

## APPENDICES TO THE UNIFIED CODE

### Appendix 1. Legal provisions relating to the Unified Code Recommendations

#### *CORE PRINCIPLES*

##### **Obligation to approve and publish an Annual Corporate Governance Report: Art. 116 of the Securities Market Law**

Requires listed public companies to annually publish a corporate governance report, as a significant event, and lays down the minimum content of the same, to be developed by implementing regulations. Empowers the CNMV to procure all information necessary to monitor implementation of corporate governance rules.

##### **Application of the comply or explain principle: Art. 116 of the Securities Market Law**

Requires companies to state how far they comply with corporate governance recommendations in their Annual Corporate Governance Reports, and to explain any failure to do so.

##### **Reporting requirements of listed companies: Art. 117 of the Securities Market Law**

Regulates the reporting requirements of public listed companies. All such companies are required to operate a website to facilitate shareholders' exercise of their information rights and to disseminate company news and events. Boards of Directors to be accountable for the content of the information posted.

#### *BYLAWS AND GENERAL SHAREHOLDERS' MEETING*

##### **Disclosure of shareholder agreements: Art. 111 of the Securities Market Law**

Imposes a disclosure regime for shareholder agreements that affect the exercise of voting rights at General Shareholders' Meetings, or restrict or constrain the free transfer of shares. Such agreements are subject to a significant event notice and should also be placed on record in the Mercantile Registry.

##### **Proceedings of the General Shareholders' Meeting: Art. 112 of the Securities Market Law**

Requires that the General Meeting approves procedural regulations to be filed with the CNMV and entered in the Mercantile Registry

#### *Shareholder rights:*

##### **Right to add items to the agenda: Art. 97 of the Public Limited Companies Law**

Authorises a minority of shareholders to request the inclusion of new agenda items and to this end enlarges the notice period for Shareholders' Meetings to 30 days.

### **Remote voting: Art. 105 and 106 of the Public Limited Companies Law**

Regulates the exercise of voting rights at Shareholders' Meetings and the possibility of granting proxy by remote communication means.

### **Appointment of proxies: Art. 105 of the Public Limited Companies Law and Art. 114 of the Securities Market Law**

Stipulates that all such appointments should be accompanied by instructions or, at least, should specify which way to vote, and annuls any proxy rights when the nominee has a conflict of interest.

### **Shareholders' right to information: Art. 112 of the Public Limited Companies Law**

Regulates the obligation of directors to furnish any information requested by shareholders concerning points on the General Meeting agenda, as well as any information publicly available through the CNMV.

## *BOARD OF DIRECTORS*

### **Proceedings of the Board of Directors: Art. 115 of the Securities Market Law**

Requires firms to approve Board of Directors regulations setting out internal and procedural rules, with concrete measures to favour the company's best representation, to be reported to the General Shareholders' Meeting and placed on record in the Mercantile Registry.

### **Directors duties: Article 127 of the Public Limited Companies Law**

Enumerates and regulates the duties of directors which it summarises as *the duty of care*, obliging directors to inform themselves and to be diligent in their stewardship of the company, *the duty of obedience*, requiring them to act in furtherance of the corporate interest, *the duty of loyalty*, with special reference to conflicts of interest and related-party transactions, and *the duty of secrecy*. Any failure to abide by these standards means directors will be liable under Art. 133 of the same legal text.

### **Related-party transactions: Art. 35 of the Securities Market Law**

Makes it obligatory for companies to list any transactions with related parties in their semiannual reports.

### **Conflicts of interest: Art. 127 ter of the Public Limited Companies Law**

Obliges directors to disclose any conflicts of interest in connection with the company's business and to refrain from taking part in any decision on related matters.

### **Directors' remuneration: Art. 130 and Fourth Additional Provision of the Public Limited Companies Act**

Specifies that the Shareholders' Meeting must approve any remuneration of directors or senior officers involving the delivery of shares or share options or any other share-based instrument.

**Audit Committee: Eighteenth Additional Provision of the Securities Market Law**

Requires all companies issuing listed securities to operate an Audit Committee, specifying the competences of the same and the general rules for its composition.

## Appendix 2. Basic agreements between the Unified Code and other Recommendations.

UNIFIED CODE RECOMMENDATION	OLIVENCIA REPORT	ALDAMA REPORT	RECOMMENDATIONS OF INTERNATIONAL ORGANISATIONS
<p><b>Bylaw restrictions</b>            1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.</p>			<p><i>OECD Principles of Corporate Governance II.E.2 "Anti-takeover devices should not be used to shield management and the board from accountability."</i></p>
<p><b>Listed companies from the same group</b>            2. When a dominant and a subsidiary company are stock market listed the two should provide detailed disclosure on:            a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;            b) The mechanisms in place to resolve possible conflicts of interest.</p>			
<p><b>Competences of the General Shareholders' Meeting</b>            3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Shareholders' Meeting for approval or ratification. In particular:            a) The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating core activities to subsidiaries that were previously carried out by the originating firm, even though the latter retains full control of the former;            b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;            c) Operations that effectively add up to the company's liquidation.</p>			<p><i>OECD Principles of Corporate Governance II.B "Shareholders should have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes such as:[...] 3) extraordinary transactions, including the transfer of all or substantially all assets, that in effect result in the sale of the company."</i></p>
<p><b>Prior circulation of board proposals to the General Shareholders' Meeting</b>            4. Detailed proposals of the resolutions to be adopted at the General Meeting, including the information stated in Recommendation 28, should be made available at the same time as the publication of the Meeting notice.</p>			

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<p><b>Separate votes on General Meeting items</b></p> <p>5. Separate votes should be taken at the General Shareholders' Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:</p> <p>a) The appointment or ratification of directors, with separate voting on each candidate;</p> <p>b) Changes to the bylaws, with votes taken on all articles or groups of articles that are materially different.</p>			
<p><b>Split votes</b></p> <p>6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.</p>	<p><b>Recommendation 18</b></p> <p><i>Measures should be taken to provide greater transparency in the mechanism of proxies...[...]</i></p>		<p><b>Proposal for a Directive on the exercise of voting rights by shareholders of companies whose shares are admitted to trading on a regulated market (COM (2005) 685 final), approved by the Commission on 5/01/06</b></p> <p>Article 10.2 "A person acting as a proxy holder may hold a proxy from more than one shareholder without limitation as to the number of shareholders so represented. Where a proxy holder holds a proxy from several shareholders, he may cast concurrent votes for and against any resolution and/or abstain from voting on such resolution in accordance with the voting instructions of the shareholders the proxy holder represents."</p> <p><b>OECD Principles of Corporate Governance</b></p> <p><b>III.A.3</b> "Votes should be cast by custodians or nominees in a manner agreed upon with the beneficial owner of the shares."</p>

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<p><b>BOARD OF DIRECTORS</b>  <b>The corporate interest</b>  7. The Board of Directors should perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment. It should be guided at all times by the company's best interest and, as such, strive to maximise its value over time.  It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.</p>	<p><i>We recommend establishing that the company's ultimate goal and, accordingly, the principle presiding over the board's operations, is to maximise the company's value, i.e. to employ a term used widely in financial circles, to "create shareholder value".</i></p>	<p><i>The mission of all the members of the board is to defend the company's long-term viability, and must act together to protect the company's general interests.</i></p>	

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<p><b>Competences of the board</b></p> <p><b>8.</b> The board should see the core components of its mission as to approve the company's strategy and authorise the organisational resources to carry it forward, and to ensure that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, the board in full should reserve the right to approve:</p> <p>a) The company's general policies and strategies, and in particular:</p> <ul style="list-style-type: none"> <li>i) The strategic or business plan, management targets and annual budgets;</li> <li>ii) Investment and financing policy;</li> <li>iii) Design of the structure of the corporate group;</li> <li>iv) Corporate governance policy;</li> <li>v) Corporate social responsibility policy;</li> <li>vi) Remuneration and evaluation of senior officers;</li> <li>vii) Risk control and management, and the periodic monitoring of internal information and control systems.</li> <li>viii) Dividend policy, as well as the policies and limits applying to treasury stock.</li> </ul> <p>b) The following decisions:</p> <ul style="list-style-type: none"> <li>i) On the proposal of the company's chief executive, the appointment and removal of senior officers and their compensation clauses.</li> <li>ii) Directors' remuneration and, in the case of executive directors, the additional consideration for their management duties and other contract conditions.</li> <li>iii) The financial information listed companies must periodically disclose.</li> <li>iv) Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Shareholders' Meeting;</li> <li>v) The creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.</li> </ul> <p>c) Transactions which the company conducts with directors, significant shareholders, shareholders with board representation or other persons related thereto ("related-party transactions"). However, board authorisation need not be required for related-party transactions that simultaneously meet the following three conditions:</p>	<p><b>Recommendation 1.</b></p> <p><i>The Board of Directors should expressly assume the general supervisory function as its core mission, exercise the corresponding responsibilities exclusively and indelegably and establish a catalogue of the matters which are its exclusive competence.</i></p>		<p><b>OECD Principles of Corporate Governance</b></p> <p><b>VI. D The Responsibilities of the Board: Certain Key functions.</b></p> <p><b>Basel Committee on Banking Supervision</b></p> <p><b>Enhancing Corporate Governance for Banking Organisations</b></p> <p><b>Principle 8</b></p> <p><i>"The board and senior management should understand the bank's operational structure, including where the bank operates in jurisdictions, or through structures, that impede transparency (i.e. "know-your-structure")."</i></p>

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<p>1. They are governed by standard form agreements applied on an across-the-board basis to a large number of clients;</p> <p>2. They go through at market rates, generally set by the person supplying the goods or services;</p> <p>3. Their amount is no more than 1% of the company's annual revenues.</p> <p>It is advisable that related-party transactions should only be approved on the basis of a favourable report from the Audit Committee or some other committee handling the same function; and that the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board deliberates and votes.</p> <p>Ideally the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full board.</p>			

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<p><b>Size</b>  <b>9.</b> In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.</p>	<p><b>Recommendation 4</b>  <i>The Board of Directors should adjust its size to achieve more efficiency and participation. In principle, the size could range from five to fifteen members.</i></p>	<p><i>The Board of Directors must have a reasonable number of members to ensure its viability and the work of each director, who must have access to the necessary resources to improve and make their functions more efficient, including the ability to communicate with the parties responsible for the different business and services areas and, if appropriate, to be assisted by professionals and external experts.</i></p>	
<p><b>Functional structure</b>  <b>10.</b> External directors, proprietary and independent, should occupy an ample majority of board places, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.</p>	<p><b>Recommendation 3</b>  <i>In the composition of the Board of Directors, the non-executive directors (both domanial directors and independent directors) should have an ample majority over executive directors...[...]</i></p>	<p><i>The board should have an ample majority of external directors and, among them, a very significant number of independent directors, considering the company's ownership structure and the capital represented on the board.</i></p>	<p><b>European Commission Recommendation of 15 February 2005.</b>  <b>4. Number of independent directors.</b>  <i>A sufficient number of independent non-executive or supervisory directors should be elected to the (supervisory) board of companies to ensure that any material conflict of interest involving directors will be properly dealt with.</i></p> <p><b>OECD Principles of Corporate Governance</b>  <b>VI.E.1</b> "Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgement to tasks where there is a potential conflict of interest".</p>
<p><b>11.</b> in the event that some external director can be deemed neither proprietary nor independent, the company should disclose this circumstance and the links that person maintains with the company or its senior officers, or its shareholders.</p>			

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<p><b>Proportion between proprietary and independent directors</b></p> <p><b>12.</b> That among external directors, the relation between proprietary members and independents should match the proportion between the capital represented on the board by proprietary directors and the remainder of the company's capital. This proportional criterion can be relaxed so the weight of proprietary directors is greater than would strictly correspond to the total percentage of capital they represent:</p> <ol style="list-style-type: none"> <li>1. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested.</li> <li>2. In companies with a plurality of shareholders represented on the board but not otherwise related.</li> </ol>	<p><b>Recommendation 3</b></p> <p><i>[...] and the proportion between domanial directors and independent directors should take account of the ratio between the significant holdings in capital and the other shareholders.</i></p>		

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<p><b>Sufficient number of independent directors</b>  <b>13.</b> The number of independent directors should represent at least one third of all board members.</p>	<p><b>Recommendation 2</b>  <i>The Board of Directors should include a reasonable number of independent directors who are prestigious professionals with no links to the management team or the significant shareholders.</i></p>		
<p><b>Explaining the nature of directors</b>  <b>14.</b> The nature of each director should be explained to the General Meeting of Shareholders, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Nomination Committee. The said Report should also disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 5% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.</p>			
<p><b>Gender diversity</b>  <b>15.</b> When women directors are few or non existent, the board should state the reasons for this situation and the measures taken to correct it; in particular, the Nomination Committee should take steps to ensure that:  a) The process of filling board vacancies has no implicit bias against women candidates;  b) The company makes a conscious effort to include women with the target profile among the candidates for board places.</p>			
<p><b>The Chairman</b>  <b>16.</b> The Chairman, as the person responsible for the proper operation of the Board of Directors should ensure that directors are supplied with sufficient information in advance of board meetings, and work to procure a good level of debate and the active involvement of all members, safeguarding their right to freely express and adopt positions; he or she should organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive, along with the chairmen of the relevant committees.</p>	<p><b>Recommendation 10</b>  <i>[...] The Chairman should encourage all directors to participate and take positions; particular care should be taken in drafting the minutes...[...]</i></p>		
<p><b>17.</b> When a company's Chairman is also its chief executive, an independent director should be empowered to request the calling of board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation of the Chairman.</p>	<p><b>Recommendation 5</b>  <i>If the board chooses to combine the offices of Chairman and CEO in the same person, it should adopt the necessary safeguards to mitigate the risks of concentrating power in a single person.</i></p>		<p><b>European Commission Recommendation of 15 February 2005.</b>  <b>3.2</b> [...] In cases where a company chooses to combine the roles of chairman and chief executive or to immediately appoint as chairman of the (supervisory) board the former</p>

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			<i>chief executive, this should be accompanied with information on any safeguards put in place.</i>
<p><b>The Secretary</b>  <b>18.</b> The Secretary should take care to ensure that the board's actions:  a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;  b) Comply with the company bylaws and the regulations of the General Shareholders' Meeting, the Board of Directors and others;  c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.</p> <p>In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Nomination Committee and approved by a full board meeting; the relevant appointment and removal procedures being spelled out in the board's regulations.</p>	<p><b>Recommendation 6</b>  <i>The figure of Secretary of the board should be made more important and given more independence and stability, and his function of ensuring the formal and material legality of the board's actions should be highlighted.</i></p>	<p><i>The Board of Directors Secretary should also be expressly granted the duty to oversee compliance with the Bylaws and with the provisions of the regulatory bodies and the consideration, if appropriate, of their recommendations, and to ensure compliance with the company's corporate governance principles or criteria and the rules of the board regulation.</i></p>	
<p><b>Board meetings</b>  <b>19.</b> The board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items.</p>	<p><b>Recommendation 10</b>  <i>To ensure the good working of the board, it should meet as often as necessary to fulfil its mission; [...]</i></p>		
<p><b>20.</b> Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.</p>			
<p><b>21.</b> When directors or the Secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, the member expressing them can request that they be recorded in the minute book.</p>			

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<p><b>Regular evaluation</b>  <b>22.</b> The board in full should evaluate the following points on a yearly basis:</p> <p>a) The quality and efficiency of the board's operation;  b) Starting from a report submitted by the Nomination Committee, how well the Chairman and chief executive have carried out their duties;  c) The performance of its committees on the basis of the reports furnished by the same.</p>	<p><b>Recommendation 10</b>  [...] and the quality and efficiency of the board's work should be evaluated at least once per year.</p>		<p>European Commission Recommendation of 15 February 2005.  8. Evaluation of the (supervisory) board  Every year, the (supervisory) board should carry out an evaluation of its performance. This should encompass an assessment of its membership, organisation and operation as a group, an evaluation of the competence and effectiveness of each board member and of the board committees, and an assessment of how well the board has performed against any performance objectives which have been set.</p>
<p><b>Information to directors</b>  <b>23.</b> All directors should be able to exercise their rights to receive any additional information they require on matters within the board's competence. Unless the bylaws or board regulations indicate otherwise, such requests should be addressed to the Chairman or Secretary.</p>	<p><b>Recommendation 9</b>  The necessary measures should be adopted to ensure that directors have sufficient specifically-prepared and oriented information sufficiently in advance to prepare for board meetings, and the importance or confidentiality of the information may not justify breaches of this recommendation except in exceptional circumstances.</p>	<p>The board and the persons that comprise it must have the necessary information in order to improve their functions and make them more efficient; it is their responsibility to identify and request that information. For that purpose, all the directors are entitled to request and compile any such information; unless the Bylaws or regulations state otherwise, their requests must be made to the board Secretary and they must record in the minutes any defects they observe in the compliance with their requests for information.</p>	
<p><b>24.</b> All directors should be entitled to call on the company for the advice and guidance they need to carry out their duties. The company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the company's expense.</p>	<p><b>Recommendation 14</b>  The right of every director to request and obtain the necessary information and advice to enable him to fulfil his</p>		

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	<p><i>supervisory functions should be formally recognised [...] and the appropriate channels for exercising this right should be established, including the possibility of engaging external experts in special circumstances.</i></p>		
<p><b>25.</b> Companies should organise induction courses for new directors to supply them rapidly with the information they need on the company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise.</p>			<p><b>European Commission Recommendation of 15 February 2005.</b>  <b>11.3.</b> All new members of the (supervisory) board should be offered a tailored induction programme covering to the extent necessary their responsibilities and the company's organisation and activities. The (supervisory) board should conduct an annual review to identify areas where directors need to update their skills and knowledge.</p>
<p><b>Dedication</b>  <b>26.</b> Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:  a) Directors should apprise the Nomination Committee of any other professional obligations, in case they might detract from the necessary dedication;  b) Companies should lay down rules about the number of directorships their board members can hold.</p>			<p><b>European Commission Recommendation of 15 February 2005.</b>  <b>12.1.</b> Each director should devote to his duties the necessary time and attention, and should undertake to limit the number of his other professional commitments (in particular any directorships held in other companies) to such an extent that the proper performance of his duties is assured.</p>

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<p><b>ON DIRECTORS</b>  <b>Selection, appointment and renewal</b>  <b>27.</b> The proposal for the appointment or renewal of directors which the board submits to the General Shareholders' Meeting, as well as provisional appointments by the method of co-option, should be approved by the board:  a) On the proposal of the Nomination Committee, in the case of independent directors.  b) Subject to a report from the Nomination Committee in all other cases.</p>	<p><b>Recommendation 11</b>  <i>The board's participation in the selection and re-election of its members should conform to a formal, transparent procedure based on reasoned proposals from the Nomination Committee.</i></p>		
<p><b>Disclosure of director particulars</b>  <b>28.</b> Companies should post the following director particulars on their websites, and keep them permanently updated:  a) Professional experience and background;  b) Directorships held in other companies, listed or otherwise;  c) An indication of the director's classification as executive, proprietary or independent; in the case of proprietary directors, stating the shareholder they represent or have links with.  d) The date of their first and subsequent appointments as a company director, and;  e) Shares held in the company and any options on the same.</p>			<p><b>European Commission Recommendation of 15 February 2005. 11.4</b>  <i>When the appointment of a director is proposed, disclosure should be made of his particular competences which are relevant to his service on the (supervisory) board. To enable markets and the public to assess whether these competences remain appropriate over time, the (supervisory) board should disclose every year a profile of the board's composition and information on the particular competences of individual directors which are relevant to their service on the (supervisory) board.</i></p>
<p><b>Rotation of independent directors</b>  <b>29.</b> Independent directors should not stay on as such for a continuous period of more than 12 years.</p>			<p><b>European Commission Recommendation of 15 February 2005. ANNEX II h)</b></p>
<p><b>Removal and resignation</b>  <b>30.</b> Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.</p>			
<p><b>31.</b> The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the board, based on a proposal from the Nomination Committee.</p>		<p><i>Once the Shareholders' Meeting has appointed the domania and independent</i></p>	

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<p>In particular, just cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 (definitions) of this Code.</p> <p>The removal of independents may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the capital structure of the company, in order to meet the proportionality criterion set out in Recommendation 12.</p>		<p><i>external directors, the board should not propose their removal before they comply with the period of office as provided in the Bylaws, except for exceptional and justified causes approved by the Board of Directors, based on a report by the Appointment and Remuneration Commission.</i></p>	
<p><b>32.</b> Companies should establish rules obliging directors to inform the board of any circumstances that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.</p> <p>The moment a director is indicted or tried for any of the crimes stated in article 124 of the Public Limited Companies Law, the board should examine the matter and, in view of the particular circumstances and potential harm to the company's name and reputation, decide whether or not he or she should be called on to resign. The board should also disclose all such determinations in the Annual Corporate Governance Report.</p>	<p><b>Recommendation 12</b> <i>Companies should establish in their regulations the obligation for directors to resign where they may have a detrimental impact on the working of the board of Directors or on the company's prestige and reputation.</i></p>		
<p><b>33.</b> All directors should express clear opposition when they feel a proposal submitted for the board's approval might harm the corporate interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.</p> <p>When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.</p> <p>The term of this Recommendation should also apply to the Secretary of the board; director or otherwise.</p>			<p><b>European Commission Recommendation of 15 February 2005.</b> <b>ANNEX II</b> <b>2.</b> <i>The independent director undertakes (a) to maintain in all circumstances his independence of analysis, decision and action, (b) not to seek or accept any unreasonable advantages that could be considered as compromising his independence, and (c) to clearly express his opposition in the event that he finds that a decision of the (supervisory) board may harm the company. When the (supervisory) board has made decisions about which an independent non-</i></p>

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			<i>executive or supervisory director has serious reservations, he should draw all the appropriate consequences from this. [...]</i>
<p><b>34.</b> Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Irrespective of whether such resignation is filed as a significant event, the reasons for the same must be explained in the Annual Corporate Governance Report.</p>			<p><b>European Commission Recommendation of 15 February 2005.</b>  <b>ANNEX II</b>  <i>[...] If he were to resign, he should explain his reasons in a letter to the board or the audit committee, and, where appropriate, to any relevant body external to the company.</i></p>
<p><b>Remuneration</b>  <b>Approval and transparency</b>  <b>35.</b> The company's remuneration policy, as approved by its Board of Directors, should specify at least the following points:  a) The amount of the fixed components, itemised where necessary, of board and board committee attendance fees, with an estimate of the fixed annual payment they give rise to;  b) Variable components, in particular:  i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items.  ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;  iii) The main parameters and grounds for any system of annual bonuses or other, non cash benefits; and  iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.  c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.  d) The conditions to apply to the contracts of executive directors exercising senior management functions. Among them:  i) Duration;  ii) Notice periods; and  iii) Any other clauses covering hiring bonuses, as well as indemnities or</p>		<p><i>Golden handshake or protection clauses: once the board has approved the</i></p>	<p><b>European Commission Recommendation of 14 December 2004.</b>   <b>Section II Remuneration Policy. Point 3</b></p>

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'golden parachutes' in the event of early termination of the contractual relation between company and executive director.		<i>amount of compensation that was agreed upon, if the amount exceeds two years' salary, the surplus must be booked as a provision in the balance sheet of the same year of the approval and the amount must be disclosed separately.</i>	
<p><b>Guidelines</b></p> <p><b>36.</b> Remuneration comprising the delivery of shares in the company or other companies in the group, share options or other share-based instruments, payments linked to the company's performance or membership of pension schemes should be confined to executive directors.</p> <p>The delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their tenure.</p>		<i>It is recommended, in general, that remuneration comprising shares of the company or group companies, stock options or options referenced to the share price be limited to executive or internal directors.</i>	
<p><b>37.</b> External directors' remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.</p>			
<p><b>38.</b> In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.</p>		<i>If directors' remuneration is based on company earnings, regard should be had to any qualifications in the external auditor's report that have a material effect on the income statement.</i>	
<p><b>39.</b> In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or circumstances of this kind.</p>			
<p><b>40.</b> The board should submit a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. This report can be provided to shareholders separately or in the manner each company sees fit.</p> <p>The report will focus on the remuneration policy the board has approved for the current year with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 34, except those potentially entailing the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year, with a global summary of how the policy was applied over the period in question.</p>			<p><b>European Commission Recommendation of 14 December 2004.</b></p> <p><b>Section II Remuneration Policy. Point 4.2</b></p>

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The role of the Remuneration Committee in designing the policy should be reported to the Meeting, along with the identity of any external advisors engaged.			
<p><b>Disclosure of individual remuneration</b></p> <p><b>41.</b> The notes to the annual accounts should list individual directors' remuneration in the year, including:</p> <p>a) A breakdown of the compensation obtained by each company director, to include where appropriate:</p> <ul style="list-style-type: none"> <li>i) Participation and attendance fees and other fixed director payments;</li> <li>ii) Additional compensation for acting as chairman or member of a board committee;</li> <li>iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;</li> <li>iv) Contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes;</li> <li>v) Any severance packages agreed or paid;</li> <li>vi) Any compensation they receive as directors of other companies in the group;</li> <li>vii) The remuneration executive directors receive in respect of their senior management posts;</li> <li>viii) Any kind of compensation other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.</li> </ul> <p>b) An individual breakdown of deliveries to directors of shares, share options or other share-based instruments, itemised by:</p> <ul style="list-style-type: none"> <li>i) Number of shares or options awarded in the year, and the terms set for their execution;</li> <li>ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;</li> <li>iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;</li> <li>iv) Any change in the year in the exercise terms of previously awarded options.</li> </ul> <p>c) Information on the relation in the year between the remuneration obtained by executive directors and the company's profits, or some other measure of enterprise results.</p>		<p><i>The amount of remuneration received by each director should be disclosed in the notes to the accounts, and all the items of this remuneration should be broken down. The remuneration and total cost of senior management (management committee or similar) and the number and identification of the positions comprising it should be disclosed in the annual report, with a breakdown of the items that correspond to them: salary in cash and in kind, stock options, bonuses, pension funds, provisions for indemnities and any other compensation.</i></p>	<p><b>European Commission Recommendation of 14 December 2004.</b></p> <p><b>Section III Remuneration of individual directors.</b></p>
<p><b>ON COMMITTEES</b></p> <p><b>Executive Committee</b></p> <p><b>42.</b> When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the board itself. The Secretary of the</p>	<p><b>Recommendation 7</b></p> <p><i>The composition of the Executive Committee, if there is one, should reflect the same</i></p>	<p><i>When the Executive Commission assumes all or most of the board's powers, its composition should be similar</i></p>	

UNIFIED CODE RECOMMENDATION	OLIVENCIA REPORT	ALDAMA REPORT	RECOMMENDATIONS OF INTERNATIONAL ORGANISATIONS
board should also act as secretary to the Executive Committee.	<i>balance as in the board between the various classes of director...[...]</i>	<i>to that of the board itself in terms of the percentage of the different types of directors.</i>	
43. The board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all board members should receive a copy of the Committee's minutes.	<b>Recommendation 7</b> <i>[...], and the relations between the two bodies should be inspired by the principle of transparency so that the Board of Directors has full knowledge of the matters discussed and the decisions made in the Executive Committee.</i>		
<p><b>Supervision and control committees</b></p> <p>44. In addition to the Audit Committee mandatory under the Securities Market Law, the Board of Directors should form a committee, or two separate committees, of Nomination and Remuneration.</p> <p>The rules governing the make-up and operation of the Audit Committee and the committee or committees of Nomination and Remuneration should be set forth in the board regulations, and include the following:</p> <p>a) The Board of Directors should appoint the members of such committees with regard to the knowledge, aptitudes and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first board plenary following each meeting;</p> <p>b) These committees should be formed exclusively of external directors and have a minimum of three members. Executive directors or senior officers may also attend meetings, for information purposes, at the Committees' invitation.</p> <p>c) Committees should be chaired by an independent director.</p> <p>d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.</p> <p>e) Meeting proceedings should be minuted and a copy sent to all board members.</p>	<b>Recommendation 8</b> <i>The Board of Directors should create sub-Committees for control purposes, composed exclusively of non-executive directors, to deal with matters of accounting information and control (Audit Committee); the selection of directors and senior executives (Nomination Committee); the determination and review of remuneration policies (Remuneration Committee); and the evaluation of the governance system (Compliance Committee).</i>	<i>The board's performance of its functions is strengthened by the creation of specialised commissions. The Board of Directors must appoint such commissions' members, approve their Regulations, if any, and consider their proposals and reports; such commissions report to the board and are answerable to it.</i>	<p><b>European Commission Recommendation of 15 February 2005.</b></p> <p><b>5. Organisation in board committees.</b></p> <p><i>Boards should be organised in such a way that a sufficient number of independent non-executive or supervisory directors play an effective role in key areas where the potential for conflict of interest is particularly high. To this end, but subject to point 7, nomination, remuneration and audit committees should be created within the (supervisory) board, where that board plays a role in the areas of nomination, remuneration and audit under national law, taking into account Annex I.</i></p> <p><b>ANNEX I. 1.1 and 1.5</b></p>
45. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Nomination			

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Committee or, as the case may be, separate Compliance or Corporate Governance committees.			
<p><b>Audit Committee</b></p> <p>46. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.</p>		<p><b>Audit and Control Commission</b></p> <p><i>The members of the Audit and Control Commission should all be external directors appointed on the basis of their knowledge and professional experience. The proportion of domanian and independent directors should be similar to that on the board itself. The Audit Commission's chairman should be an independent director. Executive directors can attend its meetings to report at the Commission's request.</i></p>	<p><b>European Commission Recommendation of 15 February 2005.</b></p> <p><b>ANNEX I. 4 The Audit Committee.</b></p>
<p>47. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems.</p>			<p><b>European Commission Recommendation of 15 February 2005.</b></p> <p><b>ANNEX I. 4 The Audit Committee.</b></p>
<p>48. The head of internal audit should present an annual work programme to the Audit Committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.</p>			
<p>49. Control and risk management policy should specify at least:</p> <p>a) The different types of risk (operational, technological, financial, legal, reputational...) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;</p> <p>b) The determination of the risk level the company sees as acceptable;</p> <p>c) Measures in place to mitigate the impact of risk events should they occur;</p> <p>d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.</p>			
<p>50. The Audit Committee's role should be:</p> <p>1. With respect to internal control and reporting systems:</p> <p>a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting</p>	<p><b>Recommendation 21</b></p> <p><i>The Board of Directors and the Audit Committee should monitor situations which might jeopardise the independence of the company's external</i></p>		<p><b>European Commission Recommendation of 15 February 2005.</b></p> <p><b>ANNEX I. 4.2 Role</b></p>

UNIFIED CODE RECOMMENDATION	OLIVENCIA REPORT	ALDAMA REPORT	RECOMMENDATIONS OF INTERNATIONAL ORGANISATIONS
<p>principles.</p> <p>b) Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.</p> <p>c) Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; receive regular report- backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.</p> <p>d) Establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.</p> <p>2. With respect to the external auditor:</p> <p>a) Make recommendations to the board for the selection, appointment, reappointment and removal of the external auditor, and the terms and conditions of his engagement.</p> <p>b) Receive regular information from the external auditor on the progress and findings of the audit programme, and check that senior management are acting on its recommendations.</p> <p>c) Monitor the independence of the external auditor, to which end:</p> <p>i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.</p> <p>ii) The Committee should ensure that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence;</p> <p>iii) The Committee should investigate the issues giving rise to the resignation of any external auditor.</p> <p>d) In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.</p>	<p><i>auditors and, specifically, they should verify the percentage of the audit firm's total revenues represented by the fees paid to it under all headings, and professional services other than auditing should be publicly disclosed.</i></p>		
<p><b>51.</b> The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.</p>			
<p><b>52.</b> The Audit Committee should prepare information on the following points from Recommendation 8 for input to board decision-making:</p> <p>a) The financial information that all listed companies must periodically disclose. The Committee should ensure that interim statements are drawn up under the same</p>			

UNIFIED CODE RECOMMENDATION	OLIVENCIA REPORT	ALDAMA REPORT	RECOMMENDATIONS OF INTERNATIONAL ORGANISATIONS
<p>accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.</p> <p>b) The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.</p> <p>c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.</p>			
<p><b>53.</b> The Board of Directors should seek to present the annual accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.</p>			
<p><b>Nomination Committee</b></p> <p><b>54.</b> The majority of Nomination Committee members - or Nomination and Remuneration Committee members as the case may be - should be independent directors.</p>			<p><i>European Commission Recommendation of 15 February 2005. ANNEX I. 2 The Nomination Committee.</i></p>
<p><b>55.</b> The Nomination Committee should have the following functions in addition to those stated in earlier recommendations:</p> <p>a) Evaluate the balance of skills, knowledge and experience on the board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.</p> <p>b) Examine or organise, in appropriate form, the succession of the chairman and chief executive, making recommendations to the board so the handover proceeds in a planned and orderly manner.</p> <p>c) Report on the senior officer appointments and removals which the chief executive proposes to the board.</p> <p>d) Report to the board on the gender diversity issues discussed in Recommendation 14 of this Code.</p>			<p><i>European Commission Recommendation of 15 February 2005. ANNEX I. 2.2 Role</i></p>
<p><b>56.</b> The Nomination Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive directors. Any director may suggest directorship candidates to the Nomination Committee for its consideration.</p>			<p><i>European Commission Recommendation of 15 February 2005. ANNEX I. 2.3. Operation</i></p>

UNIFIED CODE RECOMMENDATION	OLIVENCIA REPORT	ALDAMA REPORT	RECOMMENDATIONS OF INTERNATIONAL ORGANISATIONS
<p><b>Remuneration Committee</b>  <b>57.</b> The Remuneration Committee should have the following functions in addition to those stated in earlier recommendations:</p> <p>a) Make proposals to the Board of Directors regarding:</p> <p>    i) The remuneration policy for directors and senior officers;</p> <p>    ii) The individual remuneration and other contractual conditions of executive directors;</p> <p>    iii) The standard conditions for senior officer employment contracts.</p> <p>b) Oversee compliance with the remuneration policy set by the company.</p>	<p><b>Recommendation 15</b>  <i>The director remuneration policy, whose proposal, evaluation and review should be assigned to the Remuneration Committee, should conform to criteria of moderation, be commensurate with the company's performance and be disclosed in detail on an individual basis.</i></p>		<p><i>European Commission Recommendation of 15 February 2005.</i></p> <p><b>ANNEX I. 3 The Remuneration Committee.</b></p>
<p><b>58.</b> The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.</p>			<p><i>European Commission Recommendation of 15 February 2005.</i></p> <p><b>ANNEX I. 3.3 Operation</b></p>

DEFINITIONS (ANNEX TO THE UNIFIED CODE)	OLIVENCIA REPORT	ALDAMA REPORT	RECOMMENDATIONS OF INTERNATIONAL ORGANISATIONS
<p><b>2. Significant shareholdings</b></p> <p>Shareholdings legally defined as such; currently, those exceeding 5% of share capital pursuant to Royal Decree 377/1991 on the notification of significant shareholdings.</p>			

<p><b>3. Executive directors</b>  Directors who are senior officers or employees of the company or its group. However, board members who are senior officers or directors of the company's parent firm shall be classed as proprietary directors.  When a director performing senior management functions at the same time is or represents a significant shareholder or any shareholder represented on the board, he or she will be considered an "executive" or "internal" director for the purpose, exclusively, of this Code. For other purposes, e.g. the rules on mandatory takeover bids by a shareholder controlling the board, this same director would be classed as proprietary.</p>		<p><b>Internal or executive directors.</b>  <i>These are directors who have executive or management functions in the company or in one of its investee companies and, in any case, have an employment, mercantile or other type of relationship with the company apart from their status as directors. Executive directors are also those who have some capacity to decide about some parts of the company's or group's business through a stable delegation or proxy granted by the board of Directors or the company, respectively.</i>  <i>Conversely, directors who receive special powers from the Shareholders' Meeting or Board of Directors through delegation, authorization or proxy for a specific act should not be considered executive or internal directors.</i></p>	
<p><b>4. Proprietary directors</b>  Defined as:  a) Directors who own an equity stake above or equal to the legally determined threshold for significant holdings, or otherwise appointed due to their status as shareholders.  b) Those representing the shareholders stated in a) above.  For these purposes, a director shall be deemed to represent a shareholder when:  a) He or she has been appointed under a power of attorney.  b) He or she is a director, senior officer, employee or regular service supplier of the said shareholder, or of companies within the same group.  c) Company records show that the shareholder acknowledges the director as his appointee or representative.  d) He or she is the spouse or maintains an analogous affective relationship or is a close relative of a significant shareholder.</p>		<p><b>Domanial external directors.</b>  <i>These are directors appointed by shareholders who, individually or collectively, own a stable participation in share capital which, regardless of whether or not this entitles them to a seat on the governing body, the board has estimated to be sufficiently significant, considering the company's floating capital, to propose their appointment to the Shareholders' Meeting.</i></p>	

<p><b>5. Independent directors</b></p> <p>Directors appointed for their personal or professional qualities who are in a position to perform their duties without being influenced by any connection with the company, its shareholders or its management.</p> <p>As such, the following shall in no circumstances qualify as independent directors:</p> <p>a) Past employees or executive directors of group companies, unless 3 or 5 years have elapsed, respectively, from the end of the relation.</p> <p>b) Those who have received some payment or other form of compensation from the company or its group on top of their directors' fees, unless the amount involved is not significant.</p> <p>Dividends or pension supplements received by a director for prior employment or professional services shall not count for the purposes of this section, provided such supplements are non contingent, i.e. the paying company has no discretionary power to suspend, modify or revoke their payment, and by doing so would be in breach of its obligations.</p> <p>c) Partners, now or on the past 3 years, in the external auditor or the firm responsible for the audit report, over the said period, of the listed company or any other within its group.</p> <p>d) Executive directors or senior officers of another company where an executive director or senior officer of the company is an external director.</p> <p>e) Those having material business dealings with the company or some other in its group or who have had such dealings in the preceding year, either on their own account or as the significant shareholder, director or senior officer of a company that has or has had such dealings.</p> <p>Business dealings will include the provision of goods or services, including financial services, as well as advisory or consultancy relationships.</p> <p>f) Significant shareholders, executive directors or senior officers of an entity that receives significant donations from the company or its group, or has done so in the past 3 years.</p> <p>This provision will not apply to those who are merely trustees of a Foundation receiving donations.</p> <p>g) Spouses, partners maintaining an analogous affective relationship or close relatives of one of the company's executive directors or senior officers.</p> <p>h) Any person not proposed for appointment or renewal by the Nomination Committee.</p> <p>i) Those standing in some of the situations listed in a), e), f) or g) above in relation to a significant shareholder or a shareholder with board representation. In the case of the family relations set out in letter g), the limitation shall apply not only in connection with the shareholder but also with his or her proprietary directors in the investee company.</p> <p>Proprietary directors disqualified as such and obliged to resign due to the disposal of shares by the shareholder they represent may only be re-elected as independents once the said shareholder has sold all remaining shares in the company.</p> <p>A director with shares in the company may qualify as independent, provided he or</p>		<p><b>Independent directors</b></p> <p><i>These are persons of acknowledged professional prestige who can contribute their experience and knowledge to governing the company and, although they are not executive or domanial, are appointed to the board and satisfy the conditions that ensure impartiality and objectivity, such as:</i></p> <p><i>i) Not having, at present or in the recent past, an employment, commercial or contractual relation, direct or indirect, of a significant nature, with the company, its managers, domanial directors or group companies whose interests the latter represent, credit institutions with a significant position in the company's finances or organizations that receive significant subsidies from the company.</i></p> <p><i>ii) Not being a director of another listed company that has domanial directors in the company in question.</i></p> <p><i>iii) Not being a close relative of the company's executive or domanial directors or senior managers. Any of the aforementioned relationships must be disclosed to and evaluated by the board based on a report by the Appointment and Remuneration Commission, and must be</i></p>	<p><b>European Commission Recommendation of 15 February 2005.</b></p> <p><b>ANNEX II Profile of independent non-executive or supervisory directors</b></p>
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she meets all the conditions stated in this Recommendation and the holding in question is not significant.		<i>disclosed in the annual corporate governance report.</i>	
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## **Appendix 3. Membership of the Special Working Group**

### *Members from the public administration*

- Manuel Conthe, Chairman (CNMV)
- Joaquín de Fuentes, State Advocate General
- Pilar Blanco-Morales, Director General of Registries and Notaries
- Soledad Núñez, Director General of the Treasury and Financial Policy
- Carmen Tejera, Senior Legal Advisor to the State Secretary for the Economy
- José Manuel Gómez de Miguel, Head of Regulation, Banco de España

### *Members from the private sector*

- Jesús Caínzos
- Ana María Llopis
- Aldo Olcese
- Cándido Paz-Ares
- Vicente Salas

### *Advisors to the European Commission on corporate governance matters:*

- José María Garrido
- Enrique Piñel

### *Secretary*

- Javier Rodríguez Pellitero, Director of the CNMV Legal Department