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REGULATIONS OF THE BOARD  
OF DIRECTORS  
AMADEUS IT GROUP, S.A.

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(UPDATED DECEMBER 16, 2021)

FREE TRANSLATION INTO ENGLISH. IN CASE OF DISCREPANCY THE SPANISH VERSION  
WILL PREVAIL

## REGULATIONS OF THE BOARD OF DIRECTORS OF AMADEUS IT GROUP, S.A.

### CHAPTER I

#### PRELIMINARY

##### ARTICLE 1.- ORIGIN AND PURPOSE

1. These Regulations are approved by the Board of Directors of Amadeus IT Group, S.A. (the ***Company***), in compliance with the provisions of article 528 of Legislative Royal Decree 1/2010, of July 2 of the **Spanish Capital Companies Act** (Ley de Sociedades de Capital), as per the new drafting of Act 5/2021, of April 12<sup>th</sup>. The purpose of these Regulations is to determine the principles of action of the Board as well as the basic rules of its organization and operation and the rules of conduct of its members.

2. The rules of conduct established in these Regulations for the Company's Directors (the ***Directors***) shall also be applicable to the Members of the Management Team of the Company, to the extent they are compatible with the specific nature of their positions and the activities they carry out. For the purposes of these Regulations, ***Members of the Management Team*** shall mean those executives who have direct dependence on the Company's Board of Directors, the Chief Executive Officer or the Board Executive Committee in case it is established, or on the Company's Senior General Manager and, in any case, the Company's internal auditor.

##### ARTICLE 2.- INTERPRETATION

These Regulations implement and complete the regulatory regime applicable to the Board of Directors, as established by current legislation and the Company Bylaws. It shall be construed in accordance with applicable legal and statutory rules and with the principles and recommendations on the corporate governance of listed companies.

##### ARTICLE 3.- DISSEMINATION AND MODIFICATION

1. The Directors and the Members of the Management Team have the obligation to be familiar with, abide by and enforce these Regulations. To this end, the Secretary of the Board shall provide all of them with a copy thereof.

2. The Board of Directors shall adopt the necessary measures to disseminate these Regulations to shareholders and the general investor public. To this end, it shall use the most efficient means available to reach its recipients equally, immediately and fluidly.
3. The Board of Directors may amend these Regulations, by resolution adopted by the majority of its members, as long as the majority of the Independent Directors vote in favor of such resolution.

## CHAPTER II

### FUNCTION OF THE BOARD

#### ARTICLE 4.- GENERAL FUNCTION OF THE BOARD

1. The Board of Directors has at its disposal the broadest attributes for the administration of the Company and is the highest decision-making body of the Company and may do and carry out anything that is included within the corporate object, except for matters reserved by law or by the Regulations of the General Shareholders' Meeting to the competence of the General Shareholders' Meeting.
2. The Board shall ensure that, in its relations with stakeholders the Company, it will comply with current legislation; fulfills in good faith its explicit and implicit contract obligations ; respects the uses and good practices of the sectors and territories where it operates; and observes those additional principles of sustainability and ESG (Environmental, Social and Governance) that the Company decides to adopt.
3. The Board on a plenary basis is responsible for approving the Company's strategy, the organization for its implementation, as well as the supervision and control of the Company's management in order to ensure that it complies with the objectives set and respects the corporate object and interest. To this end, notwithstanding the effects that delegations and powers of attorney granted may have vis-à-vis third parties, the Board shall be responsible for approving:
  - (a) the Company's policies and general strategies.

The following shall be considered as such:

- i) the strategic or business plan, as well as the annual management goals and annual budget;
- ii) the investment and financing policy;

- iii) the definition of the corporate group structure;
  - iv) the sustainability policy (as regards environmental, social and corporate matters, among others) of the Company and of the Group, its organization and functioning and, in particular, the approval and amendment of its own Regulations;
  - v) the general policy for disclosure of economic and financial, non-financial and corporate information of the Company to be made available to shareholders, investors, proxy advisors and other stakeholders;
  - vi) the policy of communication and contacts with shareholders, institutional investors and proxy advisors;
  - vii) the remuneration policy of Members of the Management Team;
  - viii) the risk management and control policy, including tax, financial and non-financial risks, as well as the periodic monitoring of internal reporting systems and control; and
  - ix) the dividend policy, as well as the treasury stock policy and, in particular, the limits thereof.
- (b) the following operating decisions:
- i) the appointment and potential removal of the Company's Chief Executive Officer and managing directors, as well as the establishment of the conditions of their contract;
  - ii) the appointment and potential removal of the Company's Chief Financial Officer, at the Chief Executive's proposal;
  - iii) the appointment and potential removal of the executives reporting directly to the Board or any of its members, as well as the establishment of the basic terms of their contracts, including their remuneration;
  - iv) the decisions related to remuneration of Directors, within the framework set by the Company Bylaws and, if applicable, the remuneration policy approved by the General Shareholders' Meeting;

- v) the approval of the financial and non-financial information which, in its capacity as a listed company, the Company must periodically make public;
  - vi) investments, divestments or operations of any type (including financing transactions) which, due to their high amount or special characteristics, are of a strategic nature or involve a special tax risk, unless already approved in the annual budget, or unless the approval thereof is the responsibility of the General Shareholders' Meeting; and
  - vii) the approval of the creation or acquisition of stakes in special purpose entities or entities domiciled in countries or territories considered to be low or nil tax jurisdictions, as well as any other transactions or operations of an analogous nature which, due to their complexity, could impair the transparency of the Company and its Group;
- (c) The approval, following a report from the Audit Committee, and in accordance with the requirements set forth by the Spanish Capital Companies Act, of the transactions that the Company or its group of companies enter into with Directors, on the terms of articles 229 and 230 of the Spanish Capital Companies Act, or with shareholders that individually or as a group hold voting or representation rights at the Board of Directors, equal or greater than 10%, including shareholders represented on the Board of Directors of the Company or other companies that are a part of the same group, or with persons related thereto, or with any other persons who must be considered related parties in accordance with the International Accounting Standards (*Related Party Transactions*). The transactions mentioned in articles 529 vices of the Spanish Capital Companies Act will not be considered as Related Party Transactions. The Board cannot delegate the decision-making powers on Related Party Transactions except for those special cases allowed by applicable laws. The affected Directors, or those representing or related to the affected shareholders, must refrain from participating in deliberation and voting on the resolution in question.

However, Directors representing the parent company at the management body of the dependent listed company, or those Directors related to the parent company therein, cannot abstain from voting, without prejudice to the fact that if in such cases, their vote has been decisive for the adoption of the resolution, the rule of reversal of the burden of proof will apply in similar terms to those included in article 190.3 of the Spanish Capital Companies Act.

Nevertheless, the following transactions will not require authorization from the Board of Directors, being executed according to the organizational structure of the company, in accordance with the following procedure:

(1) those transactions between companies of the same group and that are carried out in the ordinary course of business and under market conditions; and

(2) those Related Party Transactions that meet all of the three (3) conditions below:

- (i) which are carried out by virtue of contracts, whose conditions are standardized and applied *en masse* to a large number of customers;
- (ii) which are carried out at prices or rates set on a general basis by the party acting as supplier of the goods or services in question; and
- (iii) where the amount of the transaction does not exceed zero-point five percent (0.5%) of the annual revenues of the Company.

The units responsible for intra-group transactions in the Finance and Tax Departments, with the involvement of the different units of the affected business lines within the business general management, and with the assistance of the external advisors they deem appropriate, shall prepare a catalog of the type of transactions indicated above, (those referred to in Article 529 duovicies, section 4 -Related Party Transactions- of the Spanish Capital Companies Act), that the Company or its group carries out, which are considered delegated. This catalog will be periodically updated.

The Corporate Management responsible for the approval of the Group's transfer pricing policy, following a report from the aforementioned units, will be in charge of supervising the adequacy and fit of the transactions in the aforementioned catalog, informing the Secretariat of the Board of any queries it may have, prior to the execution of the transaction. The latter will assess, to the best of its knowledge and belief, the details of the transaction, deciding on its fit in the catalog, after discussion with the units responsible for intra-group operations referred to above, if necessary.

The Finance Department together with the Tax Department, will be responsible for compiling on a semi-annual basis, the Related Party Transactions executed by delegation, so that with the same periodicity, the Secretariat of the Board reports on them to the Audit Committee, for its subsequent report to the Board of Directors.

- (d) the definition of the Company's tax strategy;
  - (e) the annual evaluation of the performance of the Board and its Committees and, based on the results, propose an action plan correcting the deficiencies identified.
4. Notwithstanding the foregoing, the aforementioned powers may be adopted for urgent reasons by the Board Executive Committee or by the Chief Executive Officer, if any, pursuant to the delegation granted, but must be submitted to subsequent ratification when the powers are non-delegable pursuant to the Law or the Company Bylaws.
5. The Board of Directors shall perform all of its functions in accordance with the corporate interest, to optimize, on a sustained basis, the Company's financial value.
6. The Board of Directors shall ensure that the Company complies with its ethical duties and its duty to act in good faith.
7. The Board of Directors shall also ensure that no shareholder shall receive privileged treatment vis-à-vis the others.

## CHAPTER III

### COMPOSITION OF THE BOARD

#### ARTICLE 5.- QUALITATIVE COMPOSITION

1. The Board of Directors, in exercise of its powers of proposal to the General Shareholders' Meeting of non-independent Directors and of co-optation for the filling of vacancies, shall ensure that, external or non-executive Directors represent a majority over executive Directors in its composition and that these are the minimum necessary.

For these purposes, executive Directors shall be deemed to be the Chairman (if he has been delegated with executive duties), the Chief Executive Officer, if any, and those who with any other title perform management duties within the Company, or its Group,

irrespective of the legal relationship they maintain with the Company. However, Directors that are senior managers or Directors of group companies will be considered as proprietary in the Company. A Director shall be considered as an executive Director if he carries out management functions and at the same time represents a significant shareholder or a shareholder that is represented on the Board of Directors.

2. The Board shall ensure that the ratio of proprietary and Independent Directors among the external Directors shall reflect the proportion existing between the Company's capital represented by proprietary Directors and the rest of the capital.

## ARTICLE 6.- QUANTITATIVE COMPOSITION

1. The Board of Directors shall be composed by the number of Directors to be determined by the General Shareholders' Meeting within the limits set by the Company Bylaws.

2. The Board shall propose to the General Shareholders' Meeting the number which, in accordance with the changing circumstances of the Company, is most appropriate in order to ensure due representation and the effective functioning of this governing body.

## CHAPTER IV

### STRUCTURE OF THE BOARD OF DIRECTORS

## ARTICLE 7.- CHAIRMAN OF THE BOARD

1. The Chairman of the Board of Directors shall be elected from among its members, following a report from the Nominations and Remuneration Committee, and shall have the powers provided by the Law, the Company Bylaws and those entrusted to him by the Board itself.

2. The Chairman has the powers to convene the Board of Directors, to form the agenda for its meetings and to direct the debates.

## ARTICLE 8.- VICE-CHAIRMAN AND LEAD INDEPENDENT DIRECTOR

1. The Board shall appoint a Vice-Chairman, following a report from the Nominations and Remuneration Committee, who shall replace the Chairman in the event of impossibility or absence.



2. The Board may also appoint other Vice-chairmen, in which case the duties described above shall fall to the First Vice-chairman, who shall, in turn, be replaced if necessary by the Second Vice-chairman and so on.

3. In the event that the Chairman acts as an executive Director, the Board of Directors, with the abstention of the executive Directors, must necessarily appoint a Lead Director, among the Independent Directors, to coordinate them, who shall be especially empowered to request the convening of the Board of Directors or the inclusion of new items on the agenda of a meeting already convened, to coordinate and meet with non-executive Directors and, if applicable, to lead the periodic evaluation of the Chairman of the Board of Directors.

## ARTICLE 9.- SECRETARY OF THE BOARD

1. The Board of Directors shall elect a Secretary amongst its members or appoint a person not related to the Board who is capable of performing the duties of said office. In the event that the Secretary of the Board of Directors does not hold Director status, he shall have a voice but no vote.

When the Secretary simultaneously holds the position of general counsel, such appointment must be made to a legal professional.

2. The Secretary shall, in addition to the duties entrusted under the Law and the Company Bylaws, assist the Chairman in his tasks and shall provide for the proper functioning of the Board. More specifically, he shall provide Directors with the necessary advice and information, preserve corporate documentation, reflect duly and faithfully in the Minutes Books the development of the meetings and certify board resolutions.

3. The Secretary, or as the case may be, the general counsel when the Secretary does not hold such status, shall take care of the formal and material legality of the actions of the Board, shall verify their statutory conformity, their compliance with provisions issued by the regulatory bodies and shall ensure that the criteria of corporate governance of the Company and the rules of these Regulations are observed.

4. The Secretary shall be appointed and, as the case may be, removed by the Board acting in plenary session, subject to a prior report by the Nominations and Remuneration Committee in both cases.

## ARTICLE 10.- VICE-SECRETARY OF THE BOARD

1. The Board of Directors may, following a report from the Nominations and Remuneration Committee, appoint and remove a Vice-secretary, who does not need to be a Director, to assist the Secretary of the Board of Directors or replace him in case of absence in the performance of such duty for any reason.
2. When the Vice-Secretary simultaneously holds the position of general counsel, such appointment must be made to a legal professional.

## ARTICLE 11.- DELEGATED BODIES OF THE BOARD OF DIRECTORS

1. In accordance with the provisions of the Company Bylaws, notwithstanding the delegations of powers made individually to the Chairman or to any other Director (Chief Executive Officers), if any, the Board of Directors may establish, from among its members, an Executive Committee with general decision-making powers but subject to the internal limitations resulting from article 4, determining the persons who must exercise these position and their way of operating, and it may create other Committees formed by Directors with the functions they deem appropriate.
2. The Board of Directors shall establish, from among its members, an Audit Committee and a Nominations and Remuneration Committee, which shall be governed by the provisions of the law, the Company Bylaws and in these Regulations of the Board of Directors. With regard to anything not specifically stipulated in the aforementioned, the operating rules established by these Regulations shall apply, provided that they are compatible with the nature and function of the Committee in question.

## CHAPTER V

### FUNCTIONING OF THE BOARD

## ARTICLE 12.- BOARD OF DIRECTORS MEETINGS

1. The Board of Directors shall meet, on an ordinary basis, at least four (4) times per year, once per quarter, and, upon the initiative of the Chairman, as many times as he deems appropriate for the proper functioning of the Company. The Board of Directors shall also meet when requested by at least one third (1/3) of its members or two (2) Independent Directors, in which case it shall be convened by order of the Chairman, by any

written means (whether by letter, fax, telegram or e-mail) personally addressed to each Director, to be held within fifteen (15) days following the request. In any case, the Board must necessarily meet, within a maximum period of three (3) months from the end of the fiscal year, to formulate the Annual Accounts, the management report and the proposal for application of the profit/loss. Moreover, Directors comprising at least one third (1/3) of the members of the Board may convene a Board meeting including the agenda, to be held at the location of the registered office, including the agenda, if, the Chairman, without just cause, has not made the call within one month, as requested to him.

2. The meeting notice shall be sent to each Director by letter, fax, telegram or e-mail, and shall be validated with the signature of the Chairman or, as the case may be, of the Secretary or Vice-secretary by order of the Chairman. The meeting notice shall be sent at least five (5) days in advance, unless there are urgent reasons in which case the Chairman can call it with forty-eight (48) hours in advance.

3. Meetings of the Board and its Committees may be held using electronic communication means if any of their members cannot attend in person at the meeting location established in the meeting notice.

Those not physically attending at the meeting location who use electronic communication means that allow the meeting to take place simultaneously at the meeting location with the other members, will be considered attendees for all purposes and may cast their vote through the communications means used.

4. There shall be a valid quorum at Board meetings when at least, half plus one of its members attend in person or are represented. However, the Board shall be deemed validly assembled without the need to convene it if they unanimously agree on holding the meeting and on the agenda items to be addressed, when all of its members being present or represented.

5. The Board may also adopt resolutions in writing without the need to hold a meeting, in accordance with the provisions of the Spanish Capital Companies Act (*Ley de Sociedades de Capital*), the Commercial Registry Regulations and the Company Bylaws, and the vote may be cast in writing or by e-mail, provided that the identity of the Director casting it is assured.

## ARTICLE 13.- DEVELOPMENT OF MEETINGS

1. The Directors must attend Board meetings. If they cannot attend, they shall seek to grant their proxy in writing to another Board member, including the appropriate

instructions therein on a special basis for each meeting. Non-executive Directors may only be represented by another non-executive Director. Independent Directors shall only grant their proxy to another Independent Director. The proxy may be granted by post, electronic means or by fax, provided that the identity of the Director and the instructions are assured.

2. The Chairman shall organize the debate by seeking and promoting the participation of all Directors in the Board's deliberations.

3. Except in cases where the law or the Company Bylaws specifically establish another voting quorum, resolutions shall be adopted by absolute majority of the Directors attending the meeting in person or by proxy. In the event of a tie in the votes, the Chairman shall not have a tie-breaking vote ("casting vote").

4. Minutes of the Board meetings shall be drawn up by the Secretary and shall be signed at least by the Chairman or the Vice-Chairman, as the case may be, and the Secretary or Vice-Secretary. They shall be transcribed or reflected in a special book containing the Board minutes, in accordance with legal regulations.

The minutes shall be approved by the Board of Directors itself, at the end of the meeting, or immediately after the meeting, unless the immediacy of the meetings does not allow so, in which case, they shall be approved at a subsequent meeting.

In order to facilitate the execution of resolutions and, as the case may be, the public notarization thereof, the minutes may be partially approved reflecting one or more resolutions in each of the parts approved.

## CHAPTER VI

### APPOINTMENT AND REMOVAL OF DIRECTORS

#### ARTICLE 14.- APPOINTMENT OF DIRECTORS

1. Directors shall be appointed by the General Shareholders' Meeting or by the Board of Directors in accordance with the provisions contained in the Spanish Capital Companies Act (*Ley de Sociedades de Capital*) and the Company Bylaws.

2. Proposals for appointment and re-election of non-independent Directors submitted by the Board of Directors for consideration by the General Shareholders' Meeting and the appointment resolutions adopted by such body by virtue of the powers

of cooptation legally attributed to it, must be preceded by the corresponding report from the Nominations and Remuneration Committee.

3. Proposal of appointment or re-election of members of the Board of Directors who are Independent Directors corresponds to the Nominations and Remuneration Committee. The proposal in any event must attach an explanatory report of the Board that assessing the competence, experience and merits of the proposed candidate.

## ARTICLE 14 bis.- EXECUTIVE DIRECTORS' CONTRACTS

1. When a member of the Board of Directors is appointed Chief Executive Officer or given executive duties under another title, a contract must necessarily be entered between the Director and the Company, which must be previously approved by the Board of Directors with the favorable vote of two thirds of its members. The affected Director must refrain from attending, deliberating and participating in the vote.

2. The contract must specify all categories for which it can obtain a remuneration for the performance of executive duties including, if applicable, any potential indemnification for early termination from such duties and the amounts to be paid by the Company as insurance premiums or contributions to saving systems. The Director may not receive any remuneration for the performance of executive duties unless the amounts or categories of which are included in the contract.

3. The contract must be consistent with the remuneration policy approved by the General Shareholders' Meeting, if any.

## ARTICLE 15.- APPOINTMENT OF INDEPENDENT DIRECTORS

1. The Board of Directors and the Nominations and Remuneration Committee, within the scope of their competencies, shall ensure that the candidates elected are persons of recognized solvency, competency and experience, and must be extremely rigorous in relation to those called to fill the positions of Independent Director as provided by article 5 of these Regulations.

2. Independent Directors will be considered those who, appointed in consideration of their personal and professional attributes, may perform their duties without being conditioned by relations with the Company, its significant shareholders and its executives.

In particular, the following may not be proposed or appointed as Independent Directors:

- (a) those who have been employees or executive directors of group companies, unless three (3) or five (5) years have elapsed since the end of that relationship, respectively;
- (b) those who receive from the Company, or from their own group, any amount or benefit for a concept other than Director's remuneration, unless it is not significant.

The following shall not be taken into account for purposes of the provisions of this section: dividends or pension supplements received by a Director as a consequence of his previous professional or labor relationship, provided that such supplements are unconditional in nature and, consequently, the company that pays them may not suspend, modify or revoke the accrual thereof on a discretionary basis without entailing a breach of obligations;

- (c) those who are, or have been, during the last three (3) years, a partner of the external auditor or responsible for the audit report of the Company or of any other company belonging to its group during the said period;
- (d) those who are executive Directors or senior officers of another company in which any executive Director or Member of the Management Team of the Company is an external Director;
- (e) those who maintain, or have maintained during the last year, a significant business relationship with the Company or with any group company, whether in their own name or as significant shareholder, Director or senior officer of an entity that maintains or has maintained the said relationship.

Business relationships shall be deemed to be those entailing a supplier of goods or services, including financial services, adviser or consultant;

- (f) those who are significant shareholders, executive Directors or senior officers of an entity that receives or has received during the last three (3) years significant donations from the Company or from its group.

Those who are mere trustees of a Foundation that receives donations shall not be deemed to be included under this paragraph;

- (g) those who are spouses, persons related by an affective relationship, or relatives up to the second degree of an executive Director or Member of the Management Team of the Company;

- (h) those who have not been proposed, whether for appointment or re-election, by the Nomination and Remuneration Committee;
- (i) those who have been Directors for a continuous period of more than twelve (12) years;
- (j) those who are subject to any of the circumstances indicated under letters (a), (e), (f) or (g) above, with respect to any significant shareholder or shareholder represented on the Board. In the case of the family relationship indicated under letter (g), the limitation shall apply not only with respect to the shareholder, but also with respect to its proprietary Directors in the participated company.

Proprietary Directors that forfeit such status as a consequence of the sale of the stake by the shareholder they represent may only be re-elected as Independent Directors when the shareholder they represented until that moment had sold all of its shares in the Company.

A Director who has a shareholding in the Company may hold the status of Independent Director, provided that he satisfies all of the conditions established above and, in addition, his participation is not significant.

## ARTICLE 16.- TERM OF OFFICE

1. Directors shall hold office during the term provided by the Company Bylaws and may be re-appointed one or more times for periods of equal maximum duration, subject to the statutory provisions in force. In the event of the re-election of a Director, such re-election must necessarily be for one-year term. In the event that a Director's office has expired or he/she has resigned or been removed, and is reappointed as a Director after at least one year from his termination, resignation or removal, this shall be deemed to constitute an appointment and his/her term of office shall therefore be 3 years.

2. Directors appointed by co-optation method will exercise their position until the date of the next General Shareholders' Meeting, or the following one if a vacancy arises after the General Shareholders' Meeting is called and before it is held, or until the legal deadline for holding the General Shareholders' Meeting that must resolve on the approval of the annual accounts of the previous fiscal year has expired.

## ARTICLE 17.- REMOVAL OF DIRECTORS

1. Directors shall be removed from office when the period for which they were appointed has expired, when decided by the General Shareholders' Meeting in application of the attributes granted in law or by the Company Bylaws and when they resign.

2. Directors must place their position at the disposal of the Board of Directors and formalize the pertinent resignation, if it deems it appropriate, in the following cases:

- (a) when they leave the executive positions to which their appointment as Director was associated;
- (b) when they are subject to any of the cases of incompatibility or prohibition provided by law;
- (c) when they are indicted for an allegedly criminal act, are investigated as part of a criminal proceeding and the Board of Directors so decides following a report by the Nominations and Remuneration Committee, or are subject to a disciplinary proceeding for serious or very serious misdemeanor instructed by the supervisory authorities;
- (d) when their continuation on the Board may jeopardize the Company's interests or when the reasons for which they were appointed disappear. In particular, in the case of proprietary external Directors, when the shareholder they represent sells its entire stake holding. They must also do so, in the corresponding number, when the said shareholder lowers its stake holding to a level which requires the reduction of the number of external proprietary Directors;
- (e) when significant changes in their professional status or in the conditions under which they were appointed Director take place; and
- (f) when due to any criminal proceeding in which the Director appears as an investigated party, his continuation on the Board causes serious damage to the corporate net worth or reputation in the judgement of the Board.

3. When a Director creates a vacancy prior to the end of his mandate, whether due to resignation or a resolution by the General Shareholders' Meeting, he must sufficiently explain the reasons for his resignation or, in the case of non-executive Directors, his opinion on the reasons for his removal by the General Shareholders' Meeting, in a letter to be sent to all of the members of the Board.



## CHAPTER VII

### INFORMATION OF THE DIRECTOR

#### ARTICLE 18.- POWERS OF INFORMATION AND INSPECTION

1. The Director has the duty to diligently inform himself about the progress of the Company. To this end, the Director may request information on any aspect of the Company and examine its books, records, documents and further documentation. The right to information extends to investee companies whenever possible.
2. The request for information must be addressed to the Chairman of the Board of Directors, who will send it to the applicable appropriate spokesperson at the Company.
3. If it entails confidential information in the opinion of the Chairman, he shall advise the Director requesting and receiving it of this circumstance, as well as of his duty of confidentiality in accordance with the provisions of these Regulations.

#### ARTICLE 19.- ASSISTANCE OF EXPERTS

1. In order to be assisted in the exercise of their duties, external Directors may request the hiring of legal, accounting, financial or other experts at the expense of the Company. The order must necessarily deal specific problems of a certain importance and complexity that arise in the performance of the position.
2. The request for hiring must be notified to the Chairman of the Company and, notwithstanding, may be rejected by the Board of Directors, provided that it proves:
  - (a) that it is not necessary for the full performance of the duties entrusted to the external Directors;
  - (b) that the cost thereof is unreasonable in view of the importance of the problem and of the assets and income of the Company;
  - (c) that the technical assistance being obtained may be adequately provided by experts and technical staff of the Company; or
  - (d) it may entail a risk to the confidentiality of the information to be handled.

## CHAPTER VIII

### DIRECTORS' REMUNERATION

#### ARTICLE 20.- DIRECTORS' REMUNERATION

1. Directors shall be entitled to obtain the remuneration established in accordance with the provisions of the Company Bylaws and in accordance, as the case may be, with the indications of the Nominations and Remuneration Committee.

The maximum amount of annual remuneration of all Directors in their capacity as such must be approved by the General Shareholders' Meeting and shall remain in force until a modification thereof is approved. Unless otherwise determined by the General Shareholders' Meeting, the distribution of the remuneration among the different Directors shall be established by agreement among them and, in the case of the Board of Directors, by decision thereof, which must take account the duties and responsibilities assigned to each Director.

2. The remuneration of the Directors must in any case keep a reasonable proportion to the size of the Company, the economic situation existing from time to time and the market standards of comparable companies. The remuneration scheme must be aimed at promoting the profitability and long-term sustainability of the Company, and must incorporate the necessary precautions to prevent excessive risk-taking and the reward of unfavorable results.

3. In particular, the Board of Directors shall adopt all measures within its power to ensure that the remuneration of external Directors, including that which they receive as members of the Committees, if any, shall comply with the following guidelines:

- (a) the external Director must be remunerated in accordance with his effective dedication;
- (b) the external Director shall be excluded from remuneration systems financed by the Company in the event of dismissal, death or any other;
- (c) the external Director shall not be remunerated through the delivery of shares of the Company or other companies of its group, share options over the foregoing or instruments linked to its share price. Notwithstanding this, the delivery of shares is excluded from this limitation when the external Directors are obliged to hold the shares until the end of their tenure;

- (d) the amount of remuneration of external Directors shall be calculated so that it offers incentives for their dedication, but without constituting an impediment to their independence.

4. The Directors' remuneration system for the performance of executive duties will consist of (i) a fixed monetary remuneration, (ii) short-term and long-term variable monetary remunerations according to the various parameters and indicators included in the Directors' Remuneration Policy, (iii) incentive plans consisting on the delivery of shares of the Company or which refer to the share price, in accordance with the Company Bylaws, (iv) remuneration in kind (such as, life, medical and disability insurance, vehicles, advisory services and food allowances), (v) severance payments for early removal or termination of the contractual relationship, exclusivity agreements, post-contractual non-compete covenants, minimum term or loyalty clauses, and (vi) contributions to pension funds and/or deferred survival insurance or similar, all in accordance with the terms and conditions included in the Directors Remuneration Policy as approved from time to time by the General Shareholders' Meeting, and with the contracts approved by the Board of Directors.

5. The Board of Directors, following a report from a Nominations and Remuneration Committee, is the body in charge of fixing the individual remuneration of the Directors for the performance of their executive duties within the framework of the Directors' Remuneration Policy approved by the General Shareholders' Meeting and, in accordance with the provisions of their contracts, pursuant to Article 14.bis of these Regulations.

6. Remunerations of Directors shall be recorded in the notes to the financial statements and in the annual report on Directors' remuneration, on an individual basis for each Director or on a grouped basis, with a breakdown of the different remunerable items, as required by the legislation in force at any given time.

7. The Company is authorized to contract civil liability insurance for its Directors.

## CHAPTER IX

### DUTIES OF THE DIRECTOR

#### ARTICLE 21.- GENERAL OBLIGATIONS

1. In the performance of his position, the Director shall act with the diligence of an orderly businessperson, taking into account the nature of the position and the duties

assigned to each of them, and with the loyalty of a faithful representative, always acting in good faith and in the best interest of the Company. In particular, the Director shall be required to:

- (a) inform himself and adequately prepare the Board meetings and, as the case may be, the meetings of the delegated bodies to which he belongs;
- (b) attend the Board of Directors meetings in person and actively participate in the deliberations so that their judgement effectively contributes to decisions-making;  
  
If for justified cause, he is unable to attend the meetings to which he has been convened, he shall instruct the Director which will represent him. The Independent Directors may only be represented by another Independent Director;
- (c) provide his strategic vision, as well as concepts, criteria and innovative measures for the optimal development and evolution of the Company's business;
- (d) perform any specific task entrusted to him by the Board of Directors or any of its delegated and/or consulting bodies and which is reasonably included in his dedication commitment;
- (e) inform the Board or the Company's competent body of any irregularities in the Company's management of which it may have become aware;
- (f) request that the persons authorized to call meetings convene an extraordinary Board meeting, or include on the agenda of the next one to be held those matters which he deems appropriate; and
- (g) object to resolutions contrary to the law, the Company Bylaws or the corporate interest, and request that his position be recorded in the minutes when he deems it most appropriate for the protection of the corporate interest.

In addition, the loyalty duty requires the Director to comply with the provisions of articles 22 to 29 below:

## ARTICLE 22.- DUTY OF CONFIDENTIALITY

1. The Director shall keep secret the deliberations of the Board of Directors and of the delegated bodies of which he forms part and, in general, shall refrain from disclosing any non-public information to which he has had access in the exercise of his position.

2. The confidentiality obligation shall survive even after he has departed his position, and must keep secret the confidential information and the information, data, reports or background of which he becomes aware as a consequence of the exercise of the position, without disclosing any of it to third parties when this may have damaging consequences to the corporate interest. Those cases in which the laws allow the communication or disclosure to third parties or which, as the case may be, are required by or must be submitted to the respective supervisory authorities, are excluded from the duties referred to in this paragraph, in which case, the communication of information must comply with the provisions of the laws.

## ARTICLE 23.- DUTY NOT TO COMPETE

The Director may not carry out on its own or another's account, whether directly or indirectly, activities which constitute effective competition, whether actual or potential, with the Company, or which otherwise place him in a permanent conflict with the interests of the Company, except in the cases of waiver set out in article 29.bis, sub-article 3 of these Regulations. Positions which may be held in subsidiaries or investee entities of the Company are excepted from the above.

## ARTICLE 24.- CONFLICTS OF INTEREST

1. The Director shall adopt the necessary measures to avoid situations where his interests, whether for his own or another's account, may come into conflict with the interest of the Company and with his duties to the Company and, in any case, the Director must report, when he becomes aware of the existence of such conflicts of interest to the other Directors and to the Board of Directors and refrain from participating and intervening in deliberations and voting on resolutions or decisions in which the Director or a related person has a conflict of interest, direct or indirect. The resolutions or decisions that affect the Director in its status, such as the Director's appointment or removal from positions on the governing body or others of similar meaning as well as those set forth by article 231 bis of the Spanish Capital Companies Act, will be excluded from the above obligation to abstain.

For purposes of these Regulations, persons related to the Directors shall be deemed to be those determined by article 231 of the Spanish Capital Companies Act (*Ley de Sociedades de Capital*), and by any other applicable legislation in force (hereinafter, ***Related Persons***).

2. The Director may not directly or indirectly carry out transactions with the Company except in cases of waiver as set out in article 29.bis, sub-article 2 of these Regulations.

3. The votes of Directors affected by the conflict and who must abstain shall be deducted for the purpose of computing the majority of votes that is necessary.
4. In any case, conflict of interest situations in which the Directors are subject shall be reported in the Annual Report on Corporate Governance and in the notes to the financial statements.
5. The Directors must notify the Board of the participation they have in the capital of a company performing the same, analogous or complementary activity to the one that is comprised in the Company's corporate purpose, as well as the positions or duties they exercise in such company, as well as an independent contractor or salaried employee positions therein, performing analogous or complementary activity to the one that is comprised by the Company's corporate purpose. Said information shall be included in the annual report.
6. The foregoing provisions also shall apply if the beneficiary of the prohibited acts or activities is a person related to the Director.

## ARTICLE 25.- USE OF CORPORATE ASSETS

The Director may not use of the Company's assets or his position at the Company for private purposes except in the cases of waiver as set out in article 29.bis, sub-article 2 of these Regulations.

## ARTICLE 26.- USE OF NON-PUBLIC INFORMATION

1. Directors are subject to the duties inherent to their position, abstaining from using the said information for their own benefit or for the benefit of third parties in violation of their duties, with regard to the use of any non-public information of the Company.
2. The provisions of this article are construed without prejudice to the obligations pertaining to the Directors in relation to privileged information and relevant information of the Company in the terms referred to in legislation on the securities market.

## ARTICLE 27.- BUSINESS OPPORTUNITIES

1. Directors may not use the name of the Company or invoke their status as Directors thereof in order to unduly influence the performance of private transactions.

2. The Director may not use for his own benefit or for a Related Person benefit, in the terms established under article 24, *supra*, a business opportunity of the Company except in the cases of waiver as set out in article 29.bis, sub-article 2.

3. For purposes of the previous section, a business opportunity is understood as any possibility of making an investment or carrying out a commercial transaction which has arisen or is discovered in connection with the exercise of the position by the Director, or through the use of means and information of the Company, or under such circumstances that it is reasonable to believe that the third party's offering was in fact aimed at the Company.

## ARTICLE 28.- INDIRECT TRANSACTIONS AND THIRD-PARTY INSTRUCTIONS

The Director breaches his duties of loyalty towards the Company if, knowing it in advance, he allows or does not disclose the existence of transactions carried out by Related Persons that have not been subject to the conditions and controls provided under the foregoing articles.

In any event, the Director must perform his duties under the principle of personal responsibility, freely using their judgment or criteria and independence regarding third party instructions and relationships.

## ARTICLE 29.- DUTY OF DISCLOSURE

1. The Director shall disclose to the Company the shares therein which he owns either directly or indirectly through Related Persons, in accordance with the provisions of the Internal Rules of Conduct in Matters Relating to the Securities Market.

2. The Director must also disclose to the Company the offices he holds and the activities he carries out at other companies and, in general, the facts, circumstances or situations which may be relevant for his action as a Director of the Company.

3. The Director must inform the Company when there are circumstances that affect him, either related or not with his performance in the Company, and which may harm the credit or reputation of the Company, especially, of any criminal proceeding in which he appears as an investigated party as well as any other relevant procedural matter. The Board may require the Director's resignation, after examining the situation in hand, and the Director must abide by this decision.

4. The Directors may not be part –in addition to the Company’s Board– of more than six (6) Boards of Directors of commercial companies.

For purposes of computing the number of boards to which the above paragraph refers, the following rules shall be taken into account:

- (a) those boards of which he is a proprietary Director proposed by the Company or by any group company shall not be computed;
- (b) all boards of companies that form part of the same group, as well as those of which he is a proprietary Director at any group company, shall be computed as one single board, even though the stake in the capital of the company or the corresponding degree of control does not allow it to be considered to form part of the group;
- (c) those boards of asset-holding companies or companies that constitute vehicles or complements for the professional exercise of the Director himself, his spouse or a person with an analogous affective relationship, or of his closest relatives, shall not be computed; and
- (d) those boards of companies, even though commercial in nature, whose purpose is complementary or accessory to another activity which for the Director constitutes an activity related to leisure, assistance or aid to third parties, or any other which does not entail for the Director a true dedication to a commercial business, shall not be considered for their computation.

## ARTICLE 29 bis.- WAIVER SCHEME

1. The scheme related to the loyalty duty and liability for breach thereof is mandatory. Those provisions in the Company Bylaws limiting it or contrary thereto shall not be valid.

2. Notwithstanding the provisions of the preceding paragraph, the Company may waive the prohibitions contained in the preceding articles of this chapter IX of the Regulations, in individual cases, authorizing a Director or a Related Person of a given transaction with the Company, to use certain corporate assets, to take advantage of a specific business opportunity obtaining a benefit or remuneration from a third party.

The authorization must necessarily be approved by the General Shareholders’ Meeting when its purpose is to waive the prohibition of obtaining a benefit or remuneration from third parties, or when it involves a transaction whose value exceeds ten percent of the corporate assets.



In other cases, the authorization may be granted by the Board of Directors, provided that the independence of the members granting it is assured, as regards the Director who is granted with the waiver. In addition, it shall be required to guarantee the neutrality of the authorized transaction from the point of view of the corporate assets or, if applicable, is realization under market conditions following a transparent process.

3. The obligation not to compete with the Company may only be waived in the event that no damage to the Company can be expected, or if the expected damage, is compensated by the benefits expected to be obtained from the waiver. The waiver shall be granted by way of express and separate resolution of the General Shareholders' Meeting.

4. In any event, upon request of any shareholder, the General Shareholders' Meeting shall resolve regarding the removal of a Director who engages in competitive activities when the risk of damage to the Company has become relevant.

## CHAPTER X

### BOARD RELATIONS

#### ARTICLE 30.- SHAREHOLDER RELATIONS

1. The Board of Directors shall establish the appropriate channels to know the proposals which may be made by shareholders in relation to the management of the Company.

2. The Board, by means of any of its Directors and with the collaboration of the members of the Members of the Management Team that it deems pertinent, may organize informative meetings on the progress of the Company and its group, for those shareholders who reside in the most relevant financial districts in Spain and other countries, provided that none of the shareholders receives preferential treatment and such informative meeting is provided simultaneously to the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) or is published on the Company's website.

3. Public requests for a delegation of vote made by the Board of Directors or by any of its members must express the direction in which the representative shall vote in the event that the shareholder does not give instructions. A vote delegated by virtue of the said public request may not be exercised with regard to agenda items in which there is a conflict of interest in accordance with the provisions of article 526 of the Spanish Capital

Companies Act.

4. The Board of Directors shall promote the informed participation of shareholders at General Shareholders' Meetings and shall adopt all appropriate measures in order to facilitate the effective exercise of the characteristic functions of the General Shareholders' Meeting as provided by the law or the Company Bylaws.

In particular, the Board of Directors shall adopt the following measures:

- (a) it shall endeavor to make available to shareholders, prior to the General Shareholders' Meeting, all legally required information and, even if not legally required, all information, that may be of interest and may be reasonably provided;
- (b) it shall respond with the utmost diligence, requests for information formulated thereto by shareholders prior to the General Shareholders' Meeting;
- (c) it shall respond with the same diligence, questions formulated thereto by the shareholders on holding the General Shareholders' Meeting; and
- (d) it shall ensure that the matters proposed to the General Shareholders' Meeting are voted on in an orderly and separate matter, giving the shareholders the opportunity to intervene to express their opinion on each of the matters submitted to vote.

## ARTICLE 31.- INSTITUTIONAL SHAREHOLDER RELATIONS

1. The Board of Directors shall also establish adequate channels for regular exchange of information with institutional investors who form part of the Company's shareholder structure.

2. In no case shall relations between the Board of Directors and institutional shareholders result in the delivery of any information which may place them in a privileged situation or advantage with respect to the other shareholders.

## ARTICLE 32.- MARKET RELATIONS

1. The Board of Directors, through communications to the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and the corporate website, shall immediately inform the public about any privileged and other relevant information, on the terms established in the Consolidated Text of the Spanish Securities Market Act (*Texto*

*Refundido de la Ley del Mercado de Valores*) and implementing legislation.

2. The Board of Directors shall take the necessary measures to ensure that mid-year, quarterly and any other financial information reasonably required or advisable to make available to the markets is prepared in accordance with the same principles, criteria and professional practices of the Annual Accounts and, is equally as reliable as the latter.
3. Reporting obligations shall fulfilled by any technical, computer or telematic means, without prejudice to the rights of the shareholder to request information in printed form.

## ARTICLE 33.- RELATIONS WITH AUDITORS

1. The Board's relations with the Company's external auditors shall be channeled through the Audit Committee.
2. The Board of Directors shall publicly report the global fees paid by the Company to the audit firm for services other the audit.
3. The Board of Directors shall seek to definitively draw-up the Annual Accounts in accordance with accounting legislation. Where the statutory auditor includes any qualifying reservation in its audit report, the Chairman of the Audit Committee shall explain the Committee's opinion on the content and scope thereof to the General Shareholders' Meeting, making a summary of such opinion which shall be available to the shareholders on the call notice of the General Shareholders' Meeting, together with the rest of the documents and reports. When the Board considers that it must maintain its criteria of judgement, it shall publicly explain the content of the discrepancy.

## CHAPTER XI

### BOARD COMMITTEES

## ARTICLE 34.- EXECUTIVE COMMITTEE

1. The Board of Directors may appoint from among its members an Executive Committee of which the Chairman and, if any, the Chief Executive Officer, shall form part.
2. In the event that the Board of Directors creates the Executive Committee, it shall establish its composition, with a minimum of two non-executive Directors, at least one of them being an Independent Director, and shall determine the rules of its operation.

3. The powers and authorities of said Committee shall be those which, in each case, are delegated to it by the Board subject to the limits provided by the law, the Company Bylaws and these Regulations of the Board of Directors of the Company.
4. In the event that an Executive Committee is appointed, it shall report to the Board on the principal business matters discussed and on the decisions thereon at its meetings.
5. The Chairman and Secretary of the Board of Directors shall hold such positions on the Executive Committee.

## ARTICLE 35.- AUDIT COMMITTEE

1. The Board of Directors will create an Audit Committee which shall be composed by a minimum of three (3) and a maximum of five (5) of its members, all of which shall be non-executive Directors, , between of whom at least the majority must be Independent Directors. The members of the Audit Committee shall be designated by the Board of Directors.
2. The members of the Audit Committee as a whole, and especially its Chairman, shall be designated taking into account their technical knowledge of the industry in which the Company operates and their expertise in accounting, audit, or financial or non-financial risk management.
3. The number of members, the responsibilities and the operating rules of this Committee must encourage its independent operation. Notwithstanding any other tasks which may be assigned thereto at any time by the Law, the Company Bylaws or the Board of Directors, the Audit Committee shall exercise the following basic functions:
  - (a) to report to the General Shareholders' Meeting on matters raised by shareholders in the area of its competence;
  - (b) to propose to the Board of Directors, for submission to the General Shareholders' Meeting, the selection, appointment, re-election and replacement of the statutory auditor referred to in article 264 of the Spanish Capital Companies Act (Ley de Sociedades de Capital), as well as the conditions of the engagement thereof, and regularly gather information from it regarding the audit plan and its implementation, in addition to preserving its independence in the exercise of its functions;
  - (c) to ensure the independence and effectiveness of the internal audit function, verifying its adequacy and integrity supporting the Audit Committee in its

supervision of the internal control system;

- (d) to propose the selection, appointment and substitution of the head of Internal Audit; to propose the budget for such services; to receive regular information of its activities and verify that the Members of the Management Team take account the conclusions and recommendations of their reports;
- (e) to serve as a communication channel between the Board of Directors and the auditors, to evaluate the results of each audit and to supervise the responses of the management team to the adjustments proposed by the statutory auditor and to mediate in cases of discrepancies between the former and the latter in relation to the principles and criteria applicable to the preparation of the financial statements, as well as to examine the circumstances which, where such case arises, have motivated the resignation of the auditor;
- (f) to supervise and evaluate the drafting process and the integrity of all financial and non-financial information, as well as the control and management systems for financial and non-financial risks related to the Company and the Group (including operational, technological, legal, social, environmental, political and reputational risks, or risks related to corruption), in order that regulatory requirements are fulfilled, that consolidation parameters are clearly marked and that accounting principles are correctly applied;
- (g) to periodically revise the Company's internal control and risk management systems, including tax risks, and in particular, that the design of the Internal Control System for Financial Information (SCIIF) is appropriate, so as the main risks are identified, managed and disclosed as appropriate, as well as discussing with the account auditors or auditing firms any significant weaknesses in the internal control system identified in the performance of the audit, without compromising its independence;
- (h) to approve the internal audit plan for the evaluation of the SCIIF and receive regular information on the results of its work, the action plan to correct any deficiencies identified, the potential impacts and limits on the scope of his work, as well as the results and monitoring of the recommendations made;
- (i) to maintain relations with the statutory auditor or audit firms in order to receive information on those matters which may jeopardize their independence, for its examination by the Committee, and any other matters related to the auditing process, as well as such other communications envisaged in auditing legislation and technical auditing rules and, when appropriate, to authorize services other than

- those prohibited under the legislation in force; in any case, they shall receive on an annual basis from the account auditors or auditing firms, the written confirmation as to their independence vis-à-vis the company or companies directly or indirectly linked to it, as well as information on any type of additional services provided to these entities by the said auditors or firms, or by the persons or entities linked to the latter pursuant to the regulations on auditing activities;
- (j) to issue, on an annual basis, prior to issuing the accounts audit report, a report stating an opinion regarding whether the independence of the account auditors or auditing firms has been compromised. This report shall, in any case, contain a detail evaluation of the provision of each and every additional services as referred to in the preceding paragraph, taken individually and as a whole, other than the legal audit, as regards the scheme of independence of the auditors and regulations governing audit activities;
  - (k) to monitor compliance with the auditing contract, in order that the opinion on the Annual Accounts and the principal contents of the auditors' report are drafted clearly and precisely;
  - (l) to inform the Company's General Shareholders' Meeting of any issues that may arise as regards affairs for which the Committee is responsible and, in particular, regarding the outcome of the audit, explaining how it has contributed to the integrity of financial information and the role that the Committee has played during this process;
  - (m) to review the Company's accounts and periodic financial information which, in accordance with the Consolidated Text of the Spanish Securities Market Act (*Texto Refundido de la Ley del Mercado de Valores*), the Board must furnish to the markets and their supervisory bodies and, in general, to monitor compliance with legal requisites on this subject matter and the correct application of generally accepted accounting principles, as well as to report on proposals for modification of accounting principles and criteria suggested by management. In particular to revise, analyze and discuss the financial situation and other relevant financial information with the senior management and internal and external auditors, to confirm that said information is reliable, comprehensible and relevant and that accounting principles used are in line with the previous year end;
  - (n) to monitor compliance with regulations with respect to Related Party Transactions. In particular, to endeavor that the market is supplied with information on said transactions, on the terms established by the legislation in force at any time, and to report on transactions which imply or may imply conflicts of interest and, in

general, on the subject matters contemplated in Chapter IX of these Regulations;

- (o) to establish and supervise the communication channel mechanism to permit employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, on a confidential basis, to communicate any financial and accounting irregularity or other irregularities relating to the Company and detected within the Company or the Group. This mechanism shall provide for cases in which communications may be made anonymously, respecting the rights of the reporting party and the reported party. To take into consideration any information received through such communication channel or by any other means;
- (p) to report, beforehand, to the Board of Directors on all matters contemplated in the law, the Company Bylaws and the Regulations of the Board of Directors, in particular regarding:
  - 1. the financial information and the management report, which shall include, where appropriate, the mandatory non-financial information which the company must make public periodically, and
  - 2. the creation or acquisition of shares in special purpose entities or those registered in countries or territories that are treated as low or nil tax jurisdictions.

The Audit Committee shall not exercise the duties foreseen in this point p) when they are attributed through the Company Bylaws to another Committee and said Committee is composed solely of non-executive directors and at least two Independent directors, one of whom must be the Chairman; and

- (q) to inform on the Related Parties Transactions, which must be approved by the General Shareholders' Meeting, or by the Board of Directors and, to supervise the internal process established thereto;
  - (r) to ensure that Senior Management considers the conclusions and recommendations of Audit Committee reports; and
  - (s) any others attributed thereto by law and other regulations applicable to the Company.
4. The Audit Committee shall be convened by the Chairman of the Committee, on his/her own initiative, or at the request of the Chairman of the Board of Directors or of two (2) members of the Committee itself. The call notice shall be made by letter, telegram, fax,

email or any other means that allows to have proof of its reception.

5. In all cases, the Audit Committee shall convene and shall meet, at least, on a six-monthly basis, in order to review the periodic financial information which, in accordance with the Consolidated Text of the Spanish Securities Market Act (*Texto Refundido de la Ley del Mercado de Valores*), the Board must submit to the stock market authorities as well as the information which the Board of Directors must approve and include within its annual public documentation.

6. The Committee shall appoint a Chairman from among the Independent Directors of the Committee, for a period which shall not exceed three (3) years. He may be reappointed once one (1) year has elapsed from the time he ceased to be Chairman.

It shall also appoint a Secretary and may appoint a Vice-secretary, neither of whom have to be members of the Committee. Where no such appointments are made, the Secretary and Vice-Secretary of the Board shall act as the Committee Secretary and Vice-Secretary, respectively.

7. The Audit Committee shall deem to be validly assembled when the majority of its members attend in person or represented by proxy. Resolutions shall be adopted by a majority of members attending in person or by proxy.

Minutes of the resolutions adopted at each meeting shall be drawn up, which resolutions shall be reported to the Board in plenary session, submitting or delivering a copy of the minutes to all Board members.

8. The Audit Committee shall prepare an annual report on its operation, emphasizing the principal incidents that have arisen, if any, in relation to its own functions. Furthermore, when the Audit Committee deems it appropriate, it shall include in the said report proposals to improve the governance rules of the Company.

9. The members of the Company's management team or staff shall be required to attend the meetings of the Audit Committee and to provide their collaboration and access to the information available to them when the Committee so requests. The Committee may also request the Company's auditor to attend its meetings.

10. When the Audit Committee deems it necessary for the adequate fulfilment of its duties, it may seek advice from external experts, upon request to the Secretary or Vice-secretary of the Board, who shall arrange for the corresponding services to be contracted.



## ARTICLE 36.- NOMINATIONS AND REMUNERATION COMMITTEE

1. The Nominations and Remuneration Committee shall be formed by external Directors, the majority being Independent Directors, in the number to be determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5). The members of the Nominations and Remuneration Committee shall be designated by the Board of Directors.
2. The Nominations and Remuneration Committee shall appoint a Chairman from among its members. The Chairman will be appointed from among the Independent Directors, for a period which shall not exceed three (3) years. He may be reappointed once one (1) year has elapsed from the time he ceased to be Chairman.
3. The members of the Nominations and Remuneration Committee shall be designated taking into account, among others, their knowledge and experience in the areas of corporate governance, selection of directors and managers, design of policies and remuneration plans for Directors and Senior Managers.
4. Notwithstanding the duties assigned to it by law, the Company Bylaws or other duties which may be assigned thereto by the Board of Directors, the Nominations and Remuneration Committee shall have the following basic responsibilities:
  - (a) to evaluate the competence, knowledge and experience necessary in the members of the Board of Directors, analyze the other activities of each Director and specify the required profile and capacities;
  - (b) to make proposals to the Board of Directors of Independent Directors to be appointed by co-optation or for submission to decision by the General Shareholders Meeting, and proposals for re-election or removal of those Directors by the General Shareholders Meeting;
  - (c) to report on proposals for the appointment of the other Directors to be appointed by co-optation or for submission to decision by the General Shareholders Meeting, and proposals for their re-election or removal by the General Shareholders' Meeting;
  - (d) to report on proposals for appointment and removal of senior managers and the basic terms of their contracts;
  - (e) to examine and organize the succession of the Chairman of the Board of Directors and the chief executive of the Company and, if appropriate, to make proposals to the Board of Directors so that that succession shall occur in an orderly and planned

manner;

- (f) to favor diversity of knowledge, experience, age and gender and, with respect to gender, to establish a goal for representation of the gender least represented on the Board of Directors, and develop guidance on how to achieve that goal;
- (g) to take into consideration any suggestion made by the Chairman, the Board members, the Senior Management or the shareholders of the Company;
- (h) to propose to the Board of Directors the remuneration policy for Directors and general managers or those performing senior management functions under the direct supervision of the Board, executive Committees or Chief Executive Officers, as well as the individual remuneration and other contractual conditions of executive Directors, ensuring compliance therewith;
- (i) to evaluate the possibility which might be open to Directors to dispose of shares received as remuneration to deal with extraordinary unforeseen situations that require it;
- (j) to assist the Board in the compilation of the report on the Directors' remuneration policy and submit to the Board any other reports on retributions established in these Regulations;
- (k) to assist the Board in the process for the annual evaluation of its own performance and of its Committees.

5. The Nominations and Remuneration Committee shall meet every time it is convened by its Chairman, who must do so whenever the Board or its Chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever expedient for the proper development of its functions.

6. It shall be convened by the Chairman of the Committee, either at his own initiative, or at the request of the Chairman of the Board of Directors or of two (2) members of the Committee itself. The call notice shall be given by letter, telegram, fax, email or any other means that allows proof of its reception.

7. The Nominations and Remuneration Committee shall be validly assembled when the majority of its members attend in person or represented by proxy. Resolutions shall be adopted by a majority of members attending in person or by proxy.

8. Minutes of the resolutions adopted at each meeting shall be drawn up, which shall be reported to the Board in plenary session. The minutes shall be available to all Board

members at the Board of Directors Secretariat but shall not be forwarded or delivered for confidential reasons, unless otherwise requested by the Chairman of the Committee.

## ARTICLE 37. - OTHER COMMITTEES

1. The Board may agree to create other Committees, in which case it will establish the number of Directors who are to form those Committees or, where appropriate, the maximum and minimum number of members, as well as the competences or functions assigned to each of the Committees.

2. If the Board creates any new Committees, the rules established in sections 2, 5, 6, 7 and 8 of article 36 will apply. References made in such sections to the Nomination and Remuneration Committee will mean to be made to the new Committee/s, unless otherwise established by the Board of Directors.

## ARTICLE 38.- ENTRY INTO FORCE

These Regulations have indefinite effectiveness and shall enter into force upon their approval by the Board of Directors, without prejudice to the fact that their provisions regarding the Company's status as a listed company shall be effective as from the day following the date of admission to official trading of the Company's shares on the Stock Markets through the Spanish Stock Exchange Networking System (*Sistema de Interconexión Bursátil Español: S.I.B.E.*).

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