Criteria on block trades, approved by the Board of the CNMV on 19 December 2007

It is common market practice for an intermediary, when executing a client order, to buy or sell a large block or packet of shares in a short period of time, after arranging the deal beforehand by means of direct contacts with a limited number of institutional or professional investors, generally while the official market was closed.

Even in the case of very liquid shares, the size and speed of these transactions can perturb trading conditions if they are executed through the main order execution system during the trading session. Consequently, even where they are based on the current market price, these deals are generally arranged by seeking potential counterparties directly.

The knowledge, during trading hours, that a deal of that type is imminent or under way may have a significant influence on the price of the security and is normally classified as "inside information" under Act 24/1998, of 28 July, governing the Securities Market, as corroborated in the CESR document on the interpretation of the Market Abuse Directive. Moreover, such transactions, even when carried out outside trading hours, may have an impact, albeit temporary, on market prices.

In order to preserve market integrity, the Comisión Nacional del Mercado de Valores (CNMV) considers it advisable to establish a number of criteria to be applied by intermediaries in transactions involving the placement or purchase of large blocks of shares (block trades), whether underwritten or not, and whether they refer to pre-existing shares (including treasury shares) or newly-issued shares.

These criteria will be applicable in particular to block trades that fulfil the following three conditions:

a) Where the transaction is not presented as a takeover bid, as a public offering or as an issue with prospectus and, consequently, is executed without providing investors with any information about the transaction other than the fact of its existence and the information about the listed company that was already available in the market.

b) Where the total volume of the transaction exceeds the lower of the following two amounts: double the daily average trading volume in the share in the orders market during the last quarter in the most liquid market, and 0.5% of the capital stock of the company whose shares are being placed.

c) Where there is a mandate or order to carry out the transaction.

The CNMV's criteria on the "block trades" described above are as follows:

1. Where the client grants a mandate to more than one intermediary, one of them must be designated as interlocutor to liaise with the CNMV in order to provide information about the status of the transaction.
2. Before prospection begins, the intermediary or issuer must inform the CNMV's Secondary Market Directorate of the amount and other relevant conditions of the

planned transaction, including an indicative price range, if one has been established.

3. Parties involved must fulfil the obligations established in the Securities Market Act (Act 24/1998, of 28 July) regarding inside information, and they must give express written notice to all interested parties and investors whom they contact while seeking counterparties that the information regarding the transaction is inside information and, consequently, that they may not trade in the market on the basis of that information.

   Where the method of placement or the systems used for dissemination do not make it possible to reasonably ensure the confidentiality of the transaction, the intermediary must issue a regulatory disclosure *("hecho relevante")* detailing at least the number of shares being placed or purchased and the proportion of capital stock that they represent.

4. Placements must be carried out quickly, and the transaction should be completed as soon as possible after prospection begins. Barring exceptional circumstances, the transaction should be announced when the market is closed.

5. If the market opens before placement has been completed and no regulatory disclosure has been filed in accordance with criterion 3 above, the intermediary must file a communiqué with the CNMV with the same level of detail as set out in criterion 3, and the CNMV may release the communiqué as a regulatory disclosure if it sees fit. At all events, details of the placement that have not been released to the market in the form of a regulatory disclosure may not be divulged to third parties, either directly or indirectly.

6. As soon as the transaction has been completed, in addition to any other disclosure obligations imposed by law, the designated interlocutor must file with the CNMV, and publish, a communiqué with the following details of transaction:

   a) Effective amount and number of shares.

   b) Price.

   c) Volume, indicating the percentage of the total transaction amount that was acquired by each of the placing intermediaries.