect the reasonable judgement of a person.
- **Procedure for the close of the financial year:** process for the grouping and final consolidation of information sourced from the different units or departments through which the company operates and the registration of adjustments calculated at a corporate level.
- **Disciplinary regime:** group of formal rules that establish the consequences that shall be applicable to a member of the company by reason of a substantiated breach of the code of conduct.
- **Risk:** the possibility that a situation or event may occur that adversely affects the reliability of the financial reporting.
- **Significant risk:** a risk the potential impact of which may be material and require special attention.
- **Reasonable security:** a risk management system, although well designed and operative, is unable to provide a guarantee for the fulfilment of the targets of the company, in light of the limitations inherent to said risk management.
- **System of internal control regarding the process for the preparation and issue of the financial reporting (ICFR):** group of processes that the Board of Directors, the audit committee, management and the pertinent staff of the company carry out in order to provide reasonable security in relation to the reliability of the financial reporting that is released within the market.
- **Supervision of the ICFR:** group of activities to verify that the internal control policies and procedures implemented in order to ensure the reliability of the financial reporting have been duly designed and are being effectively applied, such that they provide reasonable security that the system is effective in order to prevent, detect and correct any material error or fraud in the financial reporting.

If the company uses said terms, or other terms that may be interpreted in a similar manner, but the mechanisms implemented at the company do not correspond to the defined terms included in these instructions, then the company must include the necessary clarifications that provide for the clear understanding of its ICFR. When terms are used that are not defined in these instructions, the specific definition of said terms must be included, when necessary, in order that the markets may obtain an adequate understanding of the ICFR implemented by the company.

Specific aspects:

The purpose of the questions set out in this section is for companies to explain certain key aspects of the ICFR, state whether they have certain control mechanisms and, as the case may be, describe the main characteristics thereof.

Hereinafter, a series of comments are included that, generally speaking, must be used by the company in order to draft the basic financial reporting to be disseminated to the markets and in order to help users to interpret and compare the financial reporting.

F.1 Control environment of the company: The purpose thereof is to provide information to the market on the specific mechanisms that the company has implemented in order to

establish and maintain an environment of internal control that facilitates the generation of complete, reliable and necessary financial reporting (including the information that constitutes the basis for the financial reporting), and that establishes the possible existence of irregularities and the procedures for the detection and correction thereof.

F.1.1. Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) the implementation thereof; and (iii) the supervision thereof.

The companies must include in their responses information regarding whether the Board of Directors has formally assumed, for example, in the regulations thereof, the ultimate responsibility for the existence and maintenance of an adequate and effective ICFR, whether said regulations and the statutes of the audit committee include responsibility for the supervision thereof, and whether other internal codes establish that senior management is responsible for the design and implementation thereof.

F.1.2. Whether, especially in relation to the process for the drafting of the financial reporting, the following elements exist:

Departments and/or mechanisms responsible for: (i) the design and review of the organisational structure; (ii) clearly defining the lines of responsibility and authority, with an adequate distribution of tasks and functions; and (iii) ensuring that sufficient procedures exist for the correct dissemination thereof within the company, and in particular, in relation to the process for the drafting of the financial reporting.

The company must inform of the main characteristics of the procedures for the design, review and update of the organisational structure, of the lines of responsibility and authority and whether they have been documented and disseminated among all of the persons that are involved in the process for the drafting of the financial reporting of the company and of its consolidated group.

Code of conduct, approval body, degree of dissemination and instruction, principles and values included therein (stating whether special mentions exist regarding the registration of operations and the drafting of financial reporting), body responsible for analysing breaches and for proposing corrective actions and sanctions.

In relation to the code of conduct, the company must include information regarding the form in which the code of conduct is distributed, whether the code must be formally ratified by its staff and must also explain the training in relation to said code.

Whistleblowing channel, that provides for the notification to the Audit Committee of financial and accounting irregularities, as well as potential breaches of the Code of Conduct and irregular activities within the organisation, and state whether said channel is confidential.

In relation to the main characteristics of the whistleblowing channel, the company must state the means of communication within the whistleblowing channel (telephone, email, written correspondence,...) and must also state how the system ensures, as the case may be, the confidentiality of the terms thereof prior to analysis by the members of the audit committee.

Training programs and refresher courses for the staff involved in the drafting and review of financial reporting, as well as in the assessment of the ICFR, that covers, at least, accounting rules, audits, internal control and risk management.

In relation to the training and refresher courses, companies must provide summarised information in relation to the areas of knowledge subject to said courses, as well as other relevant quantitative information (such as the number of employees that have received training, etc) as well as qualitative information.

F.2 Risk assessment of financial reporting: The purpose thereof is to provide information to the market regarding the degree of development and systematisation of the process by which the company identifies the sources and risks of error or irregularities in financial reporting. The activities associated with these aspects must include both routine transactions as well as less frequent and potentially complex operations.

F.2.1. What are the main characteristics of the process for the identification of risks, including risks of error or fraud?

In relation to the process for the identification of risks of error or fraud, companies must include in their responses the information that is requested in relation to the established process, without it being necessary to state the risks of error or fraud that have been identified.

F.3 Control activities: The purpose is to provide the market with founded knowledge of the scope of the specific control activities that the company has implemented in order to mitigate the risks of error or irregularities in financial reporting. Practical experience has identified the following common critical areas: (i) procedures for the confirmation of estimations and critical judgements; (ii) functions outsourced to third parties; and (iii) the systematisation and documentation of the procedures for the closing of the accounts.

F.3.1. Procedures for the revision and authorisation of financial reporting and the description of the ICFR, to be published in the securities markets, stating the parties responsible for said procedures, as well as the descriptive documentation of the activities and controls flows (including those related to fraud risk) of the different types of transactions that may substantially affect the financial statements, including the procedure for the closing of the accounts and the specific review of the relevant judgements, estimations, valuations and forecasts.

The revision and authorisation procedures referred to in this question relate to the procedures carried out by senior management and by the audit committee, prior to the functions reserved for the Board of Directors, as well as the procedures carried out by the Board of Directors itself. The companies must complete this information by stating whether internal certifications exist from

Management and from the Finance Department, and companies must state the main characteristics of the procedures established by the audit committee for the review of the financial reporting.

In relation to the activities and controls related to the different types of transactions that may materially affect the financial statements, companies must explain the descriptive documentation, the type of transactions subject thereto and the form in which said documentation is kept up-to-date. Accordingly, the activities and controls referred to in this question are fundamentally the activities and controls established to ensure the adequate registration, valuation, presentation and break-down of the transactions in the financial reporting.

In relation to the relevant judgements, estimations and forecasts, the company must describe the main characteristics of the process established in order to submit the foregoing to the Board of Directors, the audit committee and senior management, as well as the aspects thereof that have been specifically discussed by said bodies or functions in said process.

F.3.2. Policies and procedures for the internal control of the information systems (including, access security, change control, operational aspects, continuous operability and segregation of functions) that support the relevant processes of the company in relation to the drafting and publication of the financial reporting.

The information systems referred to in this question are the systems on which the financial reporting is based, and that are directly used for the drafting thereof, or that are relevant in the process or control of the transactions that are set out in said financial reporting.

On the other hand, the policies and procedures referred to in the foregoing question are those that establish how the systems and applications operate to: (a) maintain adequate control regarding access to the applications and systems; (b) establish the steps to follow in order to ensure that the new applications, or the existing applications when modified, adequately process the transactions and provide reliable information; and (c) establish mechanisms that provide for the recovery of data in the case of loss, as well that provide for the continuity of the process and the registration of the transactions in the case of interruptions of the standard systems.

F.3.3. Internal control policies and procedures for the supervision of the activities subcontracted to third parties, as well as the assessment, calculation or valuation aspects thereof that are commissioned to independent experts, that may substantially affect the financial statements.

In relation to the activities that have been subcontracted to third parties, the information must refer to the activities established to execute or process transactions that are included in the financial statements, to supervise the adequate execution or processes thereof and other activities that are relevant within the context of the ICFR of the company.

In relation to the valuations, judgements or calculations carried out by third parties, the company must state whether procedures exist to verify the capacity and independence of the third party and other relevant aspects (methods used, main hypotheses, etc).

F.4 Information and communication: The information to be included must enable the market to determine whether the company has established procedures and mechanisms to transmit the applicable and relevant criteria, as well as the information systems used for said processes to the staff involved in the drafting process of the financial reporting.

F.4.1. A specific function for the purpose of defining and keeping the accounting policies (accounting policy area or department) up-to-date and for resolving doubts or disputes in relation to the interpretation thereof, while maintaining fluid communication with the persons and units responsible for operations within the organisation, as well as an updated accounting policies manual that is provided to the units pursuant to which the company operates.

Companies must state which department or area assumes this responsibility, the post thereof within the organisation, and whether said function is exclusive or not. In relation to the manual of accounting policies, the company must complete the question by including information regarding aspects such as: (i) how often the manual is updated; (ii) the main characteristics of the process; and (iii) when the most recent update took place.

F.4.2. Mechanisms for the capture and preparation of financial reporting with homogeneous formats, that are applicable and used by all of the units of the company or group, that support the main financial statements and the notes, as well as the information that is set out regarding the ICFR.

In relation to this question, companies must explain the essential characteristics of the computer applications used by the units and departments that comprise the company and its group, in order to provide the information that supports the financial statements, including the applications used in the aggregation and consolidation process of the information reported by the different units and departments.

F.5 Supervision of the functioning of the system: The information to be set out must describe how the ICFR is supervised, in order to prevent and resolve deficiencies in relation to the design and functioning thereof, as well as to correct the incidents or weaknesses detected. The information to be included shall be related to the supervision of the ICFR, for which the audit committee is responsible, and must reflect the activities that have been carried out during the year.

F.5.1. The supervision activities of the ICFR carried out by the audit committee as well as whether the company has an internal auditing function that includes activities that provide support to the committee in relation to its supervision activities for the internal control system, including the ICFR. Furthermore, state the scope of the assessment of the ICFR carried out during the year and the procedure by which the person or unit responsible for carrying out the assessment notifies the results thereof, whether the company has an action plan that details the potential corrective measures, and whether the impact thereof has been taken into consideration in relation to the financial reporting.

The supervisory activities of the ICFR refer to the activities carried out by the audit committee. The company must include in its response information regarding whether the activities include (i) the approval of the audit plans;

(ii) the determination of the persons that are to execute and implement said plans; (iii) the assessment of the suitability of the work carried out; (iv) the review and assessment of the results and the analysis of the effects thereof on financial reporting; and (v) the prioritisation and monitoring of corrective actions.

In relation to the internal audit functions, the company must state the position of the internal audit department in the organisational chart, the reporting lines of the internal audit department, the main activities thereof and other relevant aspects (available resources, exclusivity of the functions thereof, etc).

The information regarding the scope of the assessment of the ICFR must provide information regarding the extent to which the different components of the published financial reporting have been supervised during the year and the scope thereof (for example, whether the process for the identification and assessment of the risk of errors in financial reporting has been analysed; whether the practices regarding the control environment have been analysed, including controls on information systems; whether the efficacy of the design as well as the effective functioning of the system has been reviewed, etc).

F.5.2. Whether a discussion procedure exists by means of which the accounts auditor (in accordance with the provisions of the NTA), the internal audit staff and other experts may notify senior management and the audit committee or directors of the company of the significant internal control weaknesses identified during the processes of review of the annual accounts or during any other processes carried out thereby. Furthermore, state whether an action plan exists for the correction or mitigation of the weaknesses detected.

Companies must state whether the audit committee has established a formal procedure that provides for the communication of significant internal control weaknesses to the bodies set out in the question, as well as whether said procedure includes the assessment and correction of the effects thereof on financial reporting.

F.6 Other relevant information: Companies, in light of the particular circumstances thereof, shall set out in this section, all of the additional information that they consider necessary for the correct and adequate interpretation of the mechanisms that comprise the ICFR, provided that they are not already set out in the responses to the previous questions.

F.7 Report of the external auditor

F.7.1. Whether the information of the ICFR that is released to the markets has been submitted to review by the external auditor, in which case the company must include the corresponding report as an annex. Alternatively, the reasons why no report exists must be stated.

If Section F of the ACGR, in relation to the description of the main characteristics of the internal control and risk management systems regarding the process of the issue of financial reporting, has been reviewed by an external auditor, in accordance with the professional guidelines established for corporations², the complete report shall be published as an Annex to the ACGR. Alternatively, the ACGR shall contain an explanation of

² The guidelines may be reviewed on the web page of the CNMV <http://www.cnmv.es>.

the reasons that justify why the information regarding the ICFR has not been reviewed by the auditor.

Alternatively, in the case that the auditor has carried out a broader scope analysis based upon the generally and internationally recognised auditing standards and based upon a generally recognised and accepted internal control framework, that provides a certain degree of security regarding the design and/or functioning and/or efficacy, of the ICFR (such as, for example, the report for the purposes of due compliance with the SOX law (Sarbanes–Oxley Act) in the USA), the report shall also be published as an Annex to the ACGR.

G DEGREE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE RECOMMENDATIONS

It is necessary to state the degree of compliance by the company with the recommendations regarding the Good Governance Code of Listed Companies. In the case that any recommendation is not complied with or is only partially complied with, a detailed explanation must be included of the reasons, in order that the shareholders, investors and the market in general have sufficient information in order to assess the decisions of the company.

For the recommendations of the Good Governance Code of Listed Companies that group together several good governance practices, the company must individually state the degree of compliance with said practices. In the event that the company does not completely comply with said recommendations, the company must state the option “Partial Compliance”, and add the necessary explanations.

Some of the recommendations of the Good Governance Code of Listed Companies may not be applicable to certain companies. In this case, please state the option “Not applicable”.

ANNEX II TEMPLATE

**ANNUAL CORPORATE GOVERNANCE REPORT OF ENTITIES OTHER
THAN SAVINGS BANKS OR STATE CORPORATIONS OR PUBLIC
INSTITUTIONS THAT ISSUE SECURITIES TRADED ON OFFICIAL
MARKETS**

ISSUER IDENTIFICATION

YEAR- END DATE

Tax Identification No.
[C.I.F.]

Company Name:

Registered Office:

ANNUAL CORPORATE GOVERNANCE REPORT OF ENTITIES OTHER THAN SAVINGS BANKS THAT ISSUE SECURITIES TRADED ON OFFICIAL MARKETS

A OWNERSHIP STRUCTURE

A.1 List the most significant shareholders or mutual fund shareholders of your entity at year-end:

NIF (Tax ID No.) or CIF (VAT No.)	Name or company name of shareholder or mutual fund shareholder	% of share capital

Remarks

A.2 State, as applicable, any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as these are known by the company, unless they are insignificant or arise from ordinary trading or exchange activities:

NIF (Tax ID No.) or CIF (VAT No.)	Name or company name of shareholder or mutual fund shareholder	Type of relationship	Brief description

Remarks

A.3 State, as applicable, any commercial, contractual or corporate relationships between the significant shareholders or mutual fund shareholders and the entity, unless they are insignificant or arise from ordinary trading or exchange activities:

NIF (Tax ID No.) or CIF (VAT No.)	Related-party names or company names	Type of relationship	Brief description

Remarks

A.4 State whether any restrictions exist (Articles of Association, legislative or of any other nature) on the transfer of shares and/or any restriction on voting rights. In particular, notify the existence of any type of restriction that may frustrate the

takeover of the company through the acquisition of its shares in the market, as well as those regimes for prior authorisation or communication on the acquisition or transfer of the company's financial instruments as a result of sector regulations:

Yes No

Description of the restrictions

B GENERAL SHAREHOLDERS' MEETING OR EQUIVALENT BODY

B.1 State the quorum for a General Shareholders' Meeting or equivalent body set out in the Articles of Association. Describe how it differs from the system of minimum quorums set out in the Corporate Enterprise Act (LSC) or applicable regulations.

--

B.2 Explain the system for adopting corporate resolutions. Describe how it differs from the system set out in the LSC or applicable regulations.

--

B.3 Briefly state the resolutions adopted at the General Shareholders' Meetings or meetings of equivalent bodies held during the year referred to in this report and the percentage of votes with which they were adopted.

--

B.4 State whether any point on the agenda was not approved by the shareholders at the General Shareholders' Meetings or meetings of equivalent bodies held during the year.

--

B.5 State the address and mode of accessing your entity's webpage with information on corporate governance.

--

B.6 State if meetings have been held of the different syndicates, if applicable, of holders of securities issued by the entity, the purpose of such meetings held during the year referred to in this report, and the main resolutions adopted.

--

C STRUCTURE OF ADMINISTRATION OF THE ENTITY

C.1 Board or governing body

C.1.1 State the maximum and minimum number of members of the Board or of the governing body:

Maximum number of members of the Board/governing body	
Minimum number of members of the Board/governing body	
Number of directors/members of the body set by the general meeting or assembly	

Remarks

C.1.2 Complete the following table on the members of the Board or governing body and their respective status:

MEMBERS OF THE BOARD/GOVERNING BODY

NIF (Tax ID No.) or CIF (VAT No.) of the Board member	Name or company name of the member of the Board/governing body	Representative	Last date of appointment

Remarks

C.1.3 List the members of the Board or governing body, if any, who hold office as directors or executives in other companies belonging to the company's group:

NIF (Tax ID No.) or CIF (VAT No.) of the Board	Name or company name of the member of the	Company name of the group entity	NIF (Tax ID No.) or CIF (VAT No.) of the group's	Position
	the			

member	Board/governing body		entity	

Remarks

C.1.4 Complete the following table on the number of female directors on the Board of Directors and the committees thereof, as well as the changes therein over the last four years:

	Number of women directors			
	Year t Number %	Year t-1 Number %	Year t-2 Number %	Year t-3 Number %
Board of Directors				
Executive committee				
Audit committee				
___ committee				

Remarks

C.1.5 State whether the company has diversity policies in relation to the governing, management or supervisory bodies of the company on such questions, for example, as age, gender, disability or training or professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

Yes

No

Partial policies

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

--

C.1.6 Complete the following table on the aggregate remuneration of the members of the Board or of the governing body during the year:

Remuneration item	Thousand euros	
	Individual	Group
Fixed remuneration		
Variable remuneration		
Per diems		
Other remuneration		
TOTAL:		

Remarks

- C.1.7 List any members of senior management who are not members of the Board or executive members of the governing body and state total remuneration paid to them during the year:

NIF (Tax ID No.) or CIF (VAT No.)	Name or company name	Position

Total remuneration received by senior management (thousand euros)

Remarks

- C.1.8 State whether the Articles of Association or the Board regulations set a limited term of office for members of the Board or of the governing body:

Yes

No

Maximum number of years in office

Remarks

- C.1.9 State whether the consolidated and individual financial statements submitted for preparation by the Board or governing body are previously certified:

Yes

No

Identify, where applicable, the person(s) who certified the company's individual and consolidated financial statements prior to their approval by the Board:

NIF	Name	Position

Remarks

C.1.10 Explain the mechanisms, if any, established by the Board of Directors or governing body to prevent the individual and consolidated financial statements it prepares from being presented to the General Shareholders' Meeting or equivalent body with a qualified audit report.

--

C.1.11 Is the secretary to the Board or of the governing body a director?

Yes

No

If the Secretary is not a director, complete the following table:

Name or company name of the secretary	Representative

Remarks

C.1.12 State and explain, where applicable, the mechanisms to preserve the independence of the external auditor, financial analysts, investment banks and rating agencies.

--

C.2. Committees of the Board or governing body

C.2.1. List the committees of the Board or governing body:

Name of the committee	No. of members

Remarks

C.2.2 List all committees of the Board or governing body and the members of said committees and the proportion of executive, proprietary, independent and other external directors on them (entities not having the legal form of companies do not complete the category of director in the corresponding

table and in the section with their legal regime and the manner in which they fulfil the conditions for belonging to the audit committee and the appointments and remuneration committee):

EXECUTIVE COMMITTEE

NIF (Tax ID No.) or CIF (VAT No.)	Position	Category

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other external directors	
Number of meetings	

Remarks

Explain the committee's duties, describe the procedures and organisational and operational rules. For each one of these functions, summarise the main actions taken during the year and how each of the functions attributed thereto, whether by law, the Articles of Association or other company resolutions, have been exercised in practice.

--

AUDIT AND CONTROL COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other external directors	
Number of meetings	

Remarks

Explain the functions, including, as the case may be, those in addition to those established by law, attributed to this committee. Describe the procedures and organisational and operating rules of the committee. For

each one of these functions, indicate the most important actions it has taken over the year and how it has exercised in practice each of the functions attributed thereto, whether by law, the Articles of Association or other company resolutions.

--

Identify the directors who are member of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Name of experienced directors	
Date of appointment of the chairperson	

Remarks

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other external directors	
Number of meetings	

Remarks

Explain the functions, including, as the case may be, those in addition to those established by law, attributed to this committee. Describe the procedures and organisational and operating rules of the committee. For each one of these functions, indicate the most important actions it has taken over the year and how it has exercised in practice each of the functions attributed thereto, whether by law, the Articles of Association or other company resolutions.

--

APPOINTMENTS COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other external directors	
Number of meetings	

Remarks

Explain the functions, including, as the case may be, those in addition to those established by law, attributed to this committee. Describe the procedures and organisational and operating rules of the committee. For each one of these functions, indicate the most important actions it has taken over the year and how it has exercised in practice each of the functions attributed thereto, whether by law, the Articles of Association or other company resolutions.

--

REMUNERATION COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other external directors	
Number of meetings	

Remarks

Explain the functions, including, as the case may be, those in addition to those established by law, attributed to this committee. Describe the procedures and organisational and operating rules of the committee. For each one of these functions, indicate the most important actions it has taken over the year and how it has exercised in practice each of the functions attributed thereto, whether by law, the Articles of Association or other company resolutions.

--

----- COMMITTEE

Name	Position	Category

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other external directors	
Number of meetings	

Remarks

Explain the functions, including, as the case may be, those in addition to those established by law, attributed to this committee. Describe the procedures and organisational and operating rules of the committee. For each one of these functions, indicate the most important actions it has taken over the year and how it has exercised in practice each of the functions attributed thereto, whether by law, the Articles of Association or other company resolutions.

--

D RELATED-PARTY AND INTRAGROUP TRANSACTIONS

- D.1 List the transactions conducted between the entity or entities in its group and the shareholders, co-operative members, holders of proprietary rights or any other right of the entity of an equivalent nature.

Name of the significant shareholders/members	Name of the company or group entity	Nature of the relationship	Type of transaction	Amount (thousand euros)

Remarks

- D.2 List the transactions conducted between the entity or entities in its group and the directors or members of the governing body or executives of the entity.

Name of the directors or executives	Name of the related party	Relationship	Nature of the transaction	Amount (thousand euros)

Remarks

D.3 List the intergroup transactions.

Name of group company	Brief description of the transaction	Amount (thousand euros)

Remarks

D.4 List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the entity or its group and members of its Board or governing body or its executives.

--

E RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Describe the risk management system in place at the entity.

--

E.2 Identify the bodies in the entity responsible for preparing and implementing the risk management system.

--

E.3 State the main risks which may prevent the company from achieving its targets.

--

E.4 State if the company has a risk tolerance level.

--

E.5 Identify any risks that have occurred during the year.

E.6 Explain the response and monitoring plans for the main risks the entity is exposed to, as well as the procedures followed by the company in order to ensure that the board of directors responds to any new challenges that arise

F INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS FOR FINANCIAL REPORTING (ICFR)

Describe the mechanisms that comprise the control and risk management systems in relation to financial reporting (ICFR) in your company.

F.1 The entity's control environment

Report, indicating their main characteristics, as a minimum:

F.1.1. The bodies and/or functions responsible for: (i) the existence and regular updating of a suitable, effective ICFR; (ii) its implementation; and (iii) its monitoring.

F.1.2. The existence or otherwise of the following components, especially in connection with the financial reporting process:

- The departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) deploying procedures so this structure is communicated effectively throughout the company, with particular regard to the financial reporting process.
- Code of conduct, approval body, degree of dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action.
- Whistleblowing channel, which allows for communication to the audit committee of any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and malpractice within the organisation, stating whether reports made through this channel are confidential.
- Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating ICFR, which

address, at least, accounting rules, auditing, internal control and risk management.

F.2 Risk assessment in financial reporting

Report, at least, on:

F.2.1. The main characteristics of the risk identification process, including risks of error or fraud:

- The process exists and is documented.
- The process covers all financial reporting objectives (existence and occurrence, completeness, valuation, presentation, disclosure and comparability, and rights and obligations), and if it is updated and how often.
- A specific process is in place to define the scope of consolidation, with reference to the possible existence of complex corporate structures, special purpose vehicles, holding companies, etc.
- If the process addresses other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they may affect the financial statements.
- Identify the entity's governing bodies responsible for overseeing the process.

F.3 Control activities

Report, indicating the main characteristics, on whether it has, at least:

F.3.1. Procedures for reviewing and authorising the financial information and description of ICFR to be disclosed to the markets, stating who is responsible in each case and the documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the separate review of critical judgements, estimates, evaluations and projections.

F.3.2. Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key processes regarding the preparation and publication of financial information.

- F.3.3. Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

F.4 Information and communication

Report, indicating the main characteristics, on whether it has, at least:

- F.4.1. A specific function in charge of defining and maintaining accounting policies (accounting policy area or department) and settling doubts or disputes over their interpretation, which is in regular communication with the team in charge of operations, and a manual of accounting policies regularly updated and communicated to all the entity's operating units.

- F.4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning ICFR.

F.5 Oversight of the system's functioning

Report, indicating the main characteristics, on whether it has, at least:

- F.5.1. The monitoring activities undertaken by the audit committee and whether the entity has an internal audit function whose competences include supporting the audit committee in its role monitoring the internal control system, including ICFR. Describe the scope of the ICFR assessment conducted in the year and the procedure for the person in charge to communicate his/her findings. Also state whether the entity has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial information.

- F.5.2. A discussion procedure whereby the auditor (pursuant to NTA), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the entity's senior management and its audit committee or Board of Directors. Also state whether the entity has an action plan to correct or mitigate the weaknesses found.

F.6 Other relevant information.

F.7 External auditor report

Report on:

- F.7.2. The ICFR information supplied to the market has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review

G OTHER INFORMATION OF INTEREST

Should any other important issues exist in relation to the corporate governance of the company or the group companies not contained in the other sections of this report, but which are necessary to include to attain a more complete and reasoned picture of the structure and governing practices of the company or its group, detail them briefly.

Any other information, clarification or detail may be included in this section related to the previous sections of the report to the extent that they are relevant and not mere repetition.

Specifically, state whether the company is subject to legislation other than Spanish law on corporate governance and, as the case may be, include such information as is obligatory to be provided other than that required in this report.

The company may also state whether it has voluntarily signed up to international, sector or any other codes of ethical principles or good practices. As the case may be, the company will identify the code in question and the date it was signed up to.

This Annual Corporate Governance Report was adopted by the company's Board of Directors at its meeting held on _____.

State whether any directors or members of the governing body voted against or abstained from voting on the approval of this report.

Name or corporate name of the director or board member that did not vote in favour of approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons

INSTRUCTIONS FOR COMPLETING THE ANNUAL CORPORATE GOVERNANCE REPORT OF OTHER ENTITIES (OTHER THAN SAVINGS BANKS OR STATE-OWNED ENTERPRISES OR PUBLIC ENTITIES) THAT ISSUE SECURITIES TRADED ON OFFICIAL MARKETS

(These instructions are applicable to both the template and the statistics of the Annual Corporate Governance Report of other entities - other than savings banks or State-owned trading companies or public entities - that issue securities traded on official markets)

The information in relation to natural or legal persons must be separately provided by means of the corresponding NIF (Tax ID. No), CIF (V.A.T. No.) or similar code, where applicable, without prejudice to the fact that said information shall not be considered to constitute public information, for the purposes of the dissemination of the Annual Corporate Governance Reports subject to this Circular, as well as the fact that said information shall be subject, in the case of natural persons, to data protection regulations.

The information requested in the template, unless otherwise stated, is the information applicable at the date of close of the financial year to which the report refers.

Without prejudice to the provisions of the foregoing paragraph, although a Board member, member of the governing body or member of senior management has not performed his or her activities during the complete period subject to the reporting, the remuneration that he or she has received shall be included in the corresponding section.

It shall also be necessary to detail the significant operations with significant shareholders, cooperative members, holders of proprietary rights, directors, members of the Board of Directors or senior managers, although they do not have said status as at the date of close of the financial year.

All of the information that must be included in the report and that is not held by the entity shall be provided in relation to the best knowledge and belief of the company, of the communications that have been provided thereto in compliance with applicable legal provisions and in light of the public information included in public registers.

Those issuer entities the legal framework of which is not governed by Royal Legislative Decree 1/2010, of 2 July, that approved the recast text of the Corporate Enterprises Act, must explain in each section of the template, where applicable, the legal provisions that are specifically applicable thereto.

In each one of the sections of the report, the company may include all of the explanations that it considers pertinent in relation to the content thereof, provided that they are relevant and are not repetitive explanations.

A OWNERSHIP STRUCTURE

In order to determine whether a relationship is relevant both quantitative as well as qualitative factors must be taken into account.

- A.1. Significant shareholders or partners:** The report must state the shareholders or partners that hold share capital of the entity and that may exercise a notable influence over the entity. Unless otherwise determined, the term “*notable influence*” shall be deemed to mean the possibility to designate or remove a member of the Board of Directors of the entity, or any proposal to designate or remove any member of the Board of Directors of the entity. **It should be noted that references to “shareholders or partners” in this section and other sections of the ACGR also refer, where appropriate, to “members”.**
- A.2.** In the section “**Type of relationship**”, it shall be stated whether the relationship is a family, commercial, contractual or corporate relationship.
- Family relationships shall include the following relationships:
- a) Both the spouse and the person that has an analogous affective relationship as well as the children of the owner of the significant interest.
 - b) The children of the spouse or of the person that has an analogous affective relationship with the owner of the significant interest.
 - c) The persons that are dependent upon or for which the owner of the significant interest, his or her spouse or the person that has an analogous affective relationship are responsible.
- A.3.** In the section “**Type of relationship**” it shall be stated whether the relationship is a commercial, contractual or corporate relationship.
- A.4** The restrictions regarding the voting rights must separately set out any limitations that require a minimum number of shares in order to be able to remotely exercise and cast votes, whether by way of postal correspondence, by electronic channels or by any other similar means of communication provided for in the Articles of Association, that guarantees the due identification of the person that exercises the voting rights.

B GENERAL SHAREHOLDERS’ MEETING OR EQUIVALENT BODY

Throughout this section, the references to the General Shareholders’ Meeting shall be deemed to refer to any equivalent body thereof.

- B.5** **By means of access to the web page** shall be deemed to mean the specific route to the web page where the information is stored regarding corporate governance and regarding General Shareholders’ Meetings.

C STRUCTURE OF THE ADMINISTRATION OF THE ENTITY

- C.1.6** The category “*fixed remuneration*” shall include the salaries received by the directors in their capacity as Executive Directors.

The **Group** section shall state the remuneration accrued by the members of the Board of Directors of the entity by reason that they belong to the Boards of Directors and/or the senior management of the group entities, other than the parent company.

Remuneration through persons other than the Board member: The total remuneration shall also include remuneration received through persons other than the Board member, that is to say, any transaction between the entity and a third party when the purpose of the transaction is to remunerate or compensate a Board member for his or her activities as such within the entity.

Incomplete financial years: Although the Board member has not performed his or her activities during the complete period subject to the reporting, the remuneration that the Board member has received shall be included in section C.1.6 of the report.

- C.1.7 The term senior management shall be understood to mean the general managers and similar posts that directly report to the governing bodies, the steering committees or the managing directors in relation to their management functions.

In order to calculate the “*senior management remuneration*” the same remuneration concepts shall be taken into account as provided for in section C.1.6., as applicable thereto.

Remuneration through persons other than the senior manager: The total remuneration shall also include remuneration received through persons other than the senior manager, that is to say, any transaction between the entity and any third party when the purpose of said transaction is to remunerate or compensate a senior manager for his or her functions as a senior manager of the entity.

Incomplete financial years: Although a senior manager has not performed his or her functions during the complete period subject to the reporting, the remuneration that he or she has received shall be included in section C.1.7 of the report. Notwithstanding the foregoing, said managers shall not have to be included in the first box of this section if they no longer hold said post at the close of the financial year.

- C.1.9 It shall be understood that the individual and consolidated annual accounts are “**certified**” when presented to the governing body with a formal declaration signed by the certifying persons that declare that said accounts reflect, in all significant aspects thereof, the true and accurate image of the financial and equity situation at the close of the financial year, as well as of the results of its operations and of the changes in relation to the financial situation thereof during the financial year and contain the necessary and sufficient information for the adequate understanding thereof, in accordance with applicable regulations.
- C.1.12 The independence of the auditors, analysts, investment banks and credit rating agencies represents a key aspect of the corporate governance structure of the company. Accordingly, it is necessary to precisely describe, in light of the particular circumstances thereof, the specific mechanisms established in order to preserve said independence, especially in the case of the accounts auditors, including how the regulatory provisions have been implemented in practice.
- C.2.1 In the governing bodies section, all of the committees that have been created by the governing body shall be stated, as well as the managing directors.

The information regarding the functioning of the committees must be presented in a clear, complete and understandable way, and must refer to how the issuer has exercised, in practice, during the past year, the functions and powers thereof, and must refer, in particular, to the specific and particular circumstances thereof.

C.2.2 Position: The post that is held on the committee shall be stated; chairman, deputy chairman, committee member or secretary.

The “**number of meetings of the appointments and remuneration committee**” must be stated but it shall not be necessary to complete the “**number of meetings of the appointments committee**” or the “**number of the meetings of the remuneration committee**”.

If the company has established an appointments committee, then it shall be necessary to state the “**number of meetings of the appointments committee**” but it shall not be necessary to complete the “**number of meetings of the appointments and remuneration committee**”.

If the company has established a remuneration committee, then it shall be necessary to state the “**number of the meetings of the remuneration committee**” but it shall not be necessary to complete the “**number of meetings of the appointments and remuneration committee**”.

___ **Committee:** As the case may be, the rest of the committees of the Board of Directors must be separately listed.

D RELATED-PARTY TRANSACTIONS

In relation to definitions, criteria and types of aggregation regarding the persons referred to in this report, the provisions of Order EHA/3050/2004, of 15 September, shall be applicable thereto, regarding the reporting for related-party transactions that must be provided by the companies that issue securities listed for trading on official secondary markets.

The sections “name or company name of the significant shareholder” and/or “name or company name of the directors or senior managers”, shall only be completed if said information is required, pursuant to the terms of the Ministerial Order regarding related-party transactions.

In order to determine whether a transaction is significant, that is, whether it constitutes a material transaction, both for the listed company as well as for the related party, both quantitative as well as qualitative criteria shall be taken into account and the provisions of the international financial reporting standards adopted by the Regulations of the European Union shall be applicable thereto.

If part of the information that is requested in this section is already included in the annual accounts or in the management report, said information may be referenced, provided that said information is clear, specific and precise.

E RISK CONTROL AND MANAGEMENT SYSTEMS

If part of the information that is requested in this section is already included in the management report, said information may be referenced, provided that said information is clear, specific and precise.

E.1 In this section it is necessary to explain which of the following options represents the scope of the Risk Management System of the company:

1. The Risk Management System is an integral system that is continuously operative, that consolidates the management activities per business area or unit or activity, subsidiaries, geographic zones and support areas (such as, for example, human resources, marketing or management control) at a corporate level.
2. The Risk Management System is implemented at a corporate or group level, however not within the scope of the business area or activity, subsidiaries, geographic zones and support areas (such as, for example, human resources, marketing or management control) at a corporate level.
3. The Risk Management System exists at a business area level or for specific projects but does not consolidate information at a corporate or group level.
4. The company does not have a formally defined Risk Management System.

E.4 It shall be stated whether the company has a tolerance level in relation to the risk (acceptable level of risk) established at a corporate level. As the case may be, the established risk assessment process shall be explained (identification, definition of tolerances and rating scale), and the relevant criteria for the assessment of the main risks and the persons involved in said risk assessment shall also be stated.

E.5 In this section, it shall be necessary to state which risks have taken place during the year, and the circumstances that have caused said risks must be clearly and concisely described, as well as the way in which said risks have affected the results of the entity and the capacity to generate value and whether or not the established response/control systems have worked properly.

F INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS FOR THE ISSUE OF FINANCIAL REPORTING (ICFR)

General aspects:

In June 2010, a document was published, drafted by a group of experts, regarding recommendations to the internal control systems for financial reporting (ICFR) for listed companies, that included, among other aspects, a catalogue of principles and good practices, a support guide to inform and supervise the ICFR and a glossary of terms and acronyms. The foregoing document, called "Internal control of financial reporting of listed companies" (hereinafter, the "Internal Control Document"), that is currently available at the web page of the CNMV³, constitutes the basis for completing the questions in Section F of this report.

The questions included in this section introduce a series of references in relation to internal control practices that must be narratively explained. Said references are grouped together in the first five sub-sections, that correspond to the components of the internal control system. Adequate responses from the company to the questions included in said sub-sections shall constitute an essential aspect in order to describe the degree of implementation of the ICFR.

³ <http://www.cnmv.es/Portal/Publicaciones/PublicacionesGN.aspx>.

Furthermore, the companies, in light of the particular circumstances thereof, may include in a sixth sub-section “Other relevant information”, other relevant information in relation to ICFR that is not set out in the previous sub-sections, that the company considers necessary for the adequate interpretation of the mechanisms that comprise the ICFR at the company.

In the seventh sub-section, “External auditor’s report”, the companies shall state whether the external auditor has reviewed the information presented by the company.

The information regarding the ICFR included in the Annual Corporate Governance Report must contain certain common characteristics in order to obtain the highest possible degree of specificity, conciseness, understanding and comparison. As a result thereof, said information must:

- Minimise the use of generalities and statements of principles. The purpose of the information is not to provide a theoretical explanation of the control objectives, but rather to specify the tools available in order to ensure the reliability of the financial reporting.
- Avoid exhaustive descriptions of the control systems of the organisation, which would be of little use to the users of the financial reporting.
- Be drafted in such a way that any user of the financial reporting is able to form an opinion regarding the nature of the mechanisms of the ICFR. The financial reporting must not include internal or external technical terminology that hinders the understanding thereof.
- Enable the market to assess and compare the financial reporting provided by the company over time and with that of other companies.
- Be of an annual nature and refer to the financial year subject to the Annual Corporate Governance Report.

Applicable definitions:

In order to enhance the utility and uniformity of the financial reporting, a glossary of terms is included hereinbelow, the definitions of which must be adhered to when used for the description of the ICFR:

- Control activities/control: policies and procedures that help ensure that the guidelines established by management are being correctly implemented. The control activities, whether automatic within a reporting system or whether manual procedures, may cover several control objectives and are applicable to different functional and organisational levels.
- Senior management: the directors and managers that report directly to the Board or to the chief executive of the company and, in any event, the internal auditor.
- Internal audit: independent and objective audit and advisory function established to add value and to enhance the operations of the organisation. Helps the organisation comply with its objectives by providing a systematic and disciplined approach to assess and enhance the efficacy of the risks management, control and governance processes.

- Whistleblowing channel: direct channel of communication with the audit committee, the existence and access of which is disseminated throughout the members of the organisation, outside the scope of the standard operating hierarchy of the organisation, to report any irregularities, preferably of a financial and accounting nature.
- Code of conduct: sets out the principles and values that govern the actions of the staff of the organisation and the responsibilities of staff in the case of fraud, bad practices or illegal activities, in order to establish generally accepted business ethics.
- Internal control: process carried out by the Board of Directors, management and the rest of the employees of the organisation designed to provide reasonable certainty and security in relation to the achievement of objectives within the following categories:
 - Efficacy and efficiency of operations.
 - Reliability of the financial reporting.
 - Compliance of rules applicable to the company.
 - Safeguarding of assets.
- Key controls: the controls that adequately mitigate, with sufficient notice, the existence of fraud or errors, that materially affect financial reporting. The key controls include general controls at a company level and control activities selected by reason that they mitigate the risks of material errors in the financial reporting.
- Compensatory controls: the controls that are used to satisfy the objective of another control that did not function adequately and that help reduce the risk to an acceptable level.
- Detection controls: the purpose of the detection controls is to detect errors or irregularities that may affect the financial reporting.
- Process controls: controls regarding the operating processes of the organisation that shall be more specific than the general controls thereof.
- General controls of the company: the general controls operate throughout the entire organisation and are applicable to processes, transactions or applications. The general controls of the company vary in relation to the precision or nature thereof and may have a direct or indirect impact on the probability that an error shall be prevented or detected in time.
- Preventative controls: their purpose is to prevent errors or irregularities that may affect the financial reporting.
- Material weakness: weakness of the ICFR or combination of weaknesses of the ICFR that represents a reasonable possibility that a material error takes place in the financial reporting and that is not halted or detected in time (see definition of Materiality).
- Significant weakness: weakness of the ICFR or combination of weaknesses of the ICFR that is not as severe as a material weakness, however sufficiently relevant to require attention from the persons that supervise the process for the drafting and issue of the financial reporting.
- Weakness of the ICFR: weakness of the internal control system caused because:
 - A weakness exists in the design of the system either by reason that the necessary controls are missing in order to guarantee the reliability of the financial reporting, or

because the existing controls are not adequately designed such that, although the control is effective, the risk is not covered.

- A weakness exists in relation to the functioning of the system because the existing controls, although adequately designed, do not operate effectively.
- Accounting policy department or area: internal group within the company that is responsible for defining the accounting policies that are subsequently applicable throughout the entire organisation, such that the financial reporting rules applicable to the company are abided by, as well as for resolving doubts or conflicts in relation to the interpretation thereof.
- Management: the person(s) with executive responsibility for carrying out the activities of the company, that report(s) to senior management.
- Listed companies: companies that issue securities listed for trading on official securities markets.
- Control environment: controls that are established by the management of an organisation and are applied throughout the entire organisation and include the functions, attitudes, knowledge and activities of the governing bodies and management in relation to internal control, as well as the importance of internal control within the company.
- Error: includes, for the purposes of this document, any accidental or intentional act by which information is omitted or incorrect information is presented, such that the financial reporting is not presented in accordance with the rules applicable at the company.
- Risk assessment: process to identify and assess the risks that affect the reliability of the financial reporting and to establish the policies to manage said risks.
- Fraud: is an intentional act committed by one or more individuals of the management of a company, or by employees or third parties, that include misleading activities for the purpose of obtaining an illegal or unfair advantage or benefit.
- Management of corporate risks: process designed to identify potential events that may affect the organisation, to manage the potential risks within the thresholds accepted by Management and to provide a reasonable degree of security in relation to the fulfilment of the established targets.
- Financial reporting: the term financial reporting is deemed to mean the terms of the annual or half-yearly accounts, that include the balance sheet, the income statement, the statement of changes in net equity, the statement of cash flows and the annual report, as well as the accounting information contained in the management report and the interim quarterly declarations.
- Information and communication: the information systems identify, compile, process and distribute the information regarding transactions and events. The communication systems help to disseminate within the organisation the criteria, guidelines, instructions and, in general, the information that is required by the members of the organisation in order to understand the functions and the manner and time in which said activities must be carried out.
- Manual of accounting policies: internal document of each company disseminated among all of the units and departments that constitute the company, containing and explaining

the rules for the preparation of the financial reporting and how said rules must be applied to the specific operations of the company. The rules for the accounting manual are based upon the standards applicable to the company (generally IFRS or the General Chart of Accounts), which have been adapted for internal use. It is necessary to state the specific options adopted by the company, as the case may be, which furthermore cover all of the types of transactions carried out by the company.

- **Materiality:** is the magnitude of an error or omission in the financial reporting that may change or affect the reasonable judgement of a person.
- **Procedure for the close of the financial year:** process for the grouping and final consolidation of information sourced from the different units or departments through which the company operates and the registration of adjustments calculated at a corporate level.
- **Disciplinary regime:** group of formal rules that establish the consequences that shall be applicable to a member of the company by reason of a substantiated breach of the code of conduct.
- **Risk:** the possibility that a situation or event may occur that adversely affects the reliability of the financial reporting.
- **Significant risk:** a risk the potential impact of which may be material and require special attention.
- **Reasonable security:** a risk management system, although well designed and operative, is unable to provide a guarantee for the fulfilment of the targets of the company, in light of the limitations inherent to said risk management.
- **System of internal control regarding the process for the preparation and issue of the financial reporting (ICFR):** group of processes that the Board of Directors, the audit committee, management and the pertinent staff of the company carry out in order to provide reasonable security in relation to the reliability of the financial reporting that is released within the market.
- **Supervision of the ICFR:** group of activities to verify that the internal control policies and procedures implemented in order to ensure the reliability of the financial reporting have been duly designed and are being effectively applied, such that they provide reasonable security that the system is effective in order to prevent, detect and correct any material error or fraud in the financial reporting.

If the company uses said terms, or other terms that may be interpreted in a similar manner, but the mechanisms implemented at the company do not correspond to the defined terms included in these instructions, then the company must include the necessary clarifications that provide for the clear understanding of its ICFR. When terms are used that are not defined in these instructions, the specific definition of said terms must be included, when necessary, in order that the markets may obtain an adequate understanding of the ICFR implemented by the company.

Specific aspects:

The purpose of the questions set out in this section is for companies to explain certain key aspects of the ICFR, state whether they have certain control mechanisms and, as the case may be, describe the main characteristics thereof.

Hereinafter, a series of comments are included that, generally speaking, must be used by the company in order to draft the basic financial reporting to be disseminated to the markets and in order to help users to interpret and compare the financial reporting.

F.1 Control environment of the company: The purpose thereof is to provide information to the market on the specific mechanisms that the company has implemented in order to establish and maintain an environment of internal control that facilitates the generation of complete, reliable and necessary financial reporting (including the information that constitutes the basis for the financial reporting), and that establishes the possible existence of irregularities and the procedures for the detection and correction thereof.

F.1.1. Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) the implementation thereof; and (iii) the supervision thereof.

The companies must include in their responses information regarding whether the Board of Directors has formally assumed, for example, in the regulations thereof, the ultimate responsibility for the existence and maintenance of an adequate and effective ICFR, whether said regulations and the statutes of the audit committee include responsibility for the supervision thereof, and whether other internal codes establish that senior management is responsible for the design and implementation thereof.

F.1.2. Whether, especially in relation to the process for the drafting of the financial reporting, the following elements exist:

Departments and/or mechanisms responsible for: (i) the design and review of the organisational structure; (ii) clearly defining the lines of responsibility and authority, with an adequate distribution of tasks and functions; and (iii) ensuring that sufficient procedures exist for the correct dissemination thereof within the company, and in particular, in relation to the process for the drafting of the financial reporting.

The company must inform of the main characteristics of the procedures for the design, review and update of the organisational structure, of the lines of responsibility and authority and whether they have been documented and disseminated among all of the persons that are involved in the process for the drafting of the financial reporting of the company and of its consolidated group.

Code of conduct, approval body, degree of dissemination and instruction, principles and values included therein (stating whether special mentions exist regarding the registration of operations and the drafting of financial reporting), body responsible for analysing breaches and for proposing corrective actions and sanctions.

In relation to the code of conduct, the company must include information regarding the form in which the code of conduct is distributed, whether the code must be formally ratified by its staff and must also explain the training in relation to said code.

Whistleblowing channel, that provides for the notification to the Audit Committee of financial and accounting irregularities, as well as potential breaches of the Code of Conduct and irregular activities within the organisation, and state whether said channel is confidential.

In relation to the main characteristics of the whistleblowing channel, the company must state the means of communication within the whistleblowing channel (telephone, email, written correspondence,...) and must also state how the system ensures, as the case may be, the confidentiality of the terms thereof prior to analysis by the members of the audit committee.

Training programs and refresher courses for the staff involved in the drafting and review of financial reporting, as well as in the assessment of the ICFR, that covers, at least, accounting rules, audits, internal control and risk management.

In relation to the training and refresher courses, companies must provide summarised information in relation to the areas of knowledge subject to said courses, as well as other relevant quantitative information (such as the number of employees that have received training, etc) as well as qualitative information.

F.2 Risk assessment of financial reporting: The purpose thereof is to provide information to the market regarding the degree of development and systematisation of the process by which the company identifies the sources and risks of error or irregularities in financial reporting. The activities associated with these aspects must include both routine transactions as well as less frequent and potentially complex operations.

F.2.1. What are the main characteristics of the process for the identification of risks, including risks of error or fraud?

In relation to the process for the identification of risks of error or fraud, companies must include in their responses the information that is requested in relation to the established process, without it being necessary to state the risks of error or fraud that have been identified.

F.3 Control activities: The purpose is to provide the market with founded knowledge of the scope of the specific control activities that the company has implemented in order to mitigate the risks of error or irregularities in financial reporting. Practical experience has identified the following common critical areas: (i) procedures for the confirmation of estimations and critical judgements; (ii) functions outsourced to third parties; and (iii) the systematisation and documentation of the procedures for the closing of the accounts.

F.3.1. Procedures for the revision and authorisation of financial reporting and the description of the ICFR, to be published in the securities markets, stating the parties responsible for said procedures, as well as the descriptive documentation of the activities and controls flows (including those related to fraud risk) of the different types of transactions that may substantially affect the financial statements, including the procedure for the closing of the accounts and the specific review of the relevant judgements, estimations, valuations and forecasts.

The revision and authorisation procedures referred to in this question relate to the procedures carried out by senior management and by the audit committee, prior to the functions reserved for the Board of Directors, as well as the procedures carried out by the Board of Directors itself. The companies must complete this information by stating whether internal certifications exist from Management and from the Finance Department, and companies must state the main characteristics of the procedures established by the audit committee for the review of the financial reporting.

In relation to the activities and controls related to the different types of transactions that may materially affect the financial statements, companies must explain the descriptive documentation, the type of transactions subject thereto and the form in which said documentation is kept up-to-date. Accordingly, the activities and controls referred to in this question are fundamentally the activities and controls established to ensure the adequate registration, valuation, presentation and break-down of the transactions in the financial reporting.

In relation to the relevant judgements, estimations and forecasts, the company must describe the main characteristics of the process established in order to submit the foregoing to the Board of Directors, the audit committee and senior management, as well as the aspects thereof that have been specifically discussed by said bodies or functions in said process.

F.3.2. Policies and procedures for the internal control of the information systems (including, access security, change control, operational aspects, continuous operability and segregation of functions) that support the relevant processes of the company in relation to the drafting and publication of the financial reporting.

The information systems referred to in this question are the systems on which the financial reporting is based, and that are directly used for the drafting thereof, or that are relevant in the process or control of the transactions that are set out in said financial reporting.

On the other hand, the policies and procedures referred to in the foregoing question are those that establish how the systems and applications operate to: (a) maintain adequate control regarding access to the applications and systems; (b) establish the steps to follow in order to ensure that the new applications, or the existing applications when modified, adequately process the transactions and provide reliable information; and (c) establish mechanisms that provide for the recovery of data in the case of loss, as well that provide for the continuity of the process and the registration of the transactions in the case of interruptions of the standard systems.

F.3.3. Internal control policies and procedures for the supervision of the activities subcontracted to third parties, as well as the assessment, calculation or valuation aspects thereof that are commissioned to independent experts, that may substantially affect the financial statements.

In relation to the activities that have been subcontracted to third parties, the information must refer to the activities established to execute or process transactions that are included in the financial statements, to supervise the adequate execution or processes thereof and other activities that are relevant within the context of the ICFR of the company.

In relation to the valuations, judgements or calculations carried out by third parties, the company must state whether procedures exist to verify the capacity and independence of the third party and other relevant aspects (methods used, main hypotheses, etc).

F.4 Information and communication: The information to be included must enable the market to determine whether the company has established procedures and mechanisms to transmit the applicable and relevant criteria, as well as the information systems used for said processes to the staff involved in the drafting process of the financial reporting.

F.4.1. A specific function for the purpose of defining and keeping the accounting policies (accounting policy area or department) up-to-date and for resolving doubts or disputes in relation to the interpretation thereof, while maintaining fluid communication with the persons and units responsible for operations within the organisation, as well as an updated accounting policies manual that is provided to the units pursuant to which the company operates.

Companies must state which department or area assumes this responsibility, the post thereof within the organisation, and whether said function is exclusive or not. In relation to the manual of accounting policies, the company must complete the question by including information regarding aspects such as: (i) how often the manual is updated; (ii) the main characteristics of the process; and (iii) when the most recent update took place.

F.4.2. Mechanisms for the capture and preparation of financial reporting with homogeneous formats, that are applicable and used by all of the units of the company or group, that support the main financial statements and the notes, as well as the information that is set out regarding the ICFR.

In relation to this question, companies must explain the essential characteristics of the computer applications used by the units and departments that comprise the company and its group, in order to provide the information that supports the financial statements, including the applications used in the aggregation and consolidation process of the information reported by the different units and departments.

F.5 Supervision of the functioning of the system: The information to be set out must describe how the ICFR is supervised, in order to prevent and resolve deficiencies in relation to the design and functioning thereof, as well as to correct the incidents or weaknesses detected. The information to be included shall be related to the supervision of the ICFR, for which the audit committee is responsible, and must reflect the activities that have been carried out during the year.

F.5.1. The supervision activities of the ICFR carried out by the audit committee as well as whether the company has an internal auditing function that includes activities that provide support to the committee in relation to its supervision activities for the internal control system, including the ICFR. Furthermore, state the scope of the assessment of the ICFR carried out during the year and the procedure by which the person or unit responsible for carrying out the assessment notifies the results thereof, whether the company has an action plan that details the potential corrective measures, and whether the impact thereof has been taken into consideration in relation to the financial reporting.

The supervisory activities of the ICFR refer to the activities carried out by the audit committee. The company must include in its response information regarding whether the activities include (i) the approval of the audit plans; (ii) the determination of the persons that are to execute and implement said plans; (iii) the assessment of the suitability of the work carried out; (iv) the review and assessment of the results and the analysis of the effects thereof on financial reporting; and (v) the prioritisation and monitoring of corrective actions.

In relation to the internal audit functions, the company must state the position of the internal audit department in the organisational chart, the reporting lines of the internal audit department, the main activities thereof and other relevant aspects (available resources, exclusivity of the functions thereof, etc).

The information regarding the scope of the assessment of the ICFR must provide information regarding the extent to which the different components of the published financial reporting have been supervised during the year and the scope thereof (for example, whether the process for the identification and assessment of the risk of errors in financial reporting has been analysed; whether the practices regarding the control environment have been analysed, including controls on information systems; whether the efficacy of the design as well as the effective functioning of the system has been reviewed, etc).

- F.5.2. Whether a discussion procedure exists by means of which the accounts auditor (in accordance with the provisions of the NTA), the internal audit staff and other experts may notify senior management and the audit committee or directors of the company of the significant internal control weaknesses identified during the processes of review of the annual accounts or during any other processes carried out thereby. Furthermore, state whether an action plan exists for the correction or mitigation of the weaknesses detected.**

Companies must state whether the audit committee has established a formal procedure that provides for the communication of significant internal control weaknesses to the bodies set out in the question, as well as whether said procedure includes the assessment and correction of the effects thereof on financial reporting.

- F.6 Other relevant information:** Companies, in light of the particular circumstances thereof, shall set out in this section, all of the additional information that they consider necessary for the correct and adequate interpretation of the mechanisms that comprise the ICFR, provided that they are not already set out in the responses to the previous questions.

F.7 Report of the external auditor

- F.7.1. Whether the information of the ICFR that is released to the markets has been submitted to review by the external auditor, in which case the company must include the corresponding report as an annex. Alternatively, the reasons why no report exists must be stated.**

If Section F of the ACGR, in relation to the description of the main characteristics of the internal control and risk management systems regarding the process of the issue of financial reporting, has been reviewed by an external auditor, in accordance with the professional guidelines

established for corporations⁴, the complete report shall be published as an Annex to the ACGR. Alternatively, the ACGR shall contain an explanation of the reasons that justify why the information regarding the ICFR has not been reviewed by the auditor.

Alternatively, in the case that the auditor has carried out a broader scope analysis based upon the generally and internationally recognised auditing standards and based upon a generally recognised and accepted internal control framework, that provides a certain degree of security regarding the design and/or functioning and/or efficacy, of the ICFR (such as, for example, the report for the purposes of due compliance with the SOX law (Sarbanes–Oxley Act) in the USA), the report shall also be published as an Annex to the ACGR.

G OTHER INFORMATION OF INTEREST

If any other relevant aspect exists in respect of the corporate governance of the entity or of the entities of the group and that has not been set out in the rest of the sections of this report, and that it is necessary to include in order to provide more complete and reasoned reporting regarding the structure and practices of the governance of the entity or of the group thereof, briefly state said aspects.

⁴ The guidelines may be reviewed on the web page of the CNMV <http://www.cnmv.es>.

ANNEX IV TEMPLATE

**ANNUAL CORPORATE GOVERNANCE REPORT OF ENTITIES THAT ARE
PART OF THE INSTITUTIONAL PUBLIC SECTOR THAT ISSUE SECURITIES
TRADED ON OFFICIAL MARKETS**

ISSUER IDENTIFICATION

YEAR- END DATE

Tax Identification No.
[C.I.F.]

Company Name:

Registered Office:

ANNUAL CORPORATE GOVERNANCE REPORT OF ENTITIES THAT ARE PART OF THE INSTITUTIONAL PUBLIC SECTOR THAT ISSUE SECURITIES TRADED ON OFFICIAL MARKETS

A NATURE AND LEGAL REGIME

A.1 Explain the nature and legal regime of the entity, indicating the regulatory framework applicable thereto and its ownership and/or control structure.

--

A.2 Explain the aims and functions of the entity.

--

B GOVERNING BODIES OF THE ENTITY

B.1 List the different governing bodies and explain their composition, procedures and rules for organisation and operation, as well as the system for adopting resolutions.

--

B.2 Complete the following table on the members of the Board of Directors or other governing body:

MEMBERS OF THE BOARD/ GOVERNING BODY

NIF (Tax ID No.) or CIF (VAT No.) of the Board member	Name or company name of the member of the Board/governing body	Representative	Last date of appointment

Remarks

B.3 Explain the remuneration system established for the members of the governing body of the entity, and state the remuneration accrued to them over the year.

--

B.4 Complete the following table of information on the number of female members of the board or governing body, and other management bodies of the entity:

	Number of women			
	Year t Number %	Year t-1 Number %	Year t-2 Number %	Year t-3 Number %
Board of Directors				
___ Body				

Remarks

- B.5 State whether the entity has diversity policies in relation to the governing, management and supervisory bodies of the entity on such questions as age, gender, disability and training and professional experience.

Yes

No

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors or governing body and, as the case may be, the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

In the event that the entity does not apply a diversity policy, explain the reasons why.

--

- B.6 State the address and method of access to the entity's corporate governance information on the web page.

--

C RELATED-PARTY AND INTRAGROUP TRANSACTIONS

- C.1 Specify the transactions carried out between the entity and group entities and the directors or members of the governing body or executives of the entity.

Name of director or manager	Name of the related party	Relationship	Type of transaction	Amount (thousand euros)

Remarks

- C.2 Specify the intragroup transactions, including those made with entities that hold significant control or influence over the entity.

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)

Remarks

C.3 Specify the mechanisms established to detect, determine and resolve potential conflicts of interest between the entity or its group and its significant control or influence entities, directors or members of the governing body or executives.

D CONTROL AND RISK MANAGEMENT SYSTEMS

E.1 Explain the entity’s control and risk management systems.

E INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS FOR THE ISSUE OF FINANCIAL REPORTING (ICFR)

F.1 Describe the mechanisms that make up the internal risk control and management systems in relation to the process for the issue of financial reporting (ICFR) of your entity.

F OTHER INFORMATION OF INTEREST

Should any other important issues exist in relation to the corporate governance of the entity or the group entities not contained in the other sections of this report, but which are necessary to include to attain a more complete and reasoned picture of the structure and governing practices of the entity or its group, detail them briefly.

Any other information, clarification or detail may be included in this section related to the previous sections of the report to the extent that they are relevant and not mere repetition.

The entity may also state whether it has voluntarily signed up to international, sector or any other codes of ethical principles or good practices. As the case may be, the entity will identify the code in question and the date it was signed up to.

This Annual Corporate Governance Report was adopted by the Board of Directors or governing body of the entity at its meeting held on _____.

State whether any directors or members of the governing body voted against or abstained from voting on the approval of this report.

**ANNEX V – STATISTICS ON ANNUAL CORPORATE GOVERNANCE REPORT
OF LISTED COMPANIES**

ISSUER IDENTIFICATION

YEAR- END DATE

Tax Identification No.
[C.I.F.]

Company Name:

Registered Office:

**ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES
— STATISTICS**

A CAPITAL STRUCTURE

A.1 Complete the table below with details of the share capital of the company:

Date of last change	Share capital (Euros)	Number of shares	Number of voting rights

State whether there are different classes of shares with different associated rights:

Yes

No

Class	Number of shares	Par value	Number of votes	Associated rights

A.2 Please provide details of the company's significant direct and indirect shareholders at year end, excluding any directors:

Name of shareholder	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	

Breakdown of the indirect holding:

Name of indirect shareholder	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights

A.3 In the following tables, list the members of the Board of Directors with voting rights in the company:

Name of director	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting	% voting rights that can be transmitted through financial instruments

	Direct	Indirect	Direct	Indirect	rights	Direct	Indirect

Total percentage of voting rights held by the Board of Directors	
--	--

Breakdown of the indirect holding:

Name of director	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments

A.7 State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Ley de Sociedades de Capital ("Corporate Enterprises Act" or "LSC"). If so, describe these agreements and list the party shareholders:

Yes

No

Parties to the shareholders' agreement	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable

State whether the company is aware of any concerted actions among its Shareholders. If so, provide a brief description:

Yes

No

Parties to the concerted action	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable

A.8 State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Ley de Mercados de Valores ("Spanish Securities Market Act" or "LMV"). If so, please identify them:

Yes

No

Name of individual or company

A.9 Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total Percentage of share capital

(*) through::

Name of direct shareholder	Number of direct shares
Total:	

A.11 Estimated working capital:

	%
Estimated working capital	

A.14 State if the company has issued shares which are not traded on an EU regulated market.

Yes

No

B GENERAL SHAREHOLDERS' MEETING

B.4 Give details of attendance at General Shareholders' Meetings held during the year of this report and the previous years:

Date of General Shareholders' Meeting	Attendance details				Total
	% physically present	% present by proxy	% Distance voting		
			Electronic voting	Other	
Of which, free float:					

B.5 State whether any points on the agenda of the General Shareholders' Meetings during the year have not been approved by shareholders.

Yes

No

Points on agenda not approved	% votes against

B.6 State if the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or on distance voting:

Yes

No

Number of shares required to attend General Shareholders' Meetings	
Number of shares required for distance voting	

C GOVERNING STRUCTURE OF COMPANY

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the Articles of Association:

Maximum number of directors	
Minimum number of directors	
Number of directors set by the general meeting	

C.1.2 Please complete the following table regarding directors:

Name of director	Natural person representative	Director category	Position on the Board	Date first appointed to Board	Last Re-election date	Method of selection to Board	Date of birth

Total number of directors	
---------------------------	--

State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Name of director	Director status at time of departure	Date of last appointment	Date director departed	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term

C.1.3 Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name or company name of director	Position in organisational chart of the company	Profile

Total number of executive directors	
Percentage of Board	

PROPRIETARY DIRECTORS

Name of director	Name or company name of the significant shareholder represented or that has proposed their appointment	Profile

Total number of proprietary directors	
Percentage of the Board	

INDEPENDENT DIRECTORS

Name of director	Profile

Number of independent directors	
Percentage of the Board	

State whether any independent director receives from the company or any group company any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company which has or has had such a relationship.

Should this be the case, include a statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name of the director	Description of the relationship	Grounded statement

OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

Name of director	Reason	Company, executive or shareholder to whom the director is connected	Profile

Total number of other external directors	
Percentage of the Board	

State any changes in status that have occurred during the period for each director:

Name of director	Date of change	Prior status	Current status

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of directors for each category			
	Year t	Year t-1	Year t-2	Year t-3	Year t	Year t-1	Year t-2	Year t-3
Executive								
Proprietary								
Independent								
Other external								
Total								

C.1.11 List any legal-person directors of your company who are members of the Board of Directors of other companies listed on official securities markets other than group companies, and have communicated that status to the Company:

Name of director	Name of listed company	Position

C.1.12 State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

Yes No

C.1.13 State total compensation received by the Board of Directors:

Board compensation in financial year (thousand euros)	
Amount of vested pension interests for current members (thousand euros)	
Amount of vested pension interests for former members (thousand euros)	

C.1.14 Identify senior managers who are not executive directors and their total remuneration accrued during the year:

Name	Position

--	--

Total senior management remuneration (in thousand euros)	
---	--

C.1.15 State whether the Board rules were amended during the year:

Yes No

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, to be appointed as chairman of the Board of Directors.

Yes No

C.1.23 State whether the Articles of Association or the Board Rules establish any term limits for independent directors other than those required by law:

Yes No

Additional requirements and/or maximum number of term limits	
---	--

C.1.25 State the number of meetings held by the Board of Directors during the year, and if applicable, the number of times the Board met without the chairman present. Meetings where the chairman sent specific proxy instructions are to be counted as attended.

Number of Board meetings	
Number of Board meetings without the chairman	

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director.

Number of meetings	
---------------------------	--

Please specify the number of meetings held by each Board committee during the year:

Number of meetings held by the executive committee	
Number of meetings held by the audit committee	
Number of meetings held by the appointments and remuneration committee	
Number of meetings held by the appointments committee	
Number of meetings held by the remuneration committee	
Number of meetings held by the _____ committee	

C.1.26 State the number of meetings held by the Board of Directors during the year in which all of its directors were present. For the purposes of this section, proxies given with specific instructions should be considered as attendance

Number of meetings when all directors attended	
% of attendance over total votes during the financial year	
Number of meetings in situ or representations made with specific instructions of all directors	
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the financial year	

C.1.27 State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified

Yes No

Identify, if applicable, the person/s who certified the individual and consolidated financial statements of the company for preparation by the Board:

Name	Position

C.1.29 Is the secretary of the Board also a director?

Yes No

If the secretary is not a director, please complete the following table:

Name of the secretary	Representative

C.1.31 State whether the company changed its external auditor during the year. If so, please identify the incoming and outgoing auditor:

Yes No

Outgoing auditor	Incoming auditor

If there were any disagreements with the outgoing auditor, please provide an explanation:

Yes No

Explanation of disagreements

C.1.32 State whether the audit firm provides any non-audit services to the company and/or its group and, if so, the fees paid and the corresponding percentage of total fees invoiced to the company and/or group:

Yes | No |

	Company	Group Companies	Total
Amount invoiced for non-audit services (thousand euros)			
Amount invoiced for non-audit services/ Amount for audit work (in %)			

C.1.33 State whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the chairman of the audit committee to explain the content and extent of the aforementioned qualified opinion or reservations.

Yes No

Explanation of reasons

C.1.34 State the number of consecutive years the current audit firm has been auditing the financial statements of the company and/or group. Furthermore, state the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years		

	Individual	Consolidated
Number of years audit by the current audit firm/ number of years the company has been audited (in %)		

C.1.35 State whether there is a procedure whereby directors may contract external advisors, and provide details if applicable:

Yes No

Explanation of procedure

C.1.39 Identify in general and describe in detail any agreements made between the company and its directors, executives or employees containing severance or

golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of beneficiaries	
Type of beneficiary	Description of agreement

State if these contracts have been communicated to and/or approved by management bodies of the company or of the group. If so, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	General Shareholders' Meeting
Body authorising the severance clauses		

	YES	NO
Are these clauses notified to the General Shareholders' Meeting?		

C.2 Board Committees

C.2.1 Provide details of all committees of the Board of Directors, their membership, and the proportion of executive, proprietary, independent and other external directors that comprise them:

EXECUTIVE COMMITTEE

Name	Post	Category

% of executive directors	
% of proprietary directors	
% of independent directors	
% of external directors	

AUDIT COMMITTEE

Name	Post	Category

% of proprietary directors	
% of independent directors	
% of external directors	

Identify the directors who are member of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Name of directors with experience		
Date of appointment of the chairperson		

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Post	Category

% of proprietary directors	
% of independent directors	
% of external directors	

APPOINTMENTS COMMITTEE

Name	Post	Category

% of proprietary directors	
% of independent directors	
% of external directors	

REMUNERATION COMMITTEE

Name	Post	Category

% of proprietary directors	
% of independent directors	
% of external directors	

----- COMMITTEE

Name	Post	Category

% of executive directors	
% of proprietary directors	
% of independent directors	
% other external directors	

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors			
	Year t	Year t-1	Year t-2	Year t-3
	Number %	Number %	Number %	Number %
Executive committee				
Audit committee				
Appointments and remuneration committee				
Appointments committee				
Remuneration committee				
----- committee				

D RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.2 Describe any transactions that are significant, either because of the amount involved or subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name of significant shareholder	Name of company within the group	Nature of the relationship	Type of transaction	Amount (thousand euros)

- D.3 Describe any transactions that are significant, either because of their amount or subject matter, entered into between the company or entities within its group and directors or senior managers of the company:

Name of director or senior manager	Name of related party	Relationship	Type of transaction	Amount (thousand euros)

- D.4 Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the preparation of the consolidated financial statements and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any event, note any intragroup transaction conducted with entities established in countries or territories which are considered to be tax havens:

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)

- D.5 State the amount of any transactions conducted with other related parties that have not been reported in the previous sections.

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)

- D.7 Is more than one company in the group listed in Spain?

Yes

No

Identify the other companies that are listed in Spain and their relationship to the company:

Identity and relationship with other listed group companies

G EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's level of compliance with recommendations from the Code of Good Governance of listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation should be included explaining the reasons in such a manner that

shareholders, investors and the market in general have enough information to assess the company's actions. General explanations are unacceptable.

1. That the Articles of Association of listed companies do not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of shares on the market.

Complies Explanation

2. That when the parent company and a subsidiary are listed on the stock market, both should publicly and specifically define:

a) The respective areas of activity and possible business relationships between them, as well as those of the listed subsidiary with other group companies.

b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies Complies Partially Explanation Not Applicable

3. That, during the course of the ordinary General Shareholders' Meeting, complementary to the distribution of a written Annual Corporate Governance Report, the chairman of the Board of Directors makes a detailed oral report to the shareholders regarding the most material aspects of corporate governance of the company, and in particular:

a) Changes that have occurred since the last General Shareholders' Meeting.

b) Specific reasons why the company did not follow one or more of the recommendations of the Code of Corporate Governance and, if so, the alternative rules that were followed instead.

Complies Complies partially Explanation

4. That the company has defined and promoted a policy of communication and contact with shareholders, institutional investors and proxy advisors that complies in all aspects with rules preventing market abuse and gives equal treatment to similarly situated shareholders.

And that the company has made such a policy public through its web page, including information related to the manner in which said policy has been implemented and the identity of contact persons or those responsible for implementing it.

Complies Complies partially Explanation

5. That the Board of Directors should not propose to the General Shareholders' Meeting any proposal for delegation of powers allowing the issuance of shares or convertible securities without pre-emptive rights in an amount exceeding 20% of equity at the time of delegation.

And that whenever the Board of Directors approves any issuance of shares or convertible securities without pre-emptive rights the company immediately publishes reports on its web page regarding said exclusions as referenced in applicable company law.

Complies Complies partially Explanation

6. That listed companies which draft reports listed below, whether under a legal obligation or voluntarily, publish them on their web page with sufficient time before the General Shareholders' Meeting, even when their publication is not mandatory:

- a) Report regarding the auditor's independence.
- b) Reports regarding the workings of the audit committee and the appointments and remuneration committee.
- c) Report by the audit committee regarding related-party transactions
- d) Report on the corporate social responsibility policy.

Complies Complies partially Explanation

7. That the company reports in real time, through its web page, the proceedings of the General Shareholders' Meetings.

Complies Explanation

8. That the audit committee ensures that the Board of Directors presents financial statements in the audit report for the General Shareholders' Meetings which do not have qualifications or reservations and that, in the exceptional circumstances in which qualifications may appear, that the chairman of the audit committee and the auditors clearly explain to the shareholders the content and scope of said qualifications or reservations.

Complies Complies partially Explanation

9. That the company permanently maintain on its web page the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies Complies partially Explanation

10. That when a verified shareholder has exercised his right to make additions to the agenda or to make new proposals to it with sufficient time in advance of the General Shareholders' Meeting, the company:

- a) Immediately distributes the additions and new proposals.
- b) Publishes the attendance card credential or proxy form or form for distance voting with the changes such that the new agenda items and alternative proposals may be voted upon under the same terms and conditions as those proposals made by the Board of Directors.
- c) Submits all of these items on the agenda or alternative proposals to a vote and applies the same voting rules to them as are applied to those drafted by the Board of Directors including, particularly, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the results of said additions or alternative proposals is communicated.

Complies Complies Partially Explanation Not Applicable

11. That, in the event the company intends to pay for attendance at the General Shareholders' Meeting, it establish in advance a general policy of long-term effect regarding such payments.

Complies Complies Partially Explanation Not Applicable

12. That the Board of Directors completes its duties with a unity of purpose and independence, treating all similarly situated shareholders equally and that it is guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, and the promotion of continuity and maximisation of the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and in engaging in conduct based on good faith, ethics and a respect for commonly accepted best practices, it seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders, as well as the impact of its corporate activities on the communities in which it operates and the environment.

Complies Complies partially Explanation

13. That the Board of Directors is of an adequate size to perform its duties effectively and collegially, and that its optimum size is between five and fifteen members.

Complies Explanation

14. That the Board of Directors approves a selection policy for directors that:

- a) Is concrete and verifiable.
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the needs of the Board of Directors.
- c) Favours diversity in knowledge, experience and gender.

That the resulting prior analysis of the needs of the Board of Directors is contained in the supporting report from the appointments committee published upon a call from the General Shareholders' Meeting submitted for ratification, appointment or re-election of each director.

And that the selection policy for directors promotes the objective that by the year 2020 the number of female directors accounts for at least 30% of the total number of members of the Board of Directors.

The appointments committee will annually verify compliance with the selection policy of directors and explain its findings in the Annual Corporate Governance Report.

Complies Complies partially Explanation

15. That proprietary and independent directors constitute a substantial majority of the Board of Directors and that the number of executive directors is kept at a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

Complies Complies partially Explanation

16. That the percentage of proprietary directors divided by the number of non-executive directors is no greater than the proportion of the equity interest in the company represented by said proprietary directors and the remaining share capital.

This criterion may be relaxed:

- a) In companies with a high market capitalisation in which interests that are legally considered significant are minimal.
- b) In companies where a diversity of shareholders is represented on the Board of Directors without ties among them.

Complies Explanation

17. That the number of independent directors represents at least half of the total number of directors.

Nonetheless, when the company does not have a high level of market capitalisation or in the event that it is a high cap company with one shareholder or a group acting in a coordinated fashion who together control more than 30% of the company's equity, the number of independent directors represents at least one third of the total number of directors.

Complies Explanation

18. That companies publish and update the following information regarding directors on the company website:

- a) Professional profile and biography.
- b) Any other Boards to which the director belongs, regardless of whether the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) The date of their first appointment as a director of the company's Board of Directors, and any subsequent re-election.
- e) The shares and options they own.

Complies Complies partially Explanation

19. That the Annual Corporate Governance Report, after verification by the appointments committee, explains the reasons for the appointment of proprietary directors at the proposal of the shareholders whose equity interest is less than 3%. It should also explain, where applicable, why formal requests from shareholders for membership on the Board meeting were not honoured, when their equity interest is equal to or exceeds that of other shareholders whose proposal for proprietary directors was honoured.

Complies Complies Partially Explanation Not Applicable

20. That proprietary directors representing significant shareholders must resign from the Board if the shareholder they represent disposes of its entire equity interest. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors representing this shareholder.

Complies Complies Partially Explanation Not Applicable

21. That the Board of Directors may not propose the dismissal of any independent director before the completion of the director's term provided for in the Articles of Association unless the Board of Directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties attendant to his post as a director, fails to complete the tasks inherent to his or her post, or enters into any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public share offer, joint venture or similar transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of the proportionate representation criteria provided for in Recommendation 16.

Complies Explanation

22. That companies establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which may damage the company's standing and reputation. Specifically, directors must be required to report any criminal acts with which they are charged, as well as the consequent legal proceedings.

And that should a director be indicted or tried for any of the offences set out in company law legislation, the Board of Directors must investigate the case as soon as possible and, based on the particular situation, decide whether the director should continue in his or her post. And that the Board of Directors must provide a reasoned written account of all these events in its Annual Corporate Governance Report.

Complies Complies partially Explanation

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies in the case of the secretary of the Board of Directors, despite not being a director.

Complies Complies Partially Explanation Not Applicable

24. That whenever, due to resignation or any other reason, a director leaves before the completion of his or her term, the director should explain the reasons for this decision in a letter addressed to all the directors of the Board of Directors. Irrespective of whether the resignation has been reported as a relevant fact, it must be included in the Annual Corporate Governance Report.

Complies Complies Partially Explanation Not Applicable

25. That the appointments committee ensures that non-executive directors have sufficient time in order to properly perform their duties.

And that the Board rules establish the maximum number of company Boards on which directors may sit.

Complies Complies partially Explanation

26. That the Board of Directors meet frequently enough so that it may effectively perform its duties, at least eight times per year, following a schedule of dates and agenda established at the beginning of the year and allowing each director individually to propose items do not originally appear on the agenda.

Complies Complies partially Explanation

27. That director absences only occur when absolutely necessary and be quantified in the Annual Corporate Governance Report. And when absences occur, that the director appoints a proxy with instructions.

Complies Complies partially Explanation

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes, upon a request from the protesting party.

Complies Complies Partially Explanation Not Applicable

29. That the company establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies Complies partially Explanation

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances require

Complies Explanation Not Applicable

31. That the agenda for meetings clearly states those matters about which the Board of Directors are to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, under exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies Complies partially Explanation

32. That directors shall be periodically informed of changes in equity ownership and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies Complies partially Explanation

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out his duties required by law and the Articles of Association, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances so dictate.

Complies Complies partially Explanation

34. That when there is a coordinating director, the Articles of Association or the Board rules should confer upon him the following competencies in addition to those conferred by law: chairman of the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; reflect the concerns of non-executive directors; liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and coordinate a succession plan for the chairman.

Complies Complies Partially Explanation Not Applicable

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account the recommendations regarding good governance contained in this Code of Good Governance and which are applicable to the company.

Complies Explanation

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:
- a) The quality and efficiency of the Board of Directors' work.
 - b) The workings and composition of its committees.
 - c) Diversity of membership and competence of the Board of Directors.
 - d) Performance of the chairman of the Board of Directors and the chief executive officer of the company.
 - e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the appointments committee.

Every three years, the Board of Directors will rely upon the assistance of an external advisor for its evaluation, whose independence shall be verified by the appointments committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group shall be specified in the Annual Corporate Governance Report.

The process and the areas evaluated shall be described in the Annual Corporate Governance Report.

Complies Complies partially Explanation

37. That if there is an executive committee, the proportion of each different director category must be similar to that of the Board itself, and its secretary must be the secretary of the Board.

Complies Complies Partially Explanation Not Applicable

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies Complies Partially Explanation Not Applicable

39. That the members of the audit committee, in particular its chairman, are appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, and that the majority of its members be independent directors.

Complies Complies partially Explanation

40. That under the supervision of the audit committee, there must be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies Complies partially Explanation

41. That the person in charge of the group performing the internal audit function should present an annual work plan to the audit committee, reporting directly on any issues that may arise during the implementation of this plan, and present an activity report at the end of each year.

Complies Complies Partially Explanation Not Applicable

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

- a) Supervise the preparation and integrity of financial information relative to the company and, if applicable, the group, monitoring compliance with governing rules and the appropriate application of consolidation and accounting criteria.
- b) Ensure the independence and effectiveness of the group charged with the internal audit function; propose the selection, appointment, re-election and dismissal of the head of internal audit; draft a budget for this department; approve its goals and work plans, making sure that its activity is focused primarily on material risks to the company; receive periodic information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.
- c) Establish and supervise a mechanism that allows employees to report confidentially and, if appropriate, anonymously, any irregularities with important consequences, especially those of a financial or accounting nature, that they observe in the company.

2. With regard to the external auditor:

- a) In the event that the external auditor resigns, examine the circumstances which caused said resignation.
- b) Ensure that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
- c) Insist that the company file a relevant fact with the CNMV when there is a change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- d) Ensure that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks accomplished and regarding the development of its accounting and risks faced by the company.
- e) Ensure that the company and the external auditor comply with applicable rules regarding the rendering of services other than auditing, proportional limits on the auditor's billing, and all other rules regarding the auditor's independence.

Complies Complies partially Explanation

43. That the audit committee may require the presence of any employee or manager of the company, even without the presence of any other member of management.

Complies Complies partially Explanation

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draft a report beforehand to the Board of Directors regarding economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies Complies Partially Explanation Not Applicable

45. That the risk management and control policy identify, as a minimum:

- a) The various types of financial and non-financial risks (among those operational, technological, legal, social, environmental, political and reputational) which the company faces, including financial or economic risks, contingent liabilities and other off balance sheet risks.
- b) Fixing of the level of risk the company considers acceptable.
- c) Means identified in order to minimise identified risks in the event they transpire.
- d) Internal control and information systems to be used in order to control and manage identified risks, including contingent liabilities and other off balance sheet risks.

Complies Complies partially Explanation

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal control and management function should exist delegated to an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensure the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks that may affect the company.

- b) Actively participate in the creation of the risk strategy and in important decisions regarding risk management.
- c) Ensure that the risk management and control systems adequately mitigate risks as defined by policy issued by the Board of Directors.

Complies Complies partially Explanation

47. That members of the appointment and remuneration committee – or of the appointments committee and the remuneration committee if they are separate – are chosen taking into account the knowledge, ability and experience necessary to perform the duties they are called upon to carry out and that the majority of said members are independent directors.

Complies Complies partially Explanation

48. That high market capitalisation companies have formed separate appointments and remuneration committees.

Complies Explanation Not Applicable

49. That the appointments committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director may ask the appointments committee to consider potential candidates he or she considers appropriate to fill a vacancy on the Board of Directors.

Complies Complies partially Explanation

50. That the remuneration committee exercises its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) Propose basic conditions of employment for senior management.
- b) Verify compliance with company remuneration policy.
- c) Periodically review the remuneration policy applied to directors and senior managers, including remuneration involving the delivery of shares, and guarantee that individual remuneration be proportional to that received by other directors and senior managers.
- d) Oversee that potential conflicts of interest do not undermine the independence of external advice rendered to the Board.
- e) Verify information regarding remuneration paid to directors and senior managers contained in the various corporate documents, including the Annual Report on Director Remuneration.

Complies Complies partially Explanation

51. That the remuneration committee consults with the chairman and the chief executive of the company, especially in matters relating to executive directors and senior management.

Complies Complies partially Explanation

52. That the rules regarding composition and workings of supervision and control committees appear in the rules governing the Board of Directors and that they are

consistent with those that apply to mandatory committees in accordance with the recommendations above, including:

- a) That they are comprised exclusively of non-executive directors, with a majority of them independent.
- b) That their chairmen be independent directors.
- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and detail their activities and accomplishments during the first plenary session of the Board of Directors held after the committee's last meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and the minutes be made available to all directors.

Complies Complies Partially Explanation Not Applicable

53. That verification of compliance with corporate governance rules, internal codes of conduct and social corporate responsibility policy be assigned to one or split among more than one committee of the Board of Directors, which may be the audit committee, the appointments committee, the corporate social responsibility committee in the event that one exists, or a special committee created by the Board of Directors pursuant to its powers of self-organisation, which at least the following responsibilities shall be specifically assigned thereto:

- a) Verification of compliance with internal codes of conduct and the company's corporate governance rules.
- b) Supervision of the communication strategy and relations with shareholders and investors, including small- and medium-sized shareholders.
- c) The periodic evaluation of the suitability of the company's corporate governance system, with the goal that the company promotes company interests and take into account, where appropriate, the legitimate interests of other stakeholders.
- d) Review of the company's corporate social responsibility policy, ensuring that it is orientated towards value creation.
- e) Follow-up of social responsibility strategy and practice, and evaluation of degree of compliance.
- f) Supervision and evaluation of the way relations with various stakeholders are handled.
- g) Evaluation of everything related to non-financial risks to the company, including operational, technological, legal, social, environmental, political and reputational.
- h) Coordination of the process of reporting on diversity and reporting non-financial information in accordance with applicable rules and international benchmarks.

Complies Complies partially Explanation

54. That the corporate social responsibility policy include principles or commitments which the company voluntarily assumes regarding specific stakeholders and identifies, as a minimum:

- a) The objectives of the corporate social responsibility policy and the development of tools to support it.
- b) Corporate strategy related to sustainability, the natural environment and social issues.
- c) Concrete practices in matters related to: shareholders, employees, clients, suppliers, social issues, the natural environment, diversity, fiscal responsibility, respect for human rights, and the prevention of unlawful conduct.
- d) Means or systems for monitoring the results of the application of specific practices described in the immediately preceding paragraph, associated risks, and their management.
- e) Means of supervising non-financial risk, ethics, and business conduct.
- f) Communication channels, participation and dialogue with stakeholders.
- g) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies Complies partially Explanation

55. That the company reports, in a separate document or within the management report, on matters related to corporate social responsibility, following internationally recognised methodologies.

Complies Complies partially Explanation

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgment of non-executive directors.

Complies Explanation

57. That only executive directors receive remuneration linked to corporate results or personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments whose value is indexed to share value, or long-term savings plans such as pension plans, retirement accounts or any other retirement plan.

Shares may be given to non-executive directors under the condition that they maintain ownership of the shares until they leave their posts as directors. The forgoing shall not apply to shares that the director may be obliged sell in order to meet the costs related to their acquisition.

Complies Complies partially Explanation

58. That as regards variable remuneration, the policies incorporate limits and administrative safeguards in order to ensure that said remuneration is in line with the work performance of the beneficiaries and are not based solely upon general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk undertaken to achieve a given result.

- b) Promote sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with rules and internal operating procedures and risk management and control policies.
- c) Are based upon balancing short-, medium- and long-term objectives, permitting the reward of continuous achievement over a period of time long enough to judge creation of sustainable value such that the benchmarks used for evaluation are not comprised of one-off, seldom occurring or extraordinary events.

Complies Complies Partially Explanation Not Applicable

59. That a material portion of variable remuneration components be deferred for a minimum period of time sufficient to verify that previously established performance criteria have been met.

Complies Complies Partially Explanation Not Applicable

60. That remuneration related to company results takes into account any reservations which may appear in the external auditor's report which would diminish said results.

Complies Complies Partially Explanation Not Applicable

61. That a material portion of variable remuneration for executive directors depends upon the delivery of shares or instruments indexed to share value.

Complies Complies Partially Explanation Not Applicable

62. That once shares or options or rights to shares arising from remuneration schemes have been delivered, directors are prohibited from transferring ownership of a number of shares equivalent to two times their annual fixed remuneration, and the director may not exercise options or rights until a term of at least three years has elapsed since they received said shares.

The forgoing shall not apply to shares which the director may need to sell in order to meet the costs related to their acquisition.

Complies Complies Partially Explanation Not Applicable

63. That contractual arrangements include a clause which permits the company to seek reimbursement of variable remuneration components in the event that payment does not coincide with performance criteria or when delivery was made based upon data later deemed to be inaccurate.

Complies Complies Partially Explanation Not Applicable

64. That payments made for contract termination shall not exceed an amount equivalent to two years of total annual remuneration and that it shall not be paid until the company has verified that the director has fulfilled all previously established criteria for payment.

Complies Complies Partially Explanation Not Applicable

State whether any directors voted against or abstained from voting on this report.

Yes No

Name of director who has not voted for the approval of this report	Reasons (against, abstention, non- attendance)	Explain the reasons

I declare that the details included in this statistical annex coincide and are consistent with the descriptions and details included in the Annual Corporate Governance Report published by the company.

**ANNEX VI – STATISTICS ON THE ANNUAL CORPORATE GOVERNANCE
REPORT OF ENTITIES OTHER THAN SAVINGS BANKS, STATE-OWNED
ENTERPRISES OR PUBLIC ENTITIES THAT TRADE SECURITIES ON OFFICIAL
MARKETS**

ISSUER IDENTIFICATION

YEAR- END DATE

Tax Identification No.
[C.I.F.]

Company Name:

Registered Office:

**STATISTICS ON THE ANNUAL COPORATE GOVERNANCE REPORT OF ENTITIES
OTHER THAN SAVINGS BANKS, STATE-OWNED ENTERPRISES OR PUBLIC
ENTITIES THAT TRADE SECURITIES ON OFFICIAL MARKETS**

A CAPITAL STRUCTURE

A.1 List the most significant shareholders or stakeholders of your entity at year end:

NIF (Tax ID No.) or CIF (VAT No.)	Name or company name of shareholder or stakeholder	% of share capital

C ADMINISTRATIVE STRUCTURE OF ENTITY

C.1 Board of Directors or governing body

C.1.1 Specify maximum and minimum number of members of Board or governing body, as provided for in Articles of Association:

Maximum number of Board members/members of governing body	
Minimum number of Board members/members of governing body	
Number of directors/members of the body set by the general meeting or assembly	

C.1.2 Complete the following table on members of Board or governing body, and their different categories:

MEMBERS OF BOARD/GOVERNING BODY

NIF (Tax ID No.) or CIF (VAT No.) of the Board member	Name or company name of member of Board/governing body	Representative	Last date of appointment

C.1.3 Identify, as the case may be, the members of the Board or governing body that take on posts as directors, representatives of directors or senior management that are part of the entity's group:

NIF (Tax ID No.) or CIF	Name or company name of member of Board/governing	Company name of group entity	NIF (Tax ID No.) or CIF	Post

(VAT No.) of the Board member	body		(VAT No.) of group entity	

C.1.4 Complete the following table with the information on the number of directors that make up the Board of Directors and its committees, as well as the numbers over the last four years:

	Number of directors			
	Year t Number %	Year t-1 Number %	Year t-2 Number %	Year t-3 Number %
Board of Directors				
Executive committee				
Audit committee				
___ committee				

C.1.6 Complete the following table on overall remuneration of directors or members of the governing body accrued over the year:

Item of remuneration	Thousand euros	
	Individual	Group
Fixed remuneration		
Variable remuneration		
Per diems		
Other remuneration		
TOTAL:		

C.1.7 Identify the members of senior management that are not directors or members of the executive governing body and state the total remuneration accrued over the year:

NIF (Tax ID No.) or CIF (VAT No.)	Name or company name	Position

Total remuneration of senior management (thousand euros)	
--	--

C.1.8 State whether the Articles of Association or Board Rules establish a limited term for members of the Board or governing body:

Yes No

Maximum number of years in office	
-----------------------------------	--

C.1.9 State if the individual and consolidated financial statements submitted to the Board or governing body for preparation were previously certified

Yes No

Identify, if applicable, the person/s who certified the individual and consolidated financial statements of the entity for preparation by the Board or governing body:

NIF (Tax ID No.)	Name	Post

C.1.11 Is the secretary of the Board or governing body a director?

Yes

No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative

C.2. Board or governing body committees

C.2.1. List the Board or governing body committees:

Name of the committee	Number of members

C.2.2 List all the Board or governing body committees, their members and the proportion of executive, proprietary, independent and other external directors that comprise them (those entities that do not have the legal form of capital companies will not fill in the category of director in the corresponding table but in the section available for free text will explain the category of each director in accordance with their legal regime and form in which these directors meet the conditions for the composition of the audit committee and appointments and remuneration committee):

EXECUTIVE COMMITTEE

Name	Post	Category

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other external directors	
Number of meetings	

AUDIT COMMITTEE

Name	Post	Category

% of proprietary directors	
% of independent directors	
% of other external directors	
Number of meetings	

Identify the directors who are member of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Name of directors with experience	
Date of appointment of the chairperson	

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Post	Category

% of proprietary directors	
% of independent directors	
% of other external directors	
Number of meetings	

APPOINTMENTS COMMITTEE

Name	Post	Category

% of proprietary directors	
% of independent directors	
% of external directors	
Number of meetings	

REMUNERATION COMMITTEE

Name	Post	Category

--	--	--

% of proprietary directors	
% of independent directors	
% of other external directors	
Number of meetings	

----- COMMITTEE

Name	Post	Category

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other external directors	
Number of meetings	

D RELATED-PARTY AND INTRAGROUP TRANSACTIONS

- D.1 List the transactions made between the entity or group entities and the shareholders, cooperative members, holders of proprietary rights or any other equivalent rights of the entity.

Name of the significant shareholders/members	Name of the company or group entity	Nature of the relationship	Type of transaction	Amount (thousand euros)

- D.2 List the transactions made between the entity or group entities and the members of the Board or governing body, or senior managers of the entity.

Name of the directors or executives	Name of the related party	Relationship	Nature of the transaction	Amount (thousand euros)

- D.3 List intragroup transactions.

Name of group company	Brief description of the transaction	Amount (thousand euros)

State whether any members of the Board or governing body voted against or abstained from voting on the approval of this report.

Name or company name of the member of the Board of governing body who has not voted for the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons

I declare that the details included in this statistical annex match and are consistent with the descriptions and details included in the Annual Corporate Governance Report published by the company.