

**REGULATION OF THE BOARD OF DIRECTORS OF
SOLTEC POWER HOLDINGS, S.A.**

6th October, 2020

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**REGULATION OF THE BOARD OF DIRECTORS
OF SOLTEC POWER HOLDINGS, S.A.**

TITLE I.- PRELIMINARY INFORMATION

Article 1. Purpose and validity

1. The purpose of this regulation is to determine the principles of action of the board of directors of Soltec Power Holdings, S.A. (the “**Company**”) as well as the basic rules of its organization and operation and the rules of conduct for its members.
2. The rules of conduct established in this regulation will apply to the board of directors, its delegated bodies and its internal committees, as well as to the members thereof and, insofar as applicable by their nature, to the individual representatives of those directors that are legal entities. Likewise, the rules of conduct established in this regulation will also apply to the Company’s executive personnel to the extent that they are compatible with their specific nature and the activities they carry out. For the purposes of this regulation, “executive personnel” will refer to those executives who report directly to the board of directors or the managing director, where applicable, and in any case the person responsible for the internal audit of the Company, if any.
3. This regulation will come into force on the date the Company’s shares are admitted to trading on the Spanish stock exchanges. It will remain in force for an indefinite period of time.

Article 2. Interpretation

1. This regulation supplements the regulatory regime applicable to the board of directors established in current regulations and the Company’s bylaws. It will be interpreted in accordance with the applicable legal regulations and the bylaws and with the principles and recommendations on the corporate governance of listed companies approved or issued by the Spanish authorities and those of neighboring countries in force at any given time, or by special committees or working groups established pursuant to the mandate of the aforementioned authorities.
2. The board of directors is responsible for resolving any doubts that may arise from the application and interpretation of this regulation in accordance with the general criteria for interpreting legal regulations and in accordance with the bylaws.

Article 3. Approval and amendment

1. This regulation has been approved by the board of directors, with a report to the general shareholders meeting and at the proposal of the chairman of the board of directors, in compliance with the provisions of article 528 of the revised text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of July 2 (the “**Corporate Enterprises Act**”).

2. This regulation may only be amended at the request of the chairman or one third of the directors, who must in any case attach an explanatory report to their proposal for amendment.
3. The text of the proposal and the authors' explanatory report must be attached to the call notice for the board meeting held to deliberate on the proposal.
4. In order for the amendment to the regulation to be valid, a resolution must be passed by an absolute majority of the board members who were present in person or by proxy.
5. This regulation will be updated whenever necessary to bring its content into line with the applicable provisions in force.

Article 4. Dissemination and registration

1. The directors and executive personnel are required to have knowledge of, comply with and enforce this regulation. For such purpose, the secretary to the board of directors will provide all of them with a copy of the regulation when they accept their respective appointments or when their contracts are signed, as the case may be, and they must provide the secretary with a signed statement in which they declare to be familiar with and to accept the contents of this regulation, undertaking to fulfill any obligations required of them.
2. This regulation, and any subsequent amendments, will be reported to the Spanish National Securities Market Commission (CNMV), together with a copy of the document in which they are recorded, and will be available on the Company's corporate website and on the website of the CNMV in accordance with current regulations and this regulation.

TITLE II.- ROLE OF THE BOARD

Article 5. Powers of the board of directors

1. The board of directors has jurisdiction over all matters not attributed to the general shareholders meeting by law or the bylaws.
2. As a general rule, the board of directors, which has the broadest powers and authority to manage, direct, administer and represent the Company, may entrust the day-to-day management of the Company to the delegated managing bodies and the management team, establishing the content, limits and forms of delegation, and will concentrate its activity on the general supervisory function and on the consideration of those matters of particular importance to the Company.
3. Those powers that are directly reserved for the board of directors by law or under the bylaws, and any other powers required to responsibly exercise the general supervisory function, may not be delegated.

4. Without prejudice to the legal powers of delegation for the execution of resolutions, the board of directors may not delegate the following powers and competences:
- (i) The monitoring of the effective operation of the committees formed and the actions of the delegate bodies and the executives appointed.
 - (ii) The determination of the Company's general policies and strategies.
 - (iii) The authorization or waiver of the obligations regarding the duty of loyalty of the directors in accordance with that provided by law.
 - (iv) The authorization for issue of the financial statements, directors' report and proposed allocation of the Company's profit or loss, and consolidated financial statements and consolidated directors' report to be submitted at the general shareholders meeting.
 - (v) The drafting of any kind of report required by law to the board of directors, if the operation to which the report refers may not be delegated.
 - (vi) The appointment and removal of the Company's managing directors, as well as the establishment of the terms and conditions of their contracts.
 - (vii) The appointment and removal of directors who report directly to the board of directors or any of its members, and the establishment of the basic terms and conditions of their contracts, including their remuneration.
 - (viii) Decisions regarding the remuneration of directors, within the framework of the bylaws and, where applicable, the remuneration policy approved by the general shareholders meeting.
 - (ix) The call notice of the general shareholders meeting, as well as the publication of any announcements relating to the meeting, the preparation of the agenda and the proposal of resolutions.
 - (x) The execution of the Company's treasury share policy within the framework of the authorization provided by the general shareholders meeting.
 - (xi) The approval of the strategic or business plan, annual management objectives and budgets, the investment and financing policy, corporate social responsibility policy and dividend policy.
 - (xii) The determination of the risk control and management policy, including tax risks, and the monitoring of internal information and control systems.
 - (xiii) The determination of the corporate governance policy of the Company and the group of which the Company is the parent, as well as its organization and operation.
 - (xiv) The approval of the financial information that all listed companies must periodically disclose.

- (xv) The definition of the structure of the group of which the Company is the parent.
- (xvi) The approval of all manner of investments, divestments or transactions of a considerable amount or with special characteristics that are strategic or have a particular tax risk, unless the approval of the general shareholders meeting is required.
- (xvii) The approval of the creation or acquisition of ownership interests in special purpose vehicles or entities domiciled in jurisdictions considered to be tax havens, and any other transactions or operations of a comparable nature that, due to their complexity, might impair the transparency of the Company and of its group.
- (xviii) The approval, following a report from the audit committee, of related transactions, as they are defined by the law applicable at any given time.
- (xix) The determination of the Company's tax strategy.
- (xx) The appointment of directors by co-option and the submission of proposals to the general shareholders meeting regarding the appointment, ratification and re-election of directors who are not independent, following a report from the appointments and remuneration committee, or the removal of directors, as well as recognition of the resignation of directors.
- (xxi) The approval, where applicable, of a specific and verifiable director selection policy, which ensures that proposals for appointment or re-election are based on a prior analysis of the board's needs, and which favors diversity of knowledge, experience, age and gender and is aimed at achieving the objective of ensuring that no fewer than 30% of board members are female directors, with this number being increased to at least 40% of board members in the medium term.
- (xxii) The approval of the remuneration of each director, following a proposal by the appointments and remuneration committee, in accordance with the remuneration policy approved by the general shareholders meeting.
- (xxiii) The appointment, removal and approval of the termination agreements of the managing directors, and prior approval of the contracts to be entered into between the Company and the directors to whom executive functions are attributed.
- (xxiv) The designation and re-election of internal positions on the board of directors, board members, and internal positions on committees.
- (xxv) Following a report from the appointments and remuneration committee, the appointment, possible termination and approval of the termination agreements of the executive personnel, as well as the approval of their termination benefit clauses.
- (xxvi) The approval of the remuneration policy for the Company's executive personnel, as well as the basic terms and conditions of their contracts and termination agreements at the

proposal, if any, of the managing director, following a report from the appointments and remuneration committee.

- (xxvii) Decisions relating to all takeover bids launched for the securities issued by the Company.
 - (xxviii) The preparation of the Company's annual corporate governance report and the annual report on the director remuneration policy.
 - (xxix) The assessment once a year of the functioning of the board of directors and its committees and the proposal of an action plan to correct any shortcomings identified.
 - (xxx) The adoption and amendment of this regulation.
 - (xxxi) The powers that the general shareholders meeting has delegated to the board of directors, unless express authorization was given by the shareholders to sub-delegate these powers.
 - (xxxii) Any other matters that the regulation of the board of directors reserve for disclosure to the board.
5. Under no circumstances may the board of directors delegate those powers that may not be delegated in accordance with the regulations applicable at any given time. In duly justified cases of urgency, decisions on the above matters may be taken by the delegated bodies or persons, but must be ratified at the first board of directors meeting held following such a decision.
6. With regard to subsidiaries that, where applicable, form part of the Company's group and within the limits stipulated by law, the board of directors may establish the bases for efficient and appropriate coordination between the Company and the group companies. In any case, the board of directors will respect the autonomy of the administrative and managing bodies of the group companies, taking into account the interests of the Company and those of the group companies.

Article 6. Corporate interest

1. The board of directors will perform its duties with unity of purpose and independent judgment, according the same treatment to all shareholders in the same position. It should be guided at all times by the Company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximizing its economic value.
2. Likewise, the board of directors, without prejudice to the protection of business discretion, will ensure that the Company's own interests are reconciled with the legitimate interests of the stakeholders that may be affected, in compliance with current regulations, fulfilling its obligations and contracts in good faith, respecting the uses and good practices of the sectors and territories where it carries out its activities and observing those additional principles of social responsibility that it has voluntarily accepted.

TITLE III.- COMPOSITION OF THE BOARD

Article 7. Quantitative particulars

1. The board of directors will be composed of no fewer than five and no more than fifteen members, which will be determined by the general shareholders meeting.
2. The board of directors will propose at the general shareholders meeting the number of members that is most appropriate for the due representation and efficient operation of the board in accordance with the Company's changing circumstances and within the limits set in the bylaws.

Article 8. Qualitative particulars

1. The definitions of the different categories of directors will be those established in current regulations or, in absence thereof, in the recommendations on good corporate governance applicable to the Company at any given time.
2. The nature of each director must be explained by the board of directors to the general shareholders meeting, which will make or ratify their appointment. Such determination should subsequently be confirmed or reviewed in each year's annual corporate governance report, after verification by the appointments and remuneration committee. In the event that a non-executive director cannot be considered proprietary or independent, the Company will disclose this circumstance and the links that person maintains with the Company, its executives, or its shareholders.
3. The general shareholders meeting and the board of directors will ensure that the board is composed in such a way that non-executive directors represent a broad majority over executive directors and that there is a reasonable number of independent directors on the board. They will also ensure that the number of independent directors represents at least one third of all directors, that the number of executive directors is the minimum necessary, and that the percentage of proprietary directors over the total number of non-executive directors is not greater than the proportion between the Company's share capital represented by such directors and the rest of the share capital.
4. The provisions of the previous paragraph do not affect the sovereignty of the general shareholders meeting, nor do they diminish the effectiveness of the proportional system, which must be observed when a share consolidation takes place in accordance with the Corporate Enterprises Act.

TITLE IV.- STRUCTURE OF THE BOARD OF DIRECTORS

Article 9. The chair

1. The chairman of the board of directors will be elected from among its members, following a report from the appointments and remuneration committee.

2. The chairman has the ordinary power to convene and chair the board of directors, draw up the agenda for its meetings, chair the general shareholders meeting, ensure that directors receive sufficient information in advance to deliberate on the items on the agenda, moderate the debates and encourage discussion and active involvement.
3. However, the chairman must convene the board of directors whenever requested by at least three board members or, if this number represents more than one third of the board members, whenever requested by at least the directors that constitute one third of the board members, or at the request of the lead director, if one has been appointed. In that case, the board of directors will be convened by the chairman to meet within fifteen calendar days of the date of the request. If fifteen calendar days have elapsed after having received the request and the chairman has not convened the board of directors, the board will be convened by the deputy chairman, when one has been appointed. The directors have the right to convene a board meeting directly, under the terms provided by law.
4. The chairman, as the person charged with the efficient functioning of the board of directors, in addition to the functions assigned by law and the bylaws, will (i) prepare and submit to the board a schedule of meeting dates and business to be transacted; (ii) organize and coordinate regular evaluations of the board; (iii) be responsible for leadership of the board and for its proper functioning; (iv) ensure that sufficient time is given to the discussion of strategic issues; and (v) approve and review refresher courses for each director, when circumstances so advise.
5. The position of chairman may be held by an executive director. The appointment of the chairman will require the affirmative vote of two thirds of the members of the board of directors. In this case, the board of directors, with the abstention of the executive directors, must necessarily appoint a lead director from among the independent directors who will be specially empowered to:
 - (i) Request that the chairman of the board of directors call a board meeting when the lead director considers it appropriate.
 - (ii) Request that items be included on the agenda of the board meetings.
 - (iii) Coordinate, gather and voice the concerns of non-executive directors.
 - (iv) Chair the board of directors in the absence of the chairman and deputy chairmen, if any.
 - (v) Lead the periodic evaluation of the chairman of the board and coordinate their succession plan.
 - (vi) Maintain contact with investors and shareholders to ascertain their points of view in order to form an opinion on their concerns, particularly in relation to the corporate governance of the Company.

Article 10. The deputy chair

The board of directors, following a report from the appointments and remuneration committee, will designate one or several deputy secretaries. If there is more than one deputy chairman, each of the deputy chairmen will be numbered. The deputy chairman will replace the chairman in the event of vacancy, absence or illness and when so determined by the chairman. If there are several deputy chairmen, the order in which they will replace the chairman will be determined by the number given to each deputy chairman.

Article 11. The secretary and the legal advisor to the board of directors

1. On the proposal of the chairman of the board and following a report from the appointments and remuneration committee, the board of directors will elect a secretary, who may be appointed from among its members or be a person outside the board of directors who is qualified to perform the duties of the position. If the secretary to the board is not a director, they will be entitled to speak but not vote.

In any case, in order to safeguard the independence, impartiality and professionalism of the secretary, their appointment and removal will be approved by the board of directors in plenary session, following a report from the appointments and remuneration committee.

2. The secretary will assist the chairman in their tasks and must provide for the proper functioning of the board of directors, taking special care to provide the directors with the necessary advice and information, assisting the chairman to ensure that the directors receive the relevant information necessary to carry out their duties sufficiently in advance and in the appropriate format, preserving corporate documentation, duly placing on record the events of the sessions in the minutes books and attesting to the board resolutions. The secretary must also record in the minutes of the board meetings any concerns that have not been resolved by the board of directors regarding the Company's operations, as well as any concerns expressed by the board itself or the directors regarding any proposal, at the request of the person who expressed such concerns.
3. The secretary will take special care to ensure that the actions and decisions of the board of directors (i) comply with the laws and applicable regulations; (ii) are in accordance with the bylaws and other internal regulations; and (iii) take into account the recommendations on good governance that may be applicable to the Company.
4. The board of directors will have a legal advisor to the board who will have the functions granted by the current law. The secretary or, where applicable, the deputy secretary, may act as legal adviser to the board of directors when they are a lawyer and meet the other requirements provided for in current legislation.

Article 12. The deputy secretary to the board of directors

1. The board of directors may appoint a deputy secretary, who need not be a director, to assist the secretary to the board of directors or to replace them in the event of their absence in the

performance of their duties, as well as any other internal functions or positions held by the secretary to the board on the board of directors, including any internal committees that may be set up within the board of directors.

In any case, in order to safeguard the independence, impartiality and professionalism of the deputy secretary, their appointment and removal will be approved by the board of directors in plenary session, following a report from the appointments and remuneration committee.

2. Unless the board of directors decides otherwise, the deputy secretary may attend board meetings to assist the secretary in drawing up the meeting minutes and in the other advisory functions included in this regulation.

Article 13. Delegated and advisory bodies

1. Without prejudice to the powers of attorney that may be conferred on any person, the board of directors may set up an executive committee or appoint one or more managing directors, and may temporarily or permanently delegate to them, in full or in part, all the powers that may be delegated by law. The delegation and appointment of board members who are to hold such office will require the affirmative vote of two thirds of the board and may not take effect until registered with the Mercantile Registry.
2. At least two members of the executive committee will be non-executive directors, of which at least one will be an independent director. The chairman and the secretary of the executive committee will be the chairman and the secretary, respectively, of the board of directors.
3. The chairman of the executive committee will inform the board of directors of the matters discussed and the resolutions passed at its meetings, which will be recorded in the minutes and a copy will be sent to all board members.
4. An audit committee and an appointments and remuneration committee must also be set up with reporting, supervisory and advisory powers and powers to make proposals with regard to the matters within its competence as specified in this regulation.
5. The board of directors may also set up other committees with advisory or consultative functions, without prejudice to any exceptional decision-making powers conferred on them. The chairman, the secretary and the other members of these committees will be appointed by the board of directors by a simple majority.
6. The committees, if any, set up by the board of directors will be governed by the provisions of this regulation and, where applicable, by their respective internal regulations.

Article 14. Audit committee. Composition, competencies and functioning

1. The board of directors will form an audit committee, on a permanent basis, which is an internal body for information and advisory purposes, without executive functions, but with reporting and advisory powers and powers to make proposals within its area of activity, as indicated in this article. The audit committee will be composed of a minimum of three and a maximum of five

directors, appointed by the board of directors itself, all of whom must be non-executive directors. The majority of the members of the audit committee will be independent. The committee members as a whole, and in particular its chairman, will be appointed on the basis of their knowledge and experience in accounting, auditing and financial and non-financial risk management.

2. The board of directors will also appoint the chairman of the audit committee from among the independent directors that form part of this committee. In addition, the board of directors may appoint a deputy chairman if deemed necessary, whereby the provisions relating to the appointment of the chairman are applicable to the appointment of the deputy chairman.
3. The position of secretary of the audit committee will be held by the person appointed by the board of directors, who need not be a member of the committee or a director. The secretary of the audit committee may be the secretary to the board of directors or a different person.
4. The directors who form part of the audit committee will hold this position as long as their appointment as directors of the Company remains in force, unless the board of directors agrees otherwise. The renewal, re-election and removal of directors who are committee members will be governed by the resolutions of the board of directors.

The position of chairman will be held for a maximum of four years, after which they are not eligible for re-election as such until one year has elapsed since completing their term, without prejudice to their continuity or re-election as a committee member.

5. Without prejudice to any other tasks that may be assigned at any given time by the board of directors, the audit committee will exercise the following basic functions:
 - (i) Report to the general shareholders meeting on any matters raised by the shareholders regarding its competence and, in particular, on the results of the audit, explaining how it contributed to the integrity of the financial information and the function discharged by the audit committee in this process.
 - (ii) Monitor the effectiveness of the internal control of the Company and its group, internal audit and financial and non-financial risk management systems (including operational, technological, legal, social, environmental, political and reputational or corruption-related risks), ensuring that the internal control policies and systems established are effectively applied in practice, and discuss with the auditor any significant weaknesses in the internal control system detected during the course of the audit, all without infringing its independence. For such purpose, if any significant weaknesses are identified, recommendations or proposals and the corresponding period for follow-up must be submitted to the managing body.
 - (iii) Supervise the process of preparing and submitting the required financial and non-financial information and submit recommendations or proposals to the board of directors aimed at safeguarding its integrity.

- (iv) Propose to the board of directors, for subsequent submission at the general shareholders meeting, the selection, appointment, re-election and replacement of the auditor, in accordance with applicable regulations, as well as the terms of their engagement, and regularly gather information therefrom regarding the audit plan and its implementation, in addition to preserving its independence in the performance of its duties.
- (v) Establish the proper relationships with the auditors to receive information on any matters that may jeopardize their independence, to be examined by the audit committee, and any other matters related to the audit process and, where applicable, the authorization of services other than those prohibited, under the terms envisaged in applicable regulations, as well as other communications envisaged in audit legislation and other auditing standards. In any case, the audit committee must receive written confirmation, on an annual basis, from the auditor of their independence with respect to the Company or entities directly or indirectly related thereto, as well as detailed and individualized information on any type of additional services provided and the related fees received from these entities by the external auditor or by persons or entities related to the auditor pursuant to that provided in audit legislation.
- (vi) Issue, on an annual basis and prior to the issuance of the auditor's report, a report expressing an opinion on whether or not the independence of the auditors or audit firms has been jeopardized. This report will, in all cases, contain the evaluation of the provision of the additional services mentioned in the section above, considered individually and as a whole, other than legal audit services in relation to the rules on independence or in accordance with the audit regulations.
- (vii) Report to the board of directors on all matters envisaged by law, in the bylaws and in the regulation of the board of directors and, in particular, on (i) the financial information that the Company must periodically disclose; (ii) the creation or acquisition of ownership interests in special purpose vehicles or entities domiciled in jurisdictions considered to be tax havens; and (iii) transactions with related parties.
- (viii) Supervise the activity of the Company's internal audit, overseeing the internal audit plan and verifying that the main financial and non-financial risk areas of the business have been considered in the plan.
- (ix) In relation to the information and internal control systems: (a) oversee the preparation and integrity of the financial information relating to the Company and, if applicable, to the group, checking for compliance with regulatory requirements, the accurate demarcation of the scope of consolidation and the correct application of accounting standards; (b) if applicable, ensure the independence of the unit that handles the internal audit function, propose the selection, appointment, re-election and removal of the head of the internal audit service, propose the service's budget, approve or propose the approval to the board of the direction and the annual work plan of the internal audit service, ensuring that its

activity focuses mainly on relevant risks (including reputational risks); receive regular information on the implementation of the annual work plan, including possible incidents and limitations to its scope, and an annual activity report, and verify that senior management takes into account the findings and recommendations of its reports, if applicable; and (c) establish and monitor a mechanism that allows employees or other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to report, in a confidential or anonymous manner, any potentially significant irregularities, including financial and accounting irregularities, or any other type of irregularities within the Company or its group. This mechanism must guarantee confidentiality and, in any event, provide for cases in which communications can be made anonymously, while respecting the rights of the complainant and the accused.

- (x) In relation to the external auditor: (a) in the event of resignation, examine the circumstances that may have led to such resignation; (b) ensure that their remuneration does not compromise their quality or independence; (c) ensure that the Company notifies the CNMV of any change of auditor, accompanied by a statement on any disagreements arising with the outgoing auditor and the reasons for this, where applicable; (d) ensure that the external auditor meets annually with the board of directors in plenary session to inform the auditor of the work undertaken by the Company and any changes in its situation; (e) ensure that the Company and the external 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 regulations on auditor independence.
- (xi) Ensure that the financial statements submitted by the board of directors at the general shareholders meeting are prepared in accordance with accounting regulations and that, in cases where the auditor has included a qualification in their auditor's report, the chairman of the audit committee clearly explains the audit committee's opinion on its content and scope at the general meeting, making a summary of this opinion, along with any other proposals and reports of the board, available to shareholders when the call notice for the meeting is published.
- (xii) Call on any Company employee or executive to be present at its meeting, even ordering their presence without another executive.
- (xiii) Ensure that the financial and non-financial information published on the Company's corporate website is always kept up to date and coincides with that prepared by the directors.
- (xiv) Periodically evaluate the need to have an independent risk control and management area.
- (xv) Determine the auditor selection process, taking into account, among others, factors such as the scope of the audit, the expertise, experience and resources of the auditor or audit

firm, their fees, their independence, and the effectiveness and quality of the audit services to be provided.

- (xvi) Any other functions attributed thereto by the board of directors.
6. The audit committee will also be responsible for exercising all those functions specifically attributed in the internal regulations of the audit committee that, where applicable, are approved by the board of directors.
 7. The audit committee will meet at least on a quarterly basis to review the periodic financial information that must be sent to the stock exchange authorities, as well as the information that the board of directors has to approve and include as part of its annual public documents. The committee will also meet at the request of any of its members and when called by its chairman, which must call a meeting whenever the board of directors or its chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever considered necessary to properly perform its functions.
 8. The audit committee will be validly convened when the majority of its members are present in person or by proxy, and resolutions will be passed by an absolute majority of those attending the meeting. The chairman of the audit committee will not have the casting vote in the event of a tie.
 9. The audit committee will take minutes of its meetings, a copy of which will be sent to all board members and the secretary to the board of directors.
 10. In order to better fulfill its functions, the audit committee may engage advisory services of external experts when considered necessary, ensuring that any potential conflicts of interest do not undermine the independence of any external advice provided to the audit committee.

Article 15. Appointments and remuneration committee. Composition, competencies and functioning

1. The board of directors will form an appointments and remuneration committee, on a permanent basis, which is an internal body for information and advisory purposes, without executive functions, but with reporting and advisory powers and powers to make proposals within its area of activity. The appointments and remuneration committee will be composed of a minimum of three and a maximum of five directors, appointed by the board of directors itself, on the proposal of the chairman of the board of directors, bearing in mind the knowledge, skills and experience of the directors, who must be non-executive directors, with the majority being independent directors.
2. The board of directors will also appoint the chairman of the appointments and remuneration committee from among the independent directors that form part of this committee. In addition, the board of directors may appoint a deputy chairman if deemed necessary, whereby the provisions relating to the appointment of the chairman are applicable to the appointment of the deputy chairman.

3. The position of secretary of the appointments and remuneration committee will be held by the person appointed by the board of directors, who need not be a member of the committee or a director. The secretary of the appointments and remuneration committee may be the secretary to the board of directors or a different person.
4. The directors who form part of the appointments and remuneration committee will hold this position as long as their appointment as directors of the Company remains in force, unless the board of directors agrees otherwise. The renewal, re-election and removal of directors who are committee members will be governed by the resolutions of the board of directors.
5. Without prejudice to any other tasks that may be assigned at any given time by the board of directors, the appointments and remuneration committee will independently exercise the following basic functions:
 - (i) Evaluate the competencies, knowledge and experience required for the board of directors. For this purpose, it will define the functions and abilities required by the candidates that should fill each vacancy and evaluate the time and dedication required to enable them to perform their duties effectively, taking into account a previously established skills matrix that defines the functions, skills, knowledge and experience best suited to the vacancy.
 - (ii) Analyze the rest of the occupations of each director of the Company, ensuring that the directors devote sufficient time in practice and, if not, propose the appropriate measures.
 - (iii) Establish a representation target for the less well-represented gender on the board of directors and draft guidelines on how to reach this target.
 - (iv) Submit to the board of directors proposals for appointment of independent directors to be appointed through co-option or to be submitted for approval at the general shareholders meeting, as well as proposals for re-election or removal of such directors by the shareholders at the general shareholders meeting.
 - (v) Report on the proposals for appointment of the other directors to be appointed through co-option or to be submitted for approval at the general shareholders meeting, as well as proposals for re-election or removal by the shareholders at the general shareholders meeting.
 - (vi) Report on the proposals for appointment, re-election and withdrawal of executive personnel and the basic terms and conditions of their contracts.
 - (vii) Examine and organize the succession of the chairman of the Company's board of directors and the chief executive officer and, where applicable, submit proposals to the board of directors so that this succession takes place in an orderly and planned manner, in consultation with the Company's chairman, and involving the lead director, if any, provided that they are not a member of the appointments and remuneration committee.

- (viii) Propose to the board of directors the remuneration policy for directors and general managers or those who perform their functions as executive personnel and report directly to the board of directors, executive committees or managing directors, as well as the individual remuneration and other contractual terms of the executive directors, and ensure adherence thereto.
 - (ix) Monitor compliance with the Company's remuneration policy.
 - (x) Periodically review the remuneration policy for directors and senior executives, including share-based remuneration scheme and their application, and ensure that their individual remuneration is proportionate to the amounts paid to other directors and senior executives.
 - (xi) Propose to the board of directors a selection policy for directors and, where applicable, for senior executives, which must contain measures to encourage the Company to have a significant number of senior executives.
 - (xii) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.
 - (xiii) Verify the information on the remuneration of directors and senior executives contained in corporate documents, including the annual remuneration report.
 - (xiv) Participate in any updates to this regulation in relation to matters within its competence.
6. The appointments and remuneration committee will also be responsible for all those functions included in the internal regulations of the appointments and remuneration committee that, where applicable, are approved by the board of directors.
 7. The appointments and remuneration committee will also meet at the request of any of its members and when called by its chairman, which must call a meeting whenever the board of directors or its chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever considered necessary to properly perform its functions.
 8. The appointments and remuneration committee will be validly convened when the majority of its members are present in person or by proxy, and resolutions will be passed by an absolute majority of those attending the meeting. The chairman of the appointments and remuneration committee will not have the casting vote in the event of a tie.
 9. The appointments and remuneration committee will take minutes of its meetings, a copy of which will be sent to all board members.
 10. The appointments and remuneration committee should consult with the Company's chairman and chief executive officer, especially on matters relating to executive directors and executive personnel.
 11. In order to better fulfill its functions, the appointments and remuneration committee may engage advisory services of external experts when considered necessary, ensuring that any potential

conflicts of interest do not undermine the independence of any external advice provided to the appointments and remuneration committee.

Article 16. Sustainable development committee

1. The board of directors will form a sustainable development committee, on a permanent basis, which is an internal body for information and advisory purposes, without executive functions, but with reporting and advisory powers and powers to make proposals within its area of activity.
2. The sustainable development committee will be composed of a minimum of three and a maximum of five directors, appointed by the board of directors itself, who must be non-executive directors, with the majority being independent directors.
3. The board of directors will appoint the chairman of the sustainable development committee from among the directors that are committee members and its secretary, who need not be a committee member or a director. The secretary of the appointments and remuneration committee may be the secretary to the board of directors or a different person.
4. The board of directors will ensure that the members of the sustainable development committee have the right balance of knowledge, skills and experience for the functions they are called on to discharge.
5. The directors who form part of the sustainable development committee will hold this position as long as their appointment as directors of the Company remains in force, unless the board of directors agrees otherwise. The renewal, re-election and removal of directors who are committee members will be governed by the resolutions of the board of directors.
6. Without prejudice to any other tasks that may be assigned at any given time by the board of directors, the sustainable development committee will independently exercise the following basic functions:
 - (i) Monitor compliance with the rules of corporate governance and the internal codes of conduct of the Company, ensuring that the corporate culture is in line with its purpose and values.
 - (ii) Supervise the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. It will also oversee the way in which the Company communicates and relates to small- and medium-sized shareholders.
 - (iii) Periodically evaluate and review the effectiveness of the Company's corporate governance system and its policy on environmental and social matters, to confirm that it is fulfilling its mission to promote the corporate interest and taking into account, as appropriate, the legitimate interests of the other stakeholders.

- (iv) Oversee that the Company's environmental and social practices are in line with the strategy and policy established.
 - (v) Monitor and evaluate the Company's interaction with its stakeholders.
 - (vi) Monitor the Company's performance with regard to corporate reputation and report on such performance to the board of directors when appropriate.
 - (vii) Report on, prior to its approval, the Company's annual corporate governance report and the non-financial information statement, obtaining for such purpose any necessary reports from the audit committee and the appointments and remuneration committee in relation to these sections of this report that are within their competence.
 - (viii) Report on the proposals to amend the regulation of the board of directors and the code of ethics.
 - (ix) Issue the reports and carry out any actions that correspond thereto, in its field of competence and in accordance with the corporate governance system, or that are requested by the board of directors or its chairman.
 - (x) Assume the functions assigned thereto in the code of ethics.
7. The sustainable development committee will also meet at the request of any of its members and when called by its chairman or the compliance officer, which must call a meeting whenever the board of directors or its chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever considered necessary to properly perform its functions.
 8. The sustainable development committee will be validly convened when the majority of its members are present in person or by proxy, and resolutions will be passed by an absolute majority of those attending the meeting. The chairman of the sustainable development committee will not have the casting vote in the event of a tie.
 9. The sustainable development committee will take minutes of its meetings, a copy of which will be sent to all board members.
 10. In order to better fulfill its functions, the sustainable development committee may engage advisory services of external experts when considered necessary, ensuring that any potential conflicts of interest do not undermine the independence of any external advice provided to the committee.

TITLE V.- FUNCTIONING OF THE BOARD

Article 17. Board meetings

1. The board of directors will meet as often as necessary to properly perform its functions, and at least eight times a year, in accordance with a calendar and agendas set at the beginning of the year, and each director may propose other items on the agenda not initially provided for when the request is made at least three calendar days prior to the date scheduled for the meeting.

2. The board of directors will also meet, on the initiative of the chairman, as often as considered necessary for the proper functioning of the Company and also when requested under the terms of article 9.2 above.
3. Board meetings will be called by the secretary to the board of directors or the person acting in their place, with the authorization of the chairman, by any means that allows each of the board members listed in the Company's files to receive the call notice. The call notice will be sent at least three days prior to the date and time indicated for the meeting. The call notice will always include the meeting agenda and will be accompanied by the relevant information duly prepared and summarized.
4. The agendas of board meetings should clearly indicate the items on which the board of directors must adopt a decision or pass a resolution, so that directors can first study the matter or gather any information they may require. For reasons of urgency, the chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent of the majority of directors present, which will be duly recorded in the minutes.
5. The chairman of the board of directors may call extraordinary board meetings when, in their opinion, the circumstances so justify, without the period of prior notice and other requirements indicated in the previous section being applicable in such cases. Notwithstanding the foregoing, any documentation to be provided to the directors will be delivered sufficiently in advance, unless the board of directors has been convened or called under exceptional circumstances for reasons of urgency.
6. However, a board meeting will be considered to be validly convened, without requiring a prior call, if all directors present in person or by proxy unanimously agree to hold a meeting and to the items on the agenda to be discussed. In addition, if no director objects, a written vote of the board of directors may be held without a meeting. Votes may be cast in writing or by e-mail, provided that the identity of the director casting the vote is assured.
7. The board of directors will draw up an annual calendar of its ordinary meetings at the beginning of each year.
8. Board meetings will be held at the Company's registered office, unless the call notice specifies a different venue.
9. Without prejudice to the foregoing, the board of directors may hold a meeting at various venues that are connected through systems that allow the attendees to be recognized and identified, permanent communication between the participants regardless of their venue, and the attendees to speak and issue of votes, all in real time. In accordance with the foregoing, board meetings may be held through multi-conference calls, videoconferencing or any other similar system

10. The attendees, regardless of their venue, will be considered attendees of the same meeting for all purposes relating to the board of directors. The meeting will be considered to be held at the location where there are the greatest number of directors and, in the case of a tie, the location of the chairman of the board of directors, or whoever chairs the meeting in their absence.
11. The board of directors will assess the following at least once a year: (i) the quality and efficiency of the board of directors, (ii) the functioning and the composition of its committees, (iii) the diversity in the composition and powers of the board of directors, (iv) the performance of its functions by the Company's chairman and the chief executive officer, and (v) the performance and contribution of each director, with special attention to those responsible for the various board committees.

Article 18. Conduct of the meetings

1. Board meetings will be validly convened when one half plus one of its members at any given time are present in person or by proxy at the meeting.
2. Directors will make every effort to attend board meetings and, when they are unable to do so in person, will grant proxy in writing and specifically for each meeting to another board member, including the appropriate instructions, and will notify the chairman of the board of directors. Non-executive directors may only be represented by another board member acting in the same capacity. Director absences from board meetings will be quantified in the annual corporate governance report.
3. The chairman will organize and encourage debate by seeking and promoting the active involvement of all directors during board meetings, safeguarding their rights to freely express and adopt positions.
4. Except in those cases where the law or the bylaws specifically establish other voting quorums, resolutions will be passed by an absolute majority of the directors attending the meeting. In the event of a tie, the chairman will not have the casting vote.
5. Minutes will be taken of board meetings and signed by at least the chairman (or deputy chairman, as the case may be) and secretary or deputy secretary, and will be transcribed or recorded, as required by law, in a special minutes book for board meetings.
6. The minutes will be approved by the board of directors at the end of the meeting or at the next meeting.

TITLE VI.- APPOINTMENT AND REMOVAL OF DIRECTORS

Article 19. Appointment and re-election of directors

1. Directors will be appointed by the general shareholders meeting or by the board of directors by co-option, following a report from the appointments and remuneration committee or, in the case of independent directors, at the proposal of this committee, in accordance with the provisions contained in the applicable regulations, the bylaws and this regulation.

2. New directors must rapidly gain sufficient knowledge of the Company, as well as of its corporate governance rules.
3. The members of the board of directors will be subject, to the extent applicable, to Spanish Law 53/1984, of December 26, on incompatibilities of personnel employed by public authorities, to Spanish Law 3/2015, of March 30, regulating the exercise of senior management in the central government, and other state and regional regulations on incompatibilities.
4. The board of directors will endeavor to ensure that selected candidates are persons of known solvency, competence and experience, and will take particular care when selecting persons to hold office as independent directors.
5. Before proposing the re-election of directors at the general shareholders meeting, the board of directors will evaluate, without involvement from the directors in question, the quality of work and dedication to office of the proposed directors during the previous mandate.

Article 20. Term of office

1. The directors will hold their position for a period of four years, at the end of which they may be re-elected for one or more periods of equal length.
2. The appointment of the directors will expire when their term of office has ended and the next general shareholders meeting has been held, or the period established by law for holding the general shareholders meeting to resolve on the approval of the previous year's financial statements has elapsed.
3. Directors appointed by co-option will hold their position until the first general shareholders meeting held after their appointment, and must resign from office if their appointment is not ratified at that general shareholders meeting. If a vacancy arises after the general shareholders meeting has been called and before it is held, the board of directors may appoint a director until the next general shareholders meeting is held.

Article 21. Removal of directors

1. Directors will cease to hold office when the term for which they were appointed elapses, and when so decided at the general shareholders meeting, by virtue of the powers conferred upon it by law or in the bylaws.
2. Directors must tender their resignation to the board and, if the board considers it appropriate, resign in the following cases:
 - (i) When they cease to hold the executive positions associated with their appointment as directors.
 - (ii) When they become subject to any incompatibility or prohibition provided for by law or the bylaws.

- (iii) When they have been seriously reprimanded by the board of directors for having breached any of their obligations as directors.
- (iv) When their remaining on the board of directors may put at risk or harm the Company's interests, credibility or reputation or when the reasons for which they were appointed cease to exist, including, but not limited to, when there are significant changes in their professional situation or in the conditions under which they were appointed as director.
- (v) When they are indicted for any purported offenses or disciplinary proceedings are brought against them by the supervisory bodies for serious or gross misconduct.
- (vi) In the case of proprietary directors (i) when the shareholder they represent sells in full or significantly reduces its shareholding, and (ii) when the aforementioned shareholder reduces its shareholding to a level that requires the number of its proprietary directors to be reduced.
- (vii) When, due to events attributable to the director, their remaining on the board would, in the board's opinion, cause serious harm to the Company's assets or reputation.
- (viii) When they are members of more than four boards of directors of other companies (other than the Company).

Article 22. Objectivity and secret ballots

Directors whose appointment, re-election or removal has been proposed must abstain from participating in the discussions or votes relating thereto. All votes of the board of directors concerning the appointment, re-election or removal of directors will be public unless one of the directors requests a secret ballot.

TITLE VII.- DIRECTOR INFORMATION

Article 23. Powers of information and inspection

1. Directors are required to inform themselves of the Company's operations. For this purpose, directors may request information on any matter within the competence of the board of directors and, in this regard, examine its books, records, documents and other documentation. The right to information extends to any subsidiaries and to investees, whenever possible.
2. Any requests for information must be submitted to the secretary to the board of directors, who will forward it to the chairman of the board and the appropriate contact person at the Company.
3. The secretary will notify the director of the confidential nature of the information requested and received and of their duty of confidentiality in accordance with the provisions of this regulation.
4. The chairman may refuse the request for information if they consider (i) that it is not necessary for the proper performance of the tasks entrusted to the director, or (ii) that the cost thereof is not reasonable in view of the importance of the problem and the assets and income of the Company.

5. Directors should be regularly informed of changes in the shareholder structure and the views of significant shareholders, investors and credit rating agencies on the Company.

Article 24. Assistance from experts

1. In order to receive assistance in the performance of their duties, all directors may obtain from the Company the advice necessary for the performance of their duties. The Company will therefore provide suitable channels to exercise this right, extending in special circumstances to external assistance at the Company's expense.
2. The engagement must necessarily be related to specific problems of certain importance and complexity that the directors are faced with in discharging their duties.
3. The chairman of the board of directors must be notified of the decision to hire external advisors at the Company's expense, which may be vetoed by the board of directors if it is proven that:
 - (i) it is not necessary for the proper performance of the tasks entrusted to the non-executive directors.
 - (ii) the cost thereof is not reasonable in view of the importance of the problem and the assets and income of the Company.
 - (iii) the technical assistance sought can be adequately provided by the Company's own experts and specialists.

TITLE VIII.- REMUNERATION OF BOARD MEMBERS

Article 25. Remuneration of directors

1. Directors will be entitled to receive the remuneration established in the bylaws. The total amount of remuneration that the Company may pay to its directors in accordance with the bylaws will not exceed the amount determined for such purpose at the general shareholders meeting.
2. The specific amount corresponding to the items above for each of the directors will be determined by the board of directors in accordance with the directors remuneration policy, which will be approved at least every three years at the general shareholders meeting. For such purpose, the positions held by each director on the board itself, membership of the various committees and attendance at committee meetings will be taken into consideration.
3. The remuneration of the directors must be reasonable in proportion to the Company's importance and its economic situation at any given time, be in accordance with that paid in the market at companies of a comparable size engaging in similar activities, and take into account their dedication to the Company. The remuneration scheme established must be aimed at promoting the Company's long-term profitability and sustainability and incorporate the necessary safeguards to avoid taking excessive risks or rewarding unfavorable results. Specifically, if the remuneration scheme incorporates variable remuneration mechanisms, it must set the limits and safeguards required to ensure that the variable remuneration reflects the

professional performance of the beneficiaries, the performance of the share price and non-financial objectives such as the sustainability of the Company, and not simply the general performance of the markets or the sector.

4. The board of directors will also ensure that the amount of remuneration for non-executive directors is such that it provides incentives to reward their dedication, qualifications and responsibilities, but does not compromise their independence.
5. In the case of remuneration linked to the Company's earnings, deductions should be computed for any qualifications stated in the auditor's report.
6. The board of directors will ensure that variable remuneration provides for the deferral of payment of a major part of its components to ensure the board has sufficient time to verify that the performance or other conditions previously established have been effectively met and, if it becomes apparent that the financial statements or the parameters on which the remuneration was based need to be corrected, or that there was an infringement by the beneficiaries of any regulations or rules of the internal corporate governance system, including the code of ethics, ensure that the variable remuneration includes the mechanisms necessary to cancel, in full or in part, the settlement of outstanding payments and, where applicable, to recover any amounts previously paid to beneficiaries.
7. The board of directors will draw up an annual report on directors remuneration under the terms established by applicable regulations. This report will be made available to shareholders with the call notice for the annual general meeting and will be submitted to an advisory vote as a separate item on the agenda.

TITLE IX.- DUTIES OF THE DIRECTOR

Article 26. General obligations of the director

1. In performing their duties, directors will act with the diligence of an orderly businessman and a loyal representative, taking into account the nature of the office and the duties assigned to each of them. Their actions will be guided solely by good faith and corporate interest, and they will seek the best defense and protection of the interests of all shareholders, from whom they derive their mandate and to whom they are accountable. In particular, directors are required to:
 - (i) Be properly informed and prepared for board meetings and, where applicable, the meetings of the delegated bodies to which they belong.
 - (ii) Attend board meetings and actively participate in the discussions so that their opinions effectively contribute to the decision-making process.

If they are unable to attend the meetings to which they were summoned and have justified reasons, they must give instructions to the director that will represent them.

- (iii) Contribute (and, to a greater extent, the independent directors) their strategic vision, as well as innovative concepts, criteria and measures to ensure optimal performance and development of the Company's business.
- (iv) Carry out their duties under the principle of personal responsibility with freedom of opinion or judgment and independence with regard to instructions from and relationships with third parties.
- (v) Carry out any specific task entrusted thereto by the board of directors or any of its delegated and/or advisory bodies and that is reasonably included in their commitment of dedication.
- (vi) Encourage the investigation of any irregularity in the Company's management that they may have noticed, reporting it immediately to the board of directors, and the monitoring of any situation of risk.
- (vii) Urge those persons with the capacity to convene an extraordinary board meeting or to include the items they consider appropriate on the agenda of the first meeting to be held.
- (viii) Oppose any resolutions that are contrary to the law, the bylaws or corporate interest and request that their position be recorded in the minutes when they consider it more appropriate for the protection of the corporate interest. Independent directors and other directors not affected by the potential conflict of interest must, in particular, clearly express their opposition when it comes to decisions that may be detrimental to shareholders not represented on the board.

If the board of directors adopts significant or repeated decisions about which a director has expressed serious reservations, they will draw the appropriate conclusions and, if necessary, resign.

The provisions of this section will apply to the secretary and, where appropriate, the deputy secretary to the board of directors, even if they are not directors.

- (ix) When, either through resignation or by resolution of the general meeting, a director leaves their position before the end of their term of office, they must give sufficient explanation of the reasons for their resignation or, in the case of non-executive directors, their opinion on the reasons for the removal by the shareholders at the meeting, in a letter to be sent to all board members.
2. In any event, directors must devote sufficient time and effort to perform their duties effectively and, therefore, directors must inform the appointments and remuneration committee of any other professional obligations that might detract from the necessary dedication.

Article 27. Duty of confidentiality of the director

1. Directors will maintain secrecy regarding the deliberations of the board of directors and of the delegated bodies to which they belong and, in general, will refrain from disclosing information to which they have had access in the exercise of their duties.
2. The confidentiality obligation will remain in force even after the director ceases to hold office, whereby they will be bound to secrecy regarding information of a confidential nature and the information, data, reports or background documents of which they are aware as a result of exercising their duties. This information may not be reported to third parties or disclosed where it might be detrimental to corporate interests. Cases in which the law allows the information to be reported or disclosed to third parties or in which, if applicable, it is required by or must be submitted to the respective supervisory authorities, are exempt from the duty referred to in the paragraph above, in which case the disclosure of information must conform to the provisions of the law.

Article 28. Non-competition obligation

1. The directors must refrain from carrying out activities as independent professionals or as employees that involve effective competition, whether current or potential, with the Company or that in any other way put them in permanent conflict with the Company's interests.
2. The obligation of not competing with the Company may only be waived if no damage is expected to be caused to the Company or if the Company is expected to be compensated for the profit that such director may obtain. The waiver will be granted through an express and separate resolution at the general shareholders meeting.
3. In any event, at the request of any shareholder, the general shareholders meeting will resolve on the removal of any director that carries on competing activities where the risk of harm to the Company is considered significant.

Article 29. Conflicts of interest

1. A conflict of interest will be considered to exist in those situations in which the interests of the Company or the companies in its group and the interests of the director directly or indirectly come into conflict. A director will be considered to have interest when, among other cases, (i) the matter affects him or a person related to him, or (ii) in the case of a proprietary director, the matter affects the shareholder or shareholders that proposed or made their appointment or persons directly or indirectly related thereto.
2. For the purposes of this regulation, the terms below will be defined as follows:
 - (i) Persons related to the director who is a natural person:
 - a) The spouse or domestic partner of the director.
 - b) Ascendants, descendants and siblings of the director or the spouse or domestic partner of the director.

- c) The spouses or domestic partners of the ascendants, descendants and siblings of the director.
 - d) Companies or entities in which a director or any persons related thereto is, themselves or through an interposed person, in any of the positions provided for in article 42 of the Spanish Commercial Code.
 - e) In addition, in the case of proprietary directors, the shareholders that proposed they appointment.
- (ii) Persons related to the director that is a legal entity:
- a) The shareholders if they are, in relation to the director that is a legal entity, in any of the positions provided for in article 42 of the Spanish Commercial Code.
 - b) Companies forming part of the same group, as this term is defined in article 42 of the Spanish Commercial Code, and their shareholders.
 - c) The individual representative, the de facto or de jure directors, liquidators and authorized representatives holding general powers of attorney from the director that is a legal entity.
 - d) Persons who, in respect of the representative of the director that is a legal entity, are considered to be related persons in accordance with the provisions of paragraph 2(i) of this article for directors who are natural persons.
3. Directors must notify the board of directors of any direct or indirect conflicts of interest and refrain from acting as the Company's representative in the transaction to which the conflict refers, with the exceptions established by applicable legislation. In addition, the Company will report, where applicable by law, any conflict of interest that may involve the directors (or persons related thereto) during the financial year in question and that it is aware of by virtue of the communication from the affected party or by any other means. Any conflicts of interest in which the directors are involved will be reported in the notes to the Company's financial statements.

Article 30. Use of corporate assets

Directors will refrain from using the Company's assets, including its confidential information, or their status at the Company in order to obtain an economic gain unless appropriate consideration is given.

Article 31. Non-public information

Directors will observe the rules of conduct established in the stock market regulations and, in particular, those set forth in the Company's Internal Code of Conduct in the Securities Markets with regard to the treatment of inside information.

Article 32. Business opportunities

1. Directors may not take advantage of the Company's business opportunities for their own benefit or for the benefit of a person related thereto under the terms established in article 29 of this regulation, unless it was previously offered to the Company and it decided not to take advantage of the opportunity.
2. For the purposes of the previous paragraph, a business opportunity is understood as any possibility for an investment or commercial transaction that arose or was discovered in connection with the exercise of the office by the director or using the Company's resources or information, or in circumstances in which it is reasonable to think that the third party's offer was addressed to the Company.

Article 33. Indirect transactions

Directors are in breach of their duty of loyalty to the Company if, knowing this in advance, they allow or do not reveal the existence of transactions carried out by the related persons indicated in article 29 of this regulation that have not been subject to the conditions and controls provided for in the preceding articles.

Article 34. Duties of disclosure to the director

1. Directors must inform the Company of the shares they hold directly or indirectly through the related persons indicated in article 29 of this regulation, all in accordance with the provisions of the Company's Internal Code of Conduct in the Securities Markets.
2. Directors must also inform the Company of the positions they hold in the managing bodies of other companies and, in general, of the events, circumstances or situations that may be relevant to their actions as directors of the Company in accordance with the provisions of this regulation.
3. Likewise, all directors must notify the Company of those circumstances that may harm the Company's credibility and reputation and, in particular, must inform the board of directors of any criminal lawsuits in which they are involved as accused parties, whether or not they are related to their actions at the Company itself, as well as of any subsequent developments of such proceedings.
4. If a director is prosecuted or has a court order issued against him initiating trial proceedings for any of the offenses indicated in corporate legislation, the board of directors will examine the case as soon as possible and, in view of their specific circumstances, will decide, following a report from the appointments and remuneration committee, whether any measures should be taken, such as opening an internal investigation, and whether or not they should be called on to resign. These circumstances will be disclosed in the annual corporate governance report, unless there are special circumstances that justify it, which will be recorded in the minutes. This is without prejudice to the information that the Company must disseminate, if appropriate, when the corresponding measures are adopted.

Article 35. Transactions with directors and significant shareholders

1. Any transactions carried out by the Company with directors and significant shareholders in accordance with the provisions of the securities market regulations applicable at any given time or that, where applicable, have proposed the appointment of any of the Company's directors, or with the respective related persons, understood as those indicated in article 29 of this regulation, will be submitted for authorization by the board of directors or by the executive committee, if such a committee has been set up and provided the matter is urgent, or by the managing director, with subsequent ratification by the board of directors, in both cases following a report by the audit committee.
2. Prior to giving the Company authorization to carry out transactions of this nature, the audit committee and the board of directors or the executive committee will assess the transaction from the point of view of the equal treatment of shareholders and market conditions.
3. However, authorization from the board of directors will not be required for related party transactions that simultaneously meet the following three conditions: (i) they are performed under contracts with standard terms and conditions applied on an across-the-board basis to a large number of; (ii) they are performed at market rates, generally set by the person supplying the goods or services; and (iii) their amount does not exceed 1% of the consolidated annual income of the Company's group.
4. In the case of transactions in the ordinary course of business that are of a habitual or recurring nature, the generic authorization of the board of directors will be sufficient.
5. The authorization must be approved by the general shareholders meeting when it concerns a transaction with a director or related party where the value exceeds 10% of the Company's assets.

TITLE X.- INFORMATION POLICY AND BOARD RELATIONS

Article 36. Website

1. The Company will maintain the corporate website in order to assist shareholders in exercising their right to information and to disseminate the information required by law on the securities markets, which will include the documents and information provided for by the applicable regulations, including the information and documentation relating to call notices for convening general shareholders meetings, as well as any other documentation and information that the board of directors considers appropriate to make available to shareholders through this medium.
2. The Company will publish and keep up to date the following information on its directors through its corporate website:
 - (i) Background and professional experience.

- (ii) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, regardless of their nature.
 - (iii) An indication of the director category to which they belong, in the case of proprietary directors indicating the shareholder they represent or are related thereto.
 - (iv) Date of their first appointment as director and subsequent re-elections.
 - (v) Shares held in the Company and any options thereon.
3. The board of directors is responsible for having the information that must be included on the Company's corporate website in compliance with the obligations imposed by applicable regulations, and is responsible for updating this information under the terms provided for by current law.

Article 37. Relations with shareholders

1. The board of directors will provide suitable channels to familiarize itself with any proposals submitted by shareholders with regard to the Company's management.
2. The board of directors, through some of its directors and in collaboration with any senior executives it considers appropriate, may organize informative briefings on the running of the Company and its group for shareholders that are part of the most important financial centers in Spain and other countries.
3. The board of directors will also establish adequate mechanisms for the regular exchange of information to institutional investors who are shareholders of the Company. Under no circumstances will relations between the board of directors and institutional investors give rise to the delivery of information to them that could give them a privileged or advantageous situation over other shareholders.
4. The board of directors must approve a policy on communication and contact with shareholders and institutional investors within the framework of their involvement in the Company, as well as with proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position. The Company will publish this policy on its website, complete with details on how it has been put into practice and the identities of the relevant contacts or those charged with its implementation.
5. Public requests for the delegation of votes made by the board of directors or by any of its members must indicate how the proxy will vote if the shareholder does not give express instructions.
6. The board of directors will encourage the informed participation of the shareholders at the general shareholders meetings and will adopt any measures considers advisable to facilitate the exercise of their functions pursuant to the law and the bylaws.
7. In particular, the board of directors will adopt the following measures:

- (i) It will endeavor to make available to the shareholders, prior to the general shareholders meeting, all information that may be required under current regulations and all information that, although not required, may be of interest and may be reasonably supplied.
- (ii) It will respond with the utmost diligence to requests for information made by shareholders prior to the general shareholders meeting.
- (iii) It will respond, with equal diligence, to the questions posed by the shareholders at the general shareholders meeting.

Article 38. Relations with the markets

1. The board of directors, through the communication of other relevant information or, where applicable, inside information, to the CNMV and on the corporate website, will inform the public immediately of all relevant or inside information under the terms established in the regulations applicable for such purpose at any given time.
2. The board of directors will appoint one or more persons to act as authorized representatives before the CNMV and will notify the Commission of such appointment in accordance with current law.
3. The board of directors will take the necessary steps to ensure that quarterly, half-yearly and any other financial information that prudence requires to be made available to the markets is drawn up in accordance with the same principles, criteria and professional practices and is as reliable as the annual financial statements.
4. The board of directors will approve a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it considers appropriate (media, social networks or other channels) that will contribute to maximizing the dissemination and quality of the information available to the market, investors and other stakeholders.
5. The board of directors will include information in its annual public documentation on the Company's rules of governance and the degree of compliance with these rules.
6. When a director resigns or is removed by the general shareholders meeting, the board of directors, insofar as it is relevant for investors, will publish notice of the removal as soon as possible, including sufficient reference to the reasons or circumstances provided by the director, and will give an account thereof in the annual corporate governance report.

Article 39. Relations with auditors

1. The audit committee is responsible for submitting a proposal to the board of directors, which is then submitted at the general shareholders meeting, for the appointment (with an indication of the terms of engagement and the scope of the professional mandate), renewal and revocation of the auditor of the Company's financial statements and for monitoring compliance with the audit contract in accordance with article 14 of this regulation and, where applicable, the internal

regulations of the audit committee approved by the board of directors. The audit committee will refrain from proposing to the board of directors, which in turn will refrain from submitting to the general shareholders meeting, the appointment as the Company's auditor of any audit firm that is found to be incompatible pursuant to the regulations on account auditing, as well as those firms where the fees that the Company expects to pay for all services are greater than five percent of its total revenue during the last financial year.

2. The board of directors will endeavor to prepare definitive financial statements that do not give rise to reservations or qualifications from the auditors. In the case of exceptional circumstances, both the chairman of the audit committee and the external auditors will clearly explain to the shareholders the content of such reservations or qualifications. However, when the directors consider that they should stand by their opinion, they will publicly explain the content and scope of the discrepancies.
3. The board of directors will publicly report, in the manner provided for in the applicable regulations, the amount of the fees, broken down by service, for the audit of the financial statements and other services provided by the auditor, as well as those corresponding to persons or entities related to the auditor.

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