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REGULATIONS

OF

THE BOARD OF DIRECTORS

OF

GESTAMP AUTOMOCIÓN, S.A.

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CHAPTER I - INTRODUCTION

Article 1°. Purpose of these Regulations

These Regulations lay down the internal procedure and functioning for the Board of Directors of Gestamp Automoción, S.A. (the "**Company**"), which are aimed at ensuring a better management of the Company, adopting for these purposes the good governance recommendations for listed companies, in accordance with best practices.

Article 2°. Scope

1. These Regulations are applicable both to the Board of Directors, its delegated bodies - individual or collegiate - and their internal committees, as well as their members.
2. The people to whom these Regulations apply are required to know, comply with and enforce their content. The Company's Board of Directors Secretary will deliver a copy of these Regulations to each of them at the time they accept their appointment, who must submit a signed statement in which they state they understand and accept its content and agree to comply with all obligations applicable thereof.

Article 3°. Dissemination

The Regulations will be communicated to the National Stock Market Commission and registered in the Commercial Register. It will also be available on the Company's website.

Article 4°. Interpretation

These regulations complement what was established for the Board of Directors in the current commercial legislation and the Company's bylaws and will be interpreted in accordance with legal norm criteria, mainly as regards their spirit and purpose, and with the principles and recommendations on corporate governance of listed companies approved by competent Spanish authorities. The Board of Directors may clarify its content.

Article 5°. Modification

1. The Board of Directors is responsible for introducing changes to these Regulations, pursuant to the requirements set out in this article.
2. The Chairman or one third of the Board members may urge the amendment of these regulations when in their judgment circumstances exist that make this desirable or necessary. The proposed amendment should be accompanied by a supporting report explaining the causes and scope of the proposed amendment.

3. Proposed amendments will be informed by the Audit Committee.
4. The text of the proposal, the supporting report and the report from the Audit Committee will be attached to the call for the Board meeting that has to deliberate on it.

The call must be made in good time and other formalities required by law, the Bylaws and these Regulations.

The amendment to the Regulations require to be agreed by at least two thirds of the members of the Board to be valid.

5. The Board of Directors will inform shareholders of the amendments to the Regulations. This requires a specific item to be included in the call Agenda for the first General Meeting to be held after the amendments' approval.

CHAPTER II - COMPOSITION, JURISDICTION AND ROLES OF THE BOARD OF DIRECTORS

Article 6°. Quantitative composition

1. According to the Bylaws, the Board of Directors will have a minimum of nine (9) and a maximum of fifteen (15) members. The determination of the specific number of directors corresponds to the General Meeting.
2. The Board of Directors will propose to the Board the most appropriate number of directors according to the circumstances of the Company in order to ensure the body's due representation and effective functioning.

Article 7°. Qualitative composition

1. Persons appointed as directors must meet not only the conditions required by Law and the Bylaws, but also those provided for by these Regulations, formally undertaking to fulfil the obligations and duties laid down therein at the assumption of office.
2. The Board of Directors must approve a selection of directors policy that,
 - (a) Is specific and verifiable;
 - (b) Ensures that proposals for appointment or reappointment are based on a preliminary analysis of the Board of Directors' needs; and

- (c) Promotes the diversity of knowledge, experience and gender. The result of the previous analysis of the needs of the Board will be reflected in the explanatory report of the Nominations and Compensation committee and will be published when convening the Shareholders' General Meeting whereby each director is to be presented for ratification, appointment or re-election.
3. In exercising its proposal powers to the General Meeting and cooptation for the appointment of directors, the Board of Directors will weigh the existence, within the same, of the following categories of Directors:

- (a) **Independent directors.** Understood as those who, appointed on the basis of their personal and professional qualities may perform their duties without being conditioned by relations with the Company, its significant shareholders or managers. Those in any of the situations described in Article 529 *duodecies* 4 of the Capital Companies Act may not under any circumstances be considered as independent directors.

Proprietary directors who lose this status as a result of the sale of shares by the shareholder they represent, may only be re-elected as independent directors when the shareholder they represented up until that time has sold all its shares in the Company and meet the other requirements to be qualified as such.

A director who owns shares in the Company may have independent status, provided they meet all the conditions set out in this section and also their participation is not significant.

- (b) **Proprietary directors.** Understood as those who have a stake greater than or equal to that legally regarded as significant or who have been designated by their status as shareholders, although their shareholding does not reach that amount, as well as those representing the shareholders of the aforementioned.
- (c) **Other external directors.** Understood as non-executive directors that cannot be deemed to be independent directors for being subject to a prohibition or incompatibility established by law and who do not meet the requirements to be proprietary directors in accord with the criteria established in previous sections.
- (d) **Executive directors.** Understood as such by those who have leadership roles in the Company or any company of its group, whatever the legal relationship they have with it.

When a director performs management functions and at the same time is or represents a shareholder, significant or represented on the Board of Directors, they will be deemed to be an executive.

Proprietary directors, independent directors and external directors are "external directors".

In case there are other external directors, it should be accordingly explained in the Annual Corporate Governance Report and, where appropriate, the links of these directors with the Company, its directors or its shareholders should also be explained.

4. External, proprietary and independent directors constitute a large majority of the Board, and the number of executive directors should be the minimum necessary. An adequate number of independent directors will join the Board of Directors and not less than one third of all board members.
5. Among external directors, it will be ensured that the relationship between the number of proprietary directors and independent directors should reflect, as far as possible, the ratio between the capital of the Company represented on the Board by proprietary directors and the rest of share capital.
6. The nature of each director will be justified by the Board of Directors before the Annual General Meeting to make or ratify the appointment and will be maintained or, where appropriate, will be modified each year in the Annual Corporate Governance Report, after verification by the Nominations and Compensation Committee.

Article 8°. Powers of the Board of Directors. Non-delegable issues

1. The Board of Directors should assume effectively the Company's powers of supervision, direction, monitoring and representation, attributed by Law and the Bylaws, and will establish, as its core mission, the approval of the Company's strategy and the organisation required for its implementation, as well as monitoring and enforcement of objectives set out by management, and respect for the purpose and interests of the company.
2. The Board will perform its duties with unity of purpose and independent judgment, will dispense the same treatment to all shareholders who are in the same position and will be guided by the interests of the Company, understood as maximising steadily, the company's financial value. It must also ensure that in its relations with various stakeholders, the Company abides by laws and regulations; that it fulfils its obligations and contracts in good faith; that it respects the customs and good practices of the sectors and territories where it does business; and that it observes any social

responsibility's additional principles that it has voluntarily accepted.

3. In any case, it is for the Board of Directors, through the adoption of agreements to be approved in each case as provided by Law, the Bylaws or these Regulations, to deal with the following issues, which are established as a formal catalogue of matters reserved for its exclusive knowledge, without prejudice to any other for which the current legislation, the Bylaws or these Regulations recognise to be their competence before the Board of Directors:

- (a) The Company's general policies and strategies, and in particular:
- (i) the strategic or business plan, as well as management objectives and annual budgets;
 - (ii) the investment and financing policy;
 - (iii) the definition of the Company's structure and its group's;
 - (iv) the Company and its group's corporate governance policy;
 - (v) the corporate social responsibility policy;
 - (vi) the remuneration policy and senior management's performance assessment. For these purposes senior management will be understood as all those who report directly to the Board or the Company's chief executive; this concept will necessarily include the internal audit director;
 - (vii) the dividend and treasury stock policy and, in particular, its limits; and
 - (viii) the risk control and management policy, including tax risks, and the periodic monitoring of internal information and control systems.

the risk control and management policy must identify at least:

- The different types of risk faced by the Company, including contingent liabilities and other off-balance sheet risks among the financial or economic risks;
- Setting the risk level the company deems to be acceptable;
- The measures contemplated for mitigating the impact of the identified risks, should they materialise; and

- Information systems and internal control to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.
 - (ix) Determining the Company's fiscal strategy.
- (b) The following decisions:
 - (i) a proposal for the Company's chief executive, the appointment and cessation of Senior Management, and their compensation clauses;
 - (ii) distribution among the directors of the fixed annual payment determined by the General Meeting, which will be held by the Board of Directors taking into account the conditions of each director, the roles and responsibilities allocated to them and their relevance to the various committees and, in the case of executives, determining their additional remuneration for their executive functions and other conditions that their contracts must observe;
 - (iii) financial information which, as a listed company, the Company must make public periodically;
 - (iv) all kind of investments or operations which, because of their high amount or special characteristics, are strategic or have a special tax risk unless their approval corresponds to the General Meeting; and
 - (v) the creation or acquisition of shares in special purpose entities or domiciled in countries or territories considered as tax havens, and any other transactions or operations of a similar nature whose complexity might impair the transparency of the Company.
- (c) The formulation of any kind of report required by Law to the board as long as the operation to which the report relates cannot be delegated.
- (d) Monitoring the effective functioning of the committees formed and the performance of the delegated bodies and managers who had been appointed.
- (e) The convening of the General Meeting and drawing up the agenda and the proposed resolutions.
- (f) The powers that the General Meeting had delegated to the Board of Directors, unless expressly authorised by the former to subdelegate them.

- (g) Transactions which the Company or group companies carry out with directors, significant shareholders or shareholders represented on the Board of the Company or other group companies, or with persons related thereto, following a favourable report from the Audit Committee, and with the abstention of the directors affected, except in cases exempted in the legislation.
- (h) Other decisions specifically provided for in these Regulations.

Board powers set forth in this article will be non-delegable.

- 4. Notwithstanding the foregoing, when duly justified urgent circumstances take place, decisions from previous issues may be adopted by the delegated bodies or persons, which must be ratified at the first Board of Directors Meeting held after the adoption of the decision.

Article 9°. Balance in the development of the Board of Directors' functions

- 1. The Board of Directors is responsible for the development of as many acts as may be necessary to carry out the corporate purpose set forth in the Bylaws, in accordance with applicable law.
- 2. The delegation of powers within the limits allowed by law, made by the Board on behalf of any of its members does not deprive it of those powers.
- 3. The Board of Directors will perform its duties in accordance with the principle of balance between powers and responsibilities. Directors and committees in which the Board may delegate powers will also be subject to this principle.
- 4. The Board of Directors will establish the mechanisms that are convenient and appropriate or necessary to monitor the decisions taken by any of its members or committees.
- 5. The Board of Directors is responsible for its management before the Annual General Meeting.

Article 10°. Representative functions

- 1. The Board of Directors is responsible for representing the Company in statutorily established and legal terms.
- 2. The committees and Board members in which powers of representation have been delegated will inform the Board of any actions taken in the execution of such powers which go beyond ordinary administration.

Article 11°. Specific tasks concerning annual accounts and management report

1. The Board of Directors will draw up the financial statements and the management report, both individual and consolidated, so that a true and fair view of the assets, financial situation and the Company's and its group's results, as provided by Law, having previously received the report from the Audit Committee. Such accounts will be previously certified as to their completeness and accuracy by the CFO of the Company, with the approval of the Chairman.
2. The Board of Directors, after reviewing the reports alluded to in the preceding paragraph may request any clarifications deemed pertinent from those who issued them.
3. The Board of Directors will ensure, in particular, that the previous accounting documents are written in clear and precise terms that facilitate proper understanding of its contents. In particular, all comments that are useful for these purposes will be included.
4. The record will state that before signing the financial statements required by Law, members of the Board of Directors have prepared the report for the Audit Commission to create them and, in general, the information necessary to carry out this, and making any observations deemed to be appropriate.
5. The Board will monitor the Company's account progress prior report from the Audit Committee.

Article 12°. Specific functions relating to the Stock Market

1. The Board of Directors will perform all duties required for the type of company listed on the Spanish stock exchanges.
2. In particular, the Board will develop in the manner provided in these regulations, the following specific functions related to the stock market:
 - (a) The performance of all acts and adoption of whatever measures are required to ensure the transparency of the Company in the financial markets.
 - (b) The performance of all acts and adoption of whatever measures deemed necessary to prevent, within its scope, the manipulation and abuse of privileged information.
 - (c) Approval and updating of the Internal Code of Conduct in matters relating to securities markets.

- (d) Approval of the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors under the Law.

CHAPTER III - BOARD OF DIRECTORS' RELATIONSHIPS

Article 13°. Relationships with shareholders

1. The Board of Directors will define and promote a policy of communication and contacts with shareholders, institutional investors and voting advisors that is completely respectful of the rules against market abuse and that dispenses a similar treatment to shareholders who are in the same position. In this line, it will promote the convening of briefings, attended by any of the Directors or Senior Management as deemed to be appropriate, with institutional shareholders on the progress of the Company. Under any circumstances will these briefings involve the release of any information that could give them a privileged situation or advantage over other shareholders.
2. The Company will make such policy public through its corporate website, including information on how it is implemented and identifying the spokespersons or persons responsible for carrying it out.
3. In particular, the Board of Directors will adopt the following measures:
 - (a) It will ensure the provision for shareholders of all information that is legally enforceable prior to the General Meeting.
 - (b) It will address, with the utmost diligence, requests for information made by shareholders prior to the General Meeting.
 - (c) It will likewise respond with due diligence to any questions raised by shareholders during the General Meeting.

Article 14°. Relationships with the markets

1. The Board of Directors will adopt the provisions necessary for the public to be informed immediately, by submitting the following to the National Stock Market Commission and by simultaneous publication on the Company's website,
 - (a) The approval of periodic public financial information;
 - (b) Relevant events capable of influencing the trading price of the shares of the Company significantly;

- (c) Changes that significantly affect the shareholding structure of the Company;
 - (d) Substantial changes to the Company's governance rules, currently constituted by the Bylaws, the Regulations of the Annual General Meeting, these Regulations, the Internal Code of Conduct and the Protocol of Treatment and Approval of Transactions with Related Parties; and
 - (e) Treasury stock transactions that have to be reported under the relevant rules.
2. The Board of Directors will take the necessary measures to ensure that the periodic financial information and any other information that is made available to the markets is prepared according to the same principles, criteria and professional practices as the annual accounts and which share the same reliability as them.

Article 15°. Relationships with the auditor

1. The Board's relationships with the auditor of the Company and its consolidated group will be channelled through the Audit Committee.
2. The Board of Directors will refrain from proposing hiring audit firms in which the fees that the Company would have to pay for all items, may exceed ten percent (10%) of the audit company's revenue in Spain during the immediately preceding year.
3. The Board of Directors will endeavour to formulate the annual accounts so that there are no exceptions or reservations by the auditor. However, when the Board considers that its criteria must be maintained, the Chairman of the Audit Committee will explain to shareholders the content and scope of such exceptions or reservations during the general meeting in which the annual accounts approval will take place.
4. The auditor will hold an annual meeting with the full Board of Directors to report on the work carried out and the evolution of the Company's accounting and risk situation.

CHAPTER IV - APPOINTMENT AND CESSATION OF DIRECTORS

Article 16°. Appointment

1. Proposals for the appointment of directors submitted by the Board of Directors to be considered at the General Meeting and appointment decisions adopted by the body under the co-option powers legally attributed to it must fall upon persons of recognised integrity, solvency, technical competence and experience prior report by the Nominations and Compensation Committee, in the case of executive and proprietary directors, and prior proposal from the Nominations and Compensation Committee, in the case of independent directors. When the Board of Directors

deviates from the Nominations and Compensation Committee's recommendations, the former will substantiate the reasons for their actions and leave a record of them.

2. The Company will publish on its website and keep updated the following information on their directors:
 - (a) Professional experience and background;
 - (b) Other boards to which they belong, whether or not they are listed companies;
 - (c) Indication of the category of director to which they belong, specifying, where appropriate, the shareholder they represent or have links with;
 - (d) Date of first appointment as a director of the Company, as well as subsequent appointments; and
 - (e) Company shares and share options held by him.
3. The Secretary of the Board of Directors will provide each new director with a copy of the Bylaws, these Regulations, the Internal Code of Conduct, the latest and annual accounts and management report, individual and consolidated, approved by the Annual General Meeting, audit reports relating to these, the last Annual Corporate Governance Report and the latest economic and financial information provided to the markets. Also, they will be provided with the name of the current auditor and their spokesperson.
4. After verification by the Nominations and Compensation Committee, the reasons why proprietary directors have been appointed at the request of shareholders whose shareholding is less than 3% of the capital should be explained, if applicable, in the Annual Corporate Governance Report; as well as the reasons why formal requests for presence on the Board had not been addressed, if appropriate, from shareholders whose equity stake is equal to or greater than that of others at whose request proprietary directors had been appointed.
5. The necessary support will be provided for new directors to acquire prompt and sufficient knowledge of the Company and its corporate governance rules, establishing orientation programmes to that effect. Likewise, the Company may also establish specific update programmes when circumstances warrant it.

Article 17°. Incompatibilities

Natural persons representing a legal person director may not be directors when,

- (a) Natural or legal persons holding the position of director in more than eight (8) companies of which a maximum of four (4) may have their shares admitted to trading on domestic or foreign securities. For this purpose, positions on holding companies will be excluded from the calculation and companies belonging to the same group will be considered as a single company.
- (b) Natural or legal persons who are under any other incompatibility circumstance or legal prohibition.

Article 18°. Term of the office

- 1. Directors will hold their office for the period specified in the Bylaws.
- 2. Directors appointed by co-optation will hold their position until the date of the first General Meeting. If the vacancy takes place once the General Shareholders' Meeting has been called and before it is held, the Board of Directors may appoint a director the appointment of whom shall be effective until the following General Shareholders' Meeting to the one already called. In any case, this period shall not be computed for the purposes mentioned in the previous paragraph.

Article 19°. Re-election

- 1. Prior to any directors' renewal submitted to the General Meeting, the Nominations and Compensation Committee will issue a report on the quality of work and dedication of the Directors proposed during the previous mandate.
- 2. Independent directors may not be elected for more than two (2) consecutive terms.
- 3. The Chairman, the Vice-Chairman, the independent director coordinator and, assuming they are directors, the Secretary and Vice-Secretary of the Board of Directors re-elected as members of the Board of Directors by the Annual General Meeting will continue to hold the positions they were exercising before within the Board of Directors without the need for a new appointment.

Article 20°. Cessation

- 1. Directors will cease to hold the position when the period for which they were appointed ends or when decided by the General Meeting using the powers conferred legally and statutorily.
- 2. Directors must tender their resignation to the Board of Directors and, if deemed appropriate, tender their resignation in the following cases:

- (a) when they leave the posts, positions or duties to which their appointment as executive directors were associated to;
 - (b) in the case of proprietary directors, when the shareholder whose interests they represent sells their entire shareholding, or when they do so in the appropriate number in the event that such shareholder reduces their shareholding in the Company;
 - (c) in the case of independent directors, when any of the circumstances which in accordance with the law prevents them from continuing to be considered as such suddenly occurs.
 - (d) when they are involved in any of the cases of incompatibility or prohibition provided by law;
 - (e) when requested by the Board by a majority of at least two thirds of its members:
 - (i) if they have been severely reprimanded by the Board after breaching their duties as directors, on a proposal or report by the Nominations and Compensation Committee; or
 - (ii) when their remaining on the Board could jeopardize the interests of the Company.
 - (f) when they lose respectability, capability, expertise, competence, availability or commitment to their duties to be a Director of the Company. In particular, it is understood that this circumstance occurs when the director is called as investigated, when indicted or summoned to the opening of trial in criminal proceedings for any offense and understood as such by the Board of Directors, prior report the Nominations and Compensation Committee, according to the social interest.
3. In the event that a natural person representing a legal person director incurred in any of the cases provided in the preceding paragraph, they will be prevented from exercising such representation and must necessarily be replaced by a legal person, who will appoint a new representative.
4. When either by resignation or for other reasons, a director leaves their position before the end of their mandate, they should explain the reasons in a letter sent to all members of the Board. Without prejudice to such withdrawal being communicated as a significant event, the reason for the withdrawal will be given in the Annual

Corporate Governance Report.

5. The Board of Directors will not propose the cessation of independent directors before the expiry of the statutory period for which they were appointed, except where just cause is found by the Board supported by the Nominations and Compensation Committee. In particular, it is understood that there is just cause when the director has breached the duties inherent to their position or comes under any of the circumstances that prevented their appointment as an independent director. The cessation of independent directors may also be proposed as a result of takeover bids, mergers or other similar corporate operations that represent a change in the capital structure of the Company when such changes in the structure of the Board are made by the proprietary and independent directors' proportionality principle according to the capital represented on the Board.

Article 21°. Duty of abstention

Directors affected may not intervene in the discussions on the proposals for appointment, reappointment and removal, to be submitted to the Annual General Meeting. In addition, executive directors must abstain from participating in the deliberation and participating in the vote regarding the contract governing their relationship with the Company, including the remuneration for the exercise of executive functions.

CHAPTER V - DIRECTOR'S DUTIES

Article 22°. Director's duties. General regulations

1. The director's duty is to promote and monitor the proper management of the Company in order to maximise its value long-term in a sustainable fashion and distribute it properly for the benefit of shareholders.
2. In carrying out their functions, the director will work with the diligence of an orderly businessperson and a loyal representative, they must comply with the duties imposed by law, the Bylaws and internal regulations that may be applicable. Their actions will be guided solely by corporate interest, interpreted independently and referred to on a reasonable temporal scope, seeking to defend and protect the interests of all shareholders, who appointed them and to whom they are accountable, appropriately rewarding, as part of the decision to intervene, the social reality and other competing interests. In this sense, they will endeavour to reconcile the social interest with, as appropriate, the legitimate interests of employees, suppliers, customers and those of other stakeholders that may be affected, as well as the impact of the activities of the Company in the community as a whole and the environment.

3. Within the scope of strategic and business decisions, subject to business judgment, the standard of diligence of an orderly businessperson is considered fulfilled when the director acts in good faith, without personal interest in the subject matter of the decision, with sufficient information and under an appropriate decision procedure. The directors are bound by virtue of their office, in particular:
 - (a) To dedicate continuously the time and effort needed to regularly follow the issues raised by the Company's management. To this end, the Directors must inform the Nominations and Compensation Committee of any professional obligations that may interfere with the required commitment.
 - (b) To be informed and prepare the meetings of the Board and the delegated bodies to which they belong adequately, obtaining sufficient information for them and collaboration or assistance they deem appropriate, charged to the Company.
 - (c) To attend meetings of bodies they are part of and actively participate in deliberations so that their criteria effectively contributes to the decision-making process. If they are unable to attend, for any reason, to the meetings to which they have been summoned, they must instruct the director representing them. Directors must reduce absences to the bare minimum. Absences of directors will be quantified in the Annual Corporate Governance Report.
 - (d) Attending the General Annual Meetings
 - (e) Carrying out any specific task delegated by the Board of Directors and which is reasonably included in their dedication commitment.
 - (f) Urging people with capacity to call meetings to call for an extraordinary meeting of the Board or to include in the first meeting's Agenda to be held the items they deem convenient.
 - (g) Opposing agreements contrary to the Law, the Bylaws, the General Meeting or Board of Directors Regulations or the corporate interest and request a record in the minutes of their opinion, when deemed most appropriate for the protection of the public interest.
4. In their capacity as a loyal representative of the Company, they must inform the latter, within forty-eight (48) hours about the ownership of Company shares, derivatives or stock options based on the share value and of any changes occurring in such shares or rights hold, directly or through related persons as these are defined in accordance

with the provisions of the Internal Code of Conduct.

5. Directors must notify the Company of the following,
 - (a) Any direct or indirect conflict that they or persons related to it may have with the interests of the Company.
 - (b) Any significant changes in their professional situation and affecting the nature or conditions under which they have been appointed as Director.
 - (c) Any judicial, administrative or any other claim in which they are involved which, because of its importance, could seriously affect the reputation of the Company. In particular, all directors must inform the Company if called as investigated, indicted or summoned to the opening of trial in criminal proceedings for any offence and the occurrence of any relevant procedural milestones in these proceedings. In this case, the Board of Directors, prior report from the Nominations and Compensation Committee, will make the decision deemed most appropriate in terms of social interest.
 - (d) In general, any fact or situation that could be relevant to their performance as director of the Company.

Article 23°. Duty of confidentiality

1. Directors must keep the deliberations and resolutions of the Board of Directors and committees they are part of secret and, in general, they must refrain from disclosing the information, reports or data records to which they had access in the exercise of their office, and using them for their own benefit, the shareholder's who proposed or made their appointment or any third party, without prejudice to the obligations of transparency or information imposed by applicable law.
2. The obligation of confidentiality will remain even if the director has resigned from office.

Article 24°. Non-competition duty

1. The director may not hold, directly or through an intermediary, positions of whatsoever kind in companies or companies competing with the Company or any of the companies in its group, neither can the director offer representation or advice services on their behalf.

2. The director who ends their mandate or for any other cause, ceases to serve on their position may not work for another entity competing with the Company for a period of one year. The Board of Directors, if deemed appropriate, may relieve the outgoing director from this obligation or shorten its term.

Article 25°. Uses of non-public information and corporate assets

1. Directors may not make use for private purposes of the Company's non-public information, except in case of no detriment to the Company and absence of an exclusive right of the Company or analogous legal position to the information to be used, and when the information is irrelevant for the purchase or sale of shares or financial instruments whose issuer is directly or indirectly referred to by that information. In any case, the rules of conduct established in the Securities Market's legislation and the Company's Internal code of Conduct will be observed.
2. Directors may not make use of Company assets nor use their position in the latter to obtain any financial advantage.

Article 26°. Business opportunities

A director may not benefit for themselves of any possibility of making an investment or commercial transaction that has arisen or been discovered in the exercise of their office, using the Company's media or in circumstances in which it is reasonable to assume that the offer from the third party was actually addressed to the Company, except when after the Company has previously withdrawn from exploiting such business opportunity, the General Meeting or the Board, as appropriate in accordance with the provisions of applicable law, authorise the director for exploitation.

CHAPTER VI - DIRECTOR DETAILS

Article 27°. Information and inspection rights

1. In order to fulfil their duties, any director may obtain information regarding any aspect of the Company. For this purpose they may examine the documentation deemed necessary, make contact with the heads of the departments concerned and visit relevant facilities.

In particular, the directors must be regularly informed of the movements in the shareholding and opinion that significant shareholders, investors and rating agencies have on the Company.

2. In order not to disturb the ordinary management of the Company, the exercise of information powers will be channelled through the Secretary, who will respond to requests from the Director, providing the information directly or offering the appropriate spokespersons at the appropriate organisation level.
3. In the event that the request for information had been denied, delayed or defectively met, the applicant director may repeat their request to the Audit Committee, which, after hearing the Secretary and the applicant director will decide what may be relevant to the previous effect.
4. The information requested may only be refused when, in the opinion of the Audit Committee, is unnecessary or detrimental to social interests. Such refusal does not apply when the request has been supported by most of the Board members.

Article 28°. Expert assistance

1. In order to be aided in the performance of their duties, directors may request legal, accounting or financial consultants or any other experts at the company's expense.

The assignment must deal with specific issues of certain significance and complexity arising in the performance of their duties.

2. The request to hire external consultants or experts must be made through the Board of Director's Secretary who may submit it to the Board for previous authorisation, which will be granted if, in their judgment:
 - (a) it is necessary for the proper performance of duties entrusted to the directors;
 - (b) the cost is reasonable, in view of the importance of the issue and the Company's assets and income; and
 - (c) the technical assistance sought cannot be adequately provided by the Company's experts and technicians.
3. In the event that the request for expert assistance is made by any of the Board committees, it cannot be denied, unless the majority of its members consider that no circumstances provided for in paragraph 2 of this article concur.

CHAPTER VII - DIRECTOR'S REMUNERATION

Article 29°. Directors' remuneration

1. The remuneration of directors for acting as such will consist of a fixed annual fee to

be allocated by the Board of Directors at its discretion, considering the circumstances of each director, the functions and responsibilities attributed to them by the Board and whether they belong to different committees, which may give rise to different remuneration amounts payable to each one of them. The Board of Directors will also determine the frequency and payment of such fee, which will include insurance and social security amounts applicable in due time.

2. The amount of the annual fee for the Board of Directors shall be determined by the General Shareholders' Meeting, to remain effective until it is amended; however, the Board of Directors may reduce this amount during any year that it may deem convenient. Similarly, the director's remuneration must be enough to attract and retain directors with the desired profile and to reward the dedication, abilities and responsibilities that the post entails, but not so high as to compromise the independent judgment of non-executive directors.
3. The remuneration provided for in this article shall be compatible with and independent of payment of any fee and salary which they may earn from the Company for delivery of services or an employment relationship arising, as the case may be, from a contractual relationship other than that of director, which shall be governed by the applicable legal provisions.
4. In addition, notwithstanding the previous comments, if a director is attributed executive functions, he/she shall enter into a contract with the Company pursuant to law. Such contract shall state all the items for which compensation may be granted as a result of the performance of executive functions, including, as applicable, the potential severance pay for ceasing to hold that office and the amounts payable by the Company for insurance premiums or savings system contributions.

The contract may contain a fixed remuneration and an additional variable remuneration which will accrue if certain targets are met. In any event, the variable remuneration will be related to the professional performance of the beneficiaries and will be linked to performance criteria which are: (i) predetermined and measurable; (ii) the risk taken for obtaining a result is considered; (iii) the sustainability of the company is promoted and include non-financial criteria that are suitable for creating long-term value, as well as compliance with internal rules and the Company's internal procedures and its policies for risk control and management; and (iv) are set on the basis of a balance between fulfilling short, medium and long term targets that allow to remunerate continued performance over a sufficient period of time to appreciate their contribution to sustainable value creation so that the measuring elements of that performance do not revolve solely around specific, occasional or extraordinary events.

5. Efforts will be made so that, (i) the remuneration linked to Company earnings take into account any qualifications stated in the auditor's report that reduce such earnings; and (ii) that, where appropriate, a significant percentage of the variable remuneration of executive directors is linked to the delivery of shares or financial instruments referenced to its value.

CHAPTER VIII. BOARD OF DIRECTORS' STRUCTURE AND OPERATION.

Article 30°. Chairman. Functions

1. The Chairman of the Board of Directors will be elected from among the directors prior report from the Nominations and Compensation Committee. They will have Chairman status for the Company and all social bodies thereof, which they will represent permanently.
2. The Chairman of the Board of Directors, in addition to the functions and powers conferred by Law, the Bylaws and these Regulations, may the status of chief executive of the Company and as such they are responsible for the effective management of the Company's business, always in accordance with the decisions and criteria established by the Annual General Meeting and the Board of Directors.
3. The Chairman will be responsible for the effective functioning of the Board of Directors, they will prepare and submit to the Board of Directors a schedule with dates and issues to be addressed; they will organise and coordinate regular evaluations of the Board and, where applicable, of the company's chief executive; they will be responsible for the management of the Board and the effectiveness of its operation; they will ensure that sufficient time is devoted to discussion of strategic issues, and will agree and revise introductory processes and training refreshers for each advisor when circumstances warrant it.

Also, the Chairman will chair the General Meeting and will conduct its discussions and deliberations.

The Chairman will also be responsible for convening and chairing Board meetings, setting the agenda for meetings and directing discussions and debates. They will ensure that directors receive enough information to discuss the points of the agenda well in advance, they will clearly indicate those points on which the Board of Directors must make a decision or reach an agreement so that directors may study or gather accurate information for their implementation in advance. They will stimulate debate and active participation during the meetings.

4. The Chairman of the Board of Directors may replace all or part of their powers to other members of the Board or the Company's management unless such delegation is expressly prohibited by law.

Article 31°. Vice-Chairman(s) of the Board of Directors.

1. The Board, after receiving the report from the Nominations and Compensation Committee may appoint one or more Vice-Chairman, which will replace the Chairman in case of absence, vacancy, illness or inability, in accordance with the Bylaws' provisions.
2. If there is more than one Vice-Chairman, the person expressly appointed for this purpose by the Board of Directors will replace the Chairman; failing that, the oldest in office, and in case of equal seniority, the oldest.

Article 32°. Managing Directors

1. The Board of Directors may permanently delegate, to one or more of its members, powers vested in the Board of Directors, except those whose competence are reserved by Law, the Bylaws or these Regulations.

The permanent delegation of powers by the Board of Directors and the appointment of the Director or Directors to whom powers are delegated whatever the denomination of charge, will require the favourable vote of at least two-thirds of the Board of directors' members for its validity.

2. The Managing Director's appointment will be proposed by the Chairman and following a report by the Nominations and Compensation Committee.
3. The Managing Director will be responsible for the effective representation and direction of the Company's business, always in accordance with the decisions and criteria established by the Annual General Meeting and the Board of Directors in the areas of their respective powers.

Within the effective representation and direction of the Company's business is, without limitation:

- (a) supporting the Board of Directors in defining the Company's strategy;
- (b) developing the Business Plan and Annual Budgets, subject to approval by the Board of Directors; and
- (c) the appointment and revocation of all Company staff, except for one whose

appointment is for the Board of Directors to carry out, as required under these Regulations.

4. If there is an Executive Committee, once a year, at the first meeting of each year, the Managing Director will inform the members of the same degree of actual compliance with the forecasts made in terms of investment proposals submitted to the Committee and the Board of Directors.

Article 33°. Independent coordinating director

1. If the Chairman has the status of an executive director, the Board of Directors, at the proposal by the Nominations and Compensation Committee and with the abstention of executive directors, will necessarily appoint a coordinating director among the independent directors.
2. The independent coordinating director will be specifically empowered to, when deemed appropriate, request to the Chairman the convening of the Board of Directors, or the inclusion of new items on the agenda of an already convened Board, chairing the Board of Directors in the absence of the Chairman and where appropriate, of the Vice-Chairman, if any, keeping in contact with investors and shareholders to ascertain their views in order to form an opinion about their concerns, particularly in relation to the Corporate governance of the Company, coordinating and bringing together non-executive directors to echo their concerns, coordinating the Chairman of the Board's succession planning and leading, where appropriate, a periodic assessment of the Board of Directors' Chairman.

Article 34°. Secretary of the Board. Functions. Vice-Secretary

1. The Board of Directors prior proposal by its Chairman and after receiving a report from the Nominations and Compensation Committee will appoint a secretary who does not need to be a director. The same procedure will be followed for approving their cessation.
2. The Secretary of the Board will in turn be the Secretary of the Audit Committee and the Nominations and Compensation Committee.
3. Without prejudice of the previous duties established by Law and the Bylaws, the Board of Directors' secretary will (i) keep the documentation of the Board of Directors, record the development of meetings in the minutes books and bear witness of its contents and the resolutions adopted; (ii) ensure that the Board of Directors' actions are consistent with applicable regulations, Bylaws and other internal regulations; and (iii) assist the Chairman so that the directors may receive the

appropriate information to exercise their roles sufficiently in advance and in a proper manner.

4. The Board of Directors prior proposal by the Chairman and after receiving a report from the Nominations and Compensation Committee may also appoint a Vice-Secretary, who need not be a director, to assist the Secretary of the Board of Directors or replace them in case of absence, vacancy, illness or inability, in performing this function. The same procedure will be followed for approving their cessation.

Article 35°. The Company's Minutes Book

Unless otherwise agreed by the Board, the Company will maintain a single minutes book where the Annual General Meeting's minutes will be added, also the Board and its committees' minutes, and it will be managed by electronic means.

Article 36°. Board of Directors Meetings

1. The Board of Directors will meet with the necessary frequency to properly perform its functions, whenever required by the interests of the Company and at least six (6) times a year and, at least, one of these meetings will be held each quarter.
2. The Board will prepare a schedule of dates and issues at beginning of year. The programme may be modified by the Board's agreement or by the Chairman's decision, who will report the modification to the Directors giving them not less than ten (10) days notice before the date initially scheduled for the meeting, or the new date set in lieu of it, if the latter was before.
3. The Board of Directors will be convened by the Chairman or their substitute. A minimum of one third of the Board members may also convene a meeting, indicating the agenda, to be held in the city where the registered office is placed, if, upon request to the Chairman, he/she does not convene such Board meeting within a month without a justified cause. Also, the Chairman shall proceed to convene the meeting upon request by the independent coordinating director.
4. Notwithstanding the capacity to convene described above, when the call's initiative is not from the Chairman, the latter must convene the meeting within ten (10) days after receiving the request.
5. The ordinary meeting's call will be through individual writing (letter or email) or any other media that give proof of receipt addressed to each director at the address or email recorded in the Company, and will be authorised with the signature of the Chairman or the Secretary or Vice-Secretary by order of the Chairman.

The call will be carried out not earlier than five (5) days in advance. Along with the call for each meeting, the meeting's agenda, the date and the place of the meeting, and relevant documentation will always be included so that Board members can form an opinion and, if necessary, to cast their vote in relation to the matters under consideration.

In case of emergency, freely appreciated by the Chairman, the minimum call notice will be twenty-four (24) hours, and in this case, the meeting's agenda will be limited to the points that motivated the urgency.

6. The Board of Directors will be deemed constituted without a call if all the directors are present or represented, unanimously agreed to the meeting and the items on the agenda. Also, if no director opposes it, the votes may be made in writing and without a meeting.
7. The Chairman will decide on the meeting's agenda. Any director may request the Chairman to include certain items on the agenda, and the Chairman will be obliged to include them when such request has been made not less than two (2) days in advance to the date set for the meeting.

When at the directors' request, points are included in the agenda, the directors who have requested such inclusion will, either submit the relevant documents with the application, or identify it, in order that it be sent to the other Board of Directors' members.

Given the duty of confidentiality for each director, efforts will be made so that the importance and confidential nature of the information cannot serve as a pretext - except in exceptional circumstances stated by the Chairman- for failure to observe this rule.

8. Where, exceptionally, for reasons of urgency, the Chairman wants to submit to the approval of the Board decisions or agreements not given in the agenda, express prior consent from the majority of the directors present will be required, which will be duly recorded in the minutes.
9. The development of the meetings and the system for adopting agreements will comply with the provisions of Law, the Bylaws and these Regulations.
10. Directors must attend the Board's meetings and when they may not do so personally, they will delegate to another director, together with appropriate instructions. The representation will be granted specifically for each meeting by any of the means provided for in the meetings' call. The Chairman will decide, in case of doubt, on the

validity of representations granted by directors not attending the meeting.

Non-executive directors may only delegate their representation through another non-executive director.

11. The resolutions will be adopted by absolute majority of directors present and represented unless there is another majority required by law, the Bylaws or under these Regulations. Where votes are evenly divided, the Chairman will have a casting vote.

In particular, the favourable vote is required, at least from two thirds of the directors for the permanent delegation of powers, approval of contracts signed by the Company with executive directors and for the modification of these Regulations.

12. When the directors or the Secretary express concerns about a specific proposal or, in the case of directors, about the progress of the Company and such concerns are not resolved at the Meeting, at the request of the person who expressed them, it will be stated in the minutes.
13. Board meetings may be held by conference call, videoconference or any other analogous system so that one or several directors may attend the meeting through the aforementioned system. To this end, the convening of the meeting will also state the location where the physical meeting will take place, this must specify that the meeting may be attended via conference call, videoconference or equivalent system, indicating and making available the technical means for this purpose, which in any case must permit direct and simultaneous communication among the attendees.
14. The Board will devote the first of its annual meetings to assess their own performance during the previous year, evaluating the quality of their work, evaluating the effectiveness of their rules and, where appropriate, adopting an action plan to correct not very functional aspects. In addition, the Board will assess (i) the performance of their duties by the Chairman of the Board and, in case a different person holds that position, the chief executive of the Company, based on the report submitted by the Nominations and Compensation Committee; and (ii) the functioning of the Board committees, based on their report.
15. Every three (3) years, the Board of Directors must be helped to carry out the assessment by an external consultant, whose independence will be verified by the Nominations and Compensation Committee. The Annual Corporate Governance Report will contain a breakdown of business relationships the aforementioned consultant keeps with the Company and a description of the process and the areas evaluated thereof.

Article 37°. The Board of Directors' committees.

1. Greater efficiency and transparency in the exercise of powers and performance of the functions allocated to it will justify the creation of committees by the Board of Directors. The performance of these committees is called upon not only to facilitate decisions on the matters by previous consideration, but to strengthen the guarantees of objectivity and reflection with which the Board must address certain issues.

Article 38°. Executive Committee

1. The Board may permanently delegate to the Executive Committee all powers vested in the Board of Directors, except those whose competence are reserved by Law, the Bylaws or these Regulations. Exceptionally, the Executive Committee may make decisions in relation to the matters set forth in Article 8.3 of these Regulations where there are reasons of urgency, and with subsequent ratification by the full Board.
2. The Board of Directors will appoint the directors that will compose the Executive Committee. The qualitative composition of the Executive Committee will be similar to that of the Board.
3. The Executive Committee will consist of a minimum of three (3) members and a maximum of seven (7). The Committee's Chairman and Secretary will hold those positions, respectively, in the Board.
4. Members of the Executive Committee will cease to hold the position when they do as directors or when decided by the Board.
5. Any vacancies arising will be filled by the Board of Directors as soon as possible.
6. In the absence of the Executive Committee's Chairman, their functions will be exercised by the member elected for this purpose.
7. The Executive Committee will meet as often as deemed appropriate by its Chairman or by whom performs their duties, or at the request of the majority of its members, they may meet in extraordinary meeting if required by social interests.
8. The Executive Committee will be convened in accordance with the provisions to this effect by the Bylaws, although it will be ensured that, unless by justified urgency, it is not earlier than five days. Along with the call for each meeting any relevant documentation will be sent to the Executive Committee's members so they can form their opinion and vote.
9. The Executive Committee will be validly convened when more than half of its

members plus one attend the meeting, either in person or by proxy.

10. Resolutions shall be adopted by absolute majority of the directors attending the meeting.
11. The Board will always be fully informed of the matters discussed and the decisions taken by the Executive Committee. All Board members will receive copies of the Executive Committee's meeting minutes.
12. In all other respects, the Executive Committee will be governed by the Bylaws' provisions, in respect thereof, and, on a supplementary basis as provided also by such Bylaws and these Regulations, regarding the Board of Directors.

Article 39°. Other Board committees

The Board will, at least, have an Audit Committee and a Nominations and Compensation Committee.

These committees are subject to the following composition and performance rules:

- (a) The Board of Directors will appoint the members for these committees, taking into account the directors' knowledge, skills and experience and the duties of each Committee; the Board will deliberate on their proposals and reports; and they will have to report to the Board regularly on their activities and the work performed;
- (b) They will consist exclusively of non-executive directors with a minimum of three and a maximum of five. This is without prejudice to the possible presence of executive directors or Senior Management in their meetings, for informational purposes, when so decided by each of the committees. However, the presence of the Executive Chairman in them will be exceptional.
- (c) Independent directors will in any case be the majority, one must be appointed as a Chairman.
- (d) The Secretary will be the person who exercises the position of Secretary for the Board of Directors.
- (e) They may seek outside advice when deemed necessary for the performance of their duties, under the same circumstances that apply for the Board (*mutatis mutandis*).
- (f) Minutes shall be taken for the meetings, and a copy sent to all Board members.
- (g) The committees will meet as many times as necessary, as decided by the Chairman,

for the exercise of their powers and if requested by two of its members.

- (h) The operating rules will be the same that govern the functioning of the Board. In this way, they will be validly constituted when the majority of their members attend, either present or represented, and their resolutions are adopted by an absolute majority of the members present or represented. Where votes are evenly divided, the committee's Chairman will have a casting vote.
- (i) The Chairmans of the relevant committees will inform the Board of Directors of the matters discussed and the resolutions adopted at its first Board of Directors' meeting after the committee's meeting.
- (j) Each committee will send a comprehensive report on its activities during the previous year subject to approval by the Board of Directors, within three months after the end of each year, which will be made available to shareholders at the annual general meeting.

Article 40°. Audit Committee.

1. All members of the Audit Committee, and particularly its Chairman, will be appointed taking into account their knowledge and experience in accounting, auditing and risk management, and as a whole, the members of the committee will have the technical knowledge relevant to the sector activity to which the Company belongs.
2. The Committee's Chairman will be replaced every four years and may be reappointed one year after they cease to hold their position.
3. The Company will have a unit that takes on the internal audit function, under the supervision of the Audit Committee, to ensure the proper functioning of information systems and internal control.
4. The head of internal audit will seek to present to the Audit Committee its annual work plan; report directly on any incidents arising during its development; and submit an activity report at the end of each year.
5. The Audit Committee may summon any employee or director from the Company. It may also request the presence of the auditor at its meetings.
6. Without prejudice to any other functions assigned to the Bylaws, the Audit Committee will be empowered to:

- (a) Informing the General Shareholders' Meeting on the issues raised within the scope of its competence and, in particular, on the outcome of the audit, explaining how this has contributed to the integrity of financial reporting and the role the Committee has played in this process.

- (b) Regarding information systems and internal control,
 - (i) Supervising the preparation, integrity and presentation of regulated financial information regarding the Company, reviewing compliance with regulatory requirements and the correct application of accounting principles.

 - (ii) Periodically reviewing risk management and internal monitoring systems, including tax, so that main risks are identified, managed and disclosed properly, as well as discussing with the auditor any significant weaknesses in the internal monitoring system detected in the development of the audit, all without breaking their independence. For this purpose, and where appropriate, they may make recommendations or proposals to the management board and the corresponding term for its monitoring.

 - (iii) Ensuring the independence and effectiveness of the internal audit function; proposing the selection, appointment, reappointment and cessation of the internal audit head; proposing the budget for that service; receiving periodic information on its activities; verifying that senior management takes into account the conclusions and recommendations of its reports; as well as discussing with the auditor or audit firms any significant weaknesses in the internal monitoring system detected during the audit.

 - (iv) Establishing and supervising a mechanism allowing employees to report anonymously or confidentially, any irregularities they detect within the company.

 - (v) Approving, monitoring, reviewing and ensuring compliance with the Company's corporate social responsibility policy, which will be aimed the creation of value for the Company and the fulfilment of its social and ethical duties.

- (c) In relation to the auditor,
 - (i) Submitting to the Board proposals for selection, appointment, reappointment and removal of the auditor, as well as the terms for hiring, taking responsibility for the selection process.
 - (ii) Receiving information from the auditor regularly about the audit plan and the results of its execution, and verifying that senior management takes its recommendations into account.
 - (iii) Establishing appropriate relationships with the auditor to receive information on any issues that may jeopardize the independence of these, for consideration by the Audit Committee, and any others related to the audit's development process as well as other communications provided for in audit legislation and auditing standards. In any case, written confirmation must be received regarding their independence from the entity or entities related to it directly or indirectly from the auditors or auditing companies on an annual basis, as well as information on additional services of any kind provided to these entities by said auditor or companies, or by persons or entities linked to these in accordance with the provisions of the legislation on auditing.
 - (iv) Issuing a report annually stating an opinion on the independence of the auditor prior to the issuance of the audit report. This report will, in any case, report on the provision of the additional services referred to in the previous section.
- (d) Regarding the monitoring and risk management policy:
 - (i) Proposing to the Board of Director the risk control and management policy, which must identify at least: (i) the types of risk (operational, technological, financial, legal and reputational) faced by the company; (ii) setting the risk level that the Company considers acceptable; (iii) measures to mitigate the impact of the risks identified in case they materialise; and (iv) monitoring and information systems that will be used to monitor and manage these risks.
 - (ii) Overseeing the Company's risk and management unit operation

responsible for: (i) ensuring the proper functioning of the monitoring and risk management systems and, in particular, that identify, manage and adequately quantify all significant risks affecting the Company; (ii) actively participating in the development of the risk strategy and major decisions about its management; and (iii) ensuring that the risk management and monitoring systems mitigate risks appropriately according to the policy defined by the Board of Directors.

- (e) Reviewing the brochures or equivalent regarding the issuance and/or admission of securities and other financial information to be provided by the Company to the markets and their supervisory bodies.
7. The Audit Committee must inform the Board, prior to the adoption thereby of the corresponding decisions on the matters covered by the Law, the Bylaws and these Regulations and, in particular, on the following matters:
- (a) The financial information which, as a listed company, the Company must make public periodically; The Audit Committee will ensure that the interim accounts are prepared using the same accounting principles as the annual statements and, to this end, it will consider the appropriateness of a limited review by the auditor.
 - (b) The creation or acquisition of shares in special purpose entities or domiciled in countries or territories considered as tax havens, and any other transactions or operations of a similar nature whose complexity might impair the transparency of the Company.
 - (c) Related-party transactions.
 - (d) Corporate and structural modification operations the Company plans to carry out analysing its financial terms and conditions, including the exchange ratio, where appropriate, as well as its accounting impact.
8. It corresponds to the Audit Committee to monitor compliance with the internal codes of conduct and corporate governance rules. In this regard, the Audit Committee will regularly assess the adequacy of the Company's corporate governance system, in order to fulfil its mission of promoting social interest and considering, as appropriate, the legitimate interests of the other interest groups, making proposals for their improvement and will monitor compliance with the Company's corporate governance

rules and internal codes of conduct.

9. The Board of Directors will endeavour to submit the accounts to the General Meeting without reservations or exceptions in the audit report. In exceptional cases when they exist, both the Board's Chairman and the auditor will seek to clearly explain to shareholders the content and scope of such reservations or exceptions.
10. Regarding the corporate social responsibility policy, the Audit Committee will carry out the following:
 - (a) The principles and commitments voluntarily assumed by the Company in its relationship with the various stakeholders must be proposed.
 - (b) Corporate social responsibility policy objectives and the development of support tools must be identified.
 - (c) The corporate strategy related to sustainability, the environment and social issues must be defined.
 - (d) Specific practices on issues related to shareholders, employees, customers, suppliers, social issues, environment, diversity, fiscal responsibility, respect for human rights and prevention of illegal behaviour must be identified.
 - (e) Systems or methods for monitoring the results of implementing specific practices, associated risks and their management must be established.
 - (f) (1) Monitoring mechanisms of non-financial risk, ethics and business conduct; and (2) the channels of communication, participation and dialogue with stakeholders; as well as responsible communication practices that prevent manipulation of information and protect integrity and honour must be implemented.

Article 41^o. Nominations and Compensation Committee

1. The Nominations and Compensation Committee, in addition to the functions provided in these Regulations, the Law and the Bylaws, will have jurisdiction over, among others, the following functions relating to the appointment of directors:
 - (a) Evaluating the Board's skills, knowledge and experience, describing the roles

and capabilities required by candidates in order to fill in each vacancy and evaluating the necessary time and dedication for them to perform their duties.

- (b) Verifying compliance on an annual basis with the director selection policy, what should be reported in the Annual Corporate Governance Report.
 - (c) Examining and organising, in the manner deemed appropriate, the succession of the Board of Directors' Chairman and, where applicable, of the chief executive and making proposals to the Board so that such succession occurs in an orderly and well planned fashion.
 - (d) Reporting proposals for appointments and cessation of Senior Management that the Chairman proposes to the Board and the basic conditions of their contracts.
 - (e) Submitting to the Board of Directors the proposals for appointment of independent directors to be appointed by co-option or for their submission to the decision of the Annual General Meeting, as well as proposals for re-election or removal of such directors by the Annual General Meeting.
 - (f) Reporting on proposals for appointment for the remaining directors to be appointed by co-option or for submission to the decision of the Annual General Meeting, as well as proposals for re-election or removal by the General Meeting.
 - (g) Reporting to the Board on gender diversity issues, setting a goal of representation for the less represented gender in the Board of Directors and developing guidance on how to achieve that objective.
 - (h) Organising and coordinating the periodic evaluation of the Chairman of the Board and, with this, the periodic evaluation of the Board of Directors, its committees and the chief executive of the Company.
2. The Nominations and Compensation Committee will consult the Chairman or, if applicable, the chief executive of the Company, especially in the case of proposals relating to executive directors and Senior Managers. Any director may request the Nominations and Compensation Committee to take them into consideration as potential candidates to fill director vacancies, if they are found suitable.

3. The Nominations and Compensation Committee, in addition to the functions indicated in the preceding paragraphs, will have jurisdiction over the following functions relating to remuneration:
 - (a) Propose to the Board of Directors
 - i) The remuneration policy for directors and those who develop their senior management functions under the Board's direct control, of executive committees or the Managing Directors, as well as individual remuneration and other contractual conditions for executive directors, ensuring their observance.
 - ii) The individual remuneration for directors and the approval of contracts signed by the company with directors who perform executive functions.
 - iii) Senior Management's contract modalities.
 - (b) Ensuring compliance with the remuneration policy for directors approved by the General Meeting.

Article 42°. Applicable Law

1. The Company will be governed by this Regulation and in matters not covered by it, by its By-Laws and the provisions of Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Companies Act Capital and other provisions that are applicable. All quotations to the "**Law**" in these Regulations will be construed as references to applicable law and, in particular, the aforementioned Capital Companies Act.

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