

**REDRAFTED TEXT OF 30 JUNE 2023****REGULATIONS OF THE BOARD OF DIRECTORS OF  
SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A.**

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## CHAPTER I - PREAMBLE

### Article 1 - Purpose

1. The Regulations of the Board of Directors of Solaria Energía Y Medio Ambiente, S.A. (hereinafter, the "Company" or "Solaria") contain the operating principles of the Board of Directors of the Company, as well as the basic rules of its organisation and operation and the rules of conduct of its members.
2. The rules of conduct set out in these Regulations for the directors of the Company will be equally applicable to the senior managers of the Company, insofar as they are compatible with their specific nature and the activities they carry out.

### Article 2 - Interpretation

1. These Regulations complete the regulatory regime applicable to the board, established in current legislation and in the Company's articles of association. They will be interpreted in accordance with the legal and statutory regulations that are applicable and with the principles and recommendations on corporate governance of listed companies approved or issued by the Spanish authorities and the surrounding countries in force at any time, or by special commissions or working groups set up under the mandate of the aforementioned authorities.
2. It is the responsibility of the board of directors, with the assistance of its secretary, to clear up any queries raised by the application and interpretation of these regulations in accordance with the general criteria for the interpretation of legal regulations.

### Article 3 - Amendment

1. These Regulations may only be modified at the request of the chairman, or one third of the directors or of the Audit Committee, who must accompany their proposed amendment with a substantiating report.
2. The text of the proposal and the supporting report of its authors must be attached to the notice of convening to the meeting of the board that is to deliberate on it. The notice of convening shall be sent giving minimum notice of ten days.
3. For its validity, the amendment of the Regulations will require a resolution adopted to this end by a majority of the directors present or represented.
4. These Regulations must be updated whenever necessary to adapt their content to the current provisions that are applicable.

### Article 4 - Dissemination

1. The directors and senior managers have the obligation to know, comply with and enforce these Regulations. To this end, the secretary of the board will provide all of them with a copy thereof at the time when they accept their respective

appointments or their contract becomes effective, as the case may be, and they must submit to the secretary a signed declaration in accordance with Annex I to these Regulations, wherein they declare that they know and accept the content of these Regulations, undertaking to comply with any obligations required of them by dint thereof.

2. The Board of Directors of the Company will adopt the appropriate measures so that the Regulations are disseminated amongst the shareholders and the investing public in general. In particular, the current text of the Regulations will be communicated to the National Securities' Market Commission and registered with the Registrar of Companies and it will be available at the Company website in accordance with the provisions of current legislation and these Regulations.

## **CHAPTER II - ROLE OF THE BOARD**

### **Article 5 - General role of the board**

1. Except for those matters reserved to the competence of the general meeting, the board of directors is the highest decision-making body in the Company. Its core mission is the approval of the Company's strategy and the organisation required for its implementation, as well as the supervision and monitoring of the Company's management in order to ensure that it meets the objectives set and respects the corporate interest and purpose of the Company.

The board will ensure that in its relations with stakeholders, the Company respects current legislation; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it carries out its activity; and observes those additional principles of corporate social responsibility that the Company decides to voluntarily accept.

The Board is responsible, as a collegiate body, for those duties assigned to it under the Corporations' Act and other applicable provisions, in particular, the following:

- a. The drawing up of the annual accounts, the directors' report and the proposed distribution of the Company's earnings, as well as the consolidated accounts and directors' report and the annual report on corporate governance for their submission to the general meeting.
- b. The drawing up of the annual report on corporate governance.
- c. The convening of the general meeting, as well as the publication of any notices related with it.
- d. The implementation of the Company's treasury stock policy within the framework of the authorisation of the general meeting.
- e. The appointment of directors by co-opting and the submission of proposals to the general meeting regarding the appointment, ratification, re-election or removal

- of directors, as well as the acceptance of the resignation of directors, upon a proposal from the Appointments and Remunerations' Committee, all of which pursuant to the provisions of article 38.1 of the Corporate Articles of Association.
- f. The appointment and renewal of the internal positions of the board of directors and the members of the committees, at the proposal of the Appointments and Remunerations' Committee.
  - g. The setting of the remuneration of the members of the board of directors, at the proposal of the Appointments and Remunerations' Committee, within the remuneration system provided for in the articles of association, and in accordance with the remuneration policy defined by the General Meeting.
  - h. The ruling on any takeover bid made on securities issued by the Company.
  - i. The delegation of powers to any of its members under the terms determined by law and in the articles of association and their revocation.
  - j. The approval and amendment of these Regulations.
  - k. Any other matter that the Regulations of the Board of Directors set aside for the knowledge of the plenary body.
2. The board will carry out its duties independently from the Company management and guided by its general interest. The board's policy is to delegate the ordinary management of the Company to the management team and focus its activity on the general supervisory function and the adoption of the most relevant decisions for the administration of the Company. To this end, it will be up to the board to collectively approve:
- a. The general strategies and policies of the Company; In particular, the following will be considered:
    - i. The strategic or business plan, as well as the annual management and budget targets.
    - ii. Investment and financing policy;
    - iii. The definition of the structure of the corporate group;
    - iv. The corporate governance policy of the Company and of the group of which it is the parent company; its organisation and operation and, in particular, the approval and amendment of its own regulations.
    - v. The corporate social responsibility policy;
    - vi. The remuneration policy and performance appraisal of senior managers, excluding directors, whose remuneration policy is set by the General Meeting;

- vii. The risk control and management policy, including fiscal risks, as well as the periodic monitoring and supervision of internal information and control systems;
  - viii. Dividends' policy;
  - ix. The definition of the structure of the group of companies of which the company is the dominant entity.
  - x. Determination of the company's tax strategy.
- b. The following operational decisions:
- i. At the proposal of the Appointments and Remunerations' Committee, the appointment and possible dismissal of senior managers, as well as their compensation clauses.
  - ii. At the proposal of the Appointments and Remunerations' Committee, the remuneration of the directors, as well as, in the case of executives, the additional remuneration for their executive duties and the approval of their contracts.
  - iii. Any financial information which, due to its status as a listed company, the Company must make public periodically.
  - iv. Investments or operations of any type which, due to their high amount or special characteristics, have a strategic nature or special fiscal risk, unless their approval is incumbent upon the General Meeting.
  - v. The creation or acquisition of shares in special purpose entities or entities domiciled in countries or territories that are regarded as tax havens, as well as any other transactions or operations of a similar nature which, due to their complexity, could undermine the transparency of the group.
- c. The approval, further to a report from the audit committee, of the operations that the company or companies in its group carry out with directors under the terms provided for in the Corporations' Act, or with regular shareholders, individually or in conjunction with others, who hold a significant stake (those who hold 3% of the Company's share capital) or represented on the Board, or of other companies that are part of the same group or with people related with them ("related transactions").

The directors concerned or who represent or are related with the shareholders concerned must abstain from participating in the deliberation and voting on the resolution in question.

However, those related-party transactions which simultaneously meet the following three conditions will not require authorisation by the board:

- i. Those which are carried out under adhesion contracts, whose terms are standardised and applied en masse to many clients;
- ii. Those carried out at market prices or rates, generally set by whosoever acts as the supplier of the good or service in question;
- iii. Whose amount is not significant for the Company, in other words, when the transaction amount does not exceed 0.5 percent of the Company's annual income.

The approval of related-party transactions will require a prior favourable report from the Audit Committee. The directors concerned, in addition to not exercising or delegating their right to vote, will be absent from the meeting room whilst the board deliberates and votes on it.

Should duly justified urgent circumstances arise, any decisions pertaining to the above matters may be adopted by the delegated bodies or people, having to be ratified at the first Board of Directors' meeting held after the adoption of the decision.

3. Those powers legally or institutionally reserved for the direct knowledge of the board nor any other powers necessary for the responsible exercising of the general supervisory function may not be delegated.
4. The board of directors will ensure compliance by the Company with its ethical duties and its duty to act in good faith.
5. The board of directors will also ensure that no shareholder receives privileged treatment in relation to the others.

## **ARTICLE III - COMPOSITION OF THE BOARD**

### **Article 6 - Qualitative composition**

1. The board of directors, during the exercising of its powers of proposal to the general meeting and of co-opting to fill vacancies, will ensure that, to the extent possible, in the composition of this body, external or non-executive directors represent a majority over the executive directors.

For these purposes, executive directors are those who perform management duties in the company or its group, whatever the legal relationship they maintain with it. Notwithstanding, any directors who are senior managers or directors of companies belonging to the group of the parent company of the company shall be regarded as proprietary directors in the latter.

When a director performs management duties and, at the same time, is or represents a significant shareholder or who is represented on the board of directors, they will be regarded as an executive director.

Non-executive directors are all the other directors of the company and they may be proprietary, independent or other external directors.

Proprietary directors will be deemed to be those who hold a shareholding equal to or greater than that which is legally regarded as significant or who have been appointed due to their status as shareholders, even if their shareholding does not reach said amount, as well as those who represent shareholders of the aforementioned parties.

Independent directors will be regarded as those who, appointed based on their personal and professional conditions, can perform their duties without being constrained by relations with the company or its group, its significant shareholders or its managers.

Under no circumstances shall those who find themselves in any of the following situations provided for by law as not included under this category of directors be considered independent directors.

2. The Board will also strive to ensure that proprietary directors and independent directors are included within the majority group of external directors. The above definitions of director classifications will be interpreted in line with the good corporate governance recommendations applicable at any time. Furthermore, the board will ensure that, amongst the external directors, the relationship between the number of proprietary directors and the number of independent directors reflects the proportion between the company's capital represented by the proprietary directors and the rest of the capital.
3. The board of directors must ensure that the selection procedures for its members promote diversity regarding issues such as age, gender, disability, vocational training and experience and do not suffer from implicit biases which hinder a balanced, diverse presence. of directors, especially the selection of female directors.

## **Article 7 - Quantitative composition**

1. The board of directors will be made up of a number of members of no less than 4 nor any more than 12, which will be determined by the general meeting.
2. It is incumbent upon the General Shareholders Meeting to determine the number of Directors,
3. The board will propose to the general meeting the number which, in accordance with the changing circumstances of the Company and within the statutory limits, is most appropriate to ensure due representativeness and the effective functioning of the body.



## CHAPTER IV - STRUCTURE OF THE BOARD OF DIRECTORS

### Article 8 - The chairman of the board

1. The chairman of the board of directors will be responsible for the effective functioning of the board and will ensure that the directors receive sufficient information in advance to form their own criteria regarding the matters under discussion. He/she will organise and coordinate with the chairmen of the Audit and Appointments and Remunerations' Committees the periodic appraisal of the directors.
2. The chairman of the board of directors will be elected from amongst its members in accordance with the provisions of the Company's articles of association and further to a report from the appointments and remunerations' committee.
3. The position of chairman of the board of directors may fall to an executive director. In this case, the appointment of the chairman will require the vote in favour of two-thirds of the members of the board of directors.

In the event that the chairman has the status of executive director, the board of directors, with the abstention of the executive directors, must necessarily appoint a coordinating director from amongst the independent directors who will be especially empowered to request the convening of the board of directors. administration or the inclusion of new items on the agenda of a board already convened, to coordinate and bring together non-executive directors and conduct, where appropriate, the periodic appraisal of the chairman of the board of directors.

4. The chairman has the ordinary power to convene the board of directors, to form the agenda of its meetings and to conduct the debates. However, the chairman must convene the board and include the items in question on the agenda when two directors so request.
5. In the event of a tie in the votes, the chairman shall have the casting vote.

### Article 9 - The Deputy Chairman

1. The Board must appoint a deputy chairman who will replace the chairman in the event of impossibility or absence, or when so determined by the chairman himself.
2. The deputy chairman may convene the board when two directors have so requested of the chairman, their request has not been granted within a period of one week.
3. The Board may also appoint more than one Deputy Chairman. In this case, the position defined in the first section will fall to the First Deputy Chairman who shall, in turn, be replaced by the Second Deputy Chairman and so on.

### Article 10 - The secretary of the board

1. The board of directors, further to a report from the appointments and remunerations' committee, will elect a secretary whose appointment may fall to one of its members

or to someone from outside the board who is capable of carrying out the duties of said position. In the event that the secretary of the board of directors is not classified as a director, he or she may speak but not vote.

2. The secretary will assist the chairman in his/her work and must provide for the proper functioning of the board, taking care, especially, to provide the directors with the necessary advice and information, to assist the chairman so that the directors receive the information relevant for the exercising of their duties with sufficient advance notice and in the appropriate format, to safeguard the corporate documentation, to duly and faithfully reflect in the books of minutes the carrying out of the sessions and to attest to the resolutions of the body.
3. The secretary will ensure the formal and material legality of the board's actions, verify their compliance with the articles of association, their fulfilment of the provisions issued by the regulatory bodies and ensure compliance with the Company's corporate governance criteria, in accordance with the recommendations of the Code of Good Governance of Listed Companies approved by the CNMV, or any other that replaces it, and with the rules of these Regulations.

#### **Article 11 - The deputy secretary of the board**

1. The board of directors, further to a report from the appointments and remunerations' committee, may appoint a deputy secretary who does not need to be a director, to assist the secretary of the board of directors or replace him/her in the event of his/her absence from the performance of said post. In the absence of the Secretary and Deputy Secretary, the Director designated by the Board of Directors itself from amongst those attending the meeting in question will act as such.
2. Unless otherwise decided by the board of directors, the deputy secretary may attend its sessions to assist the secretary in drafting the minutes of the session.
3. In the absence of the secretary, the deputy secretary of the board will assist the chairman in his/her work and he/she must ensure, in accordance with the provisions of the previous article, for the proper functioning of the board, taking care, especially, of providing the directors with the advice and information required to safeguard the corporate documentation, to duly and faithfully reflect in the books of minutes the carrying out of the sessions and to attest to the resolutions of the body.
4. In the absence of the secretary, the deputy secretary of the board will ensure the formal and material legality of the board's actions, verify their compliance with the articles of association, their fulfilment of the provisions issued by the regulatory bodies and ensure compliance with the Company's corporate governance criteria, in accordance with the recommendations of the Code of Good Governance of Listed Companies approved by the CNMV, or any other that replaces it, and with the rules of these Regulations.

## **Article 12 - Delegated bodies of the Board of Directors**

1. The Board of Directors may designate from amongst its number an Executive Committee or one or more Managing Directors, without prejudice to any powers of attorney that it may bestow upon anyone and it may delegate to them, wholly or partially, on a temporary or permanent basis, all those powers which are not non-delegable in accordance with the Law. The delegation and designation of the members of the Board who have to occupy said posts shall require for their validity a vote in favour by two thirds of the Board members in order to be valid and they shall not take effect until registered with the Registrar of Companies.
2. Furthermore, the board may form other committees with consultative or advisory duties, without prejudice to their exceptionally being assigned any decision-making power.
3. In any case, the Board may form an Audit Committee and an Appointments and Remunerations' Committee, with the powers of information, supervision, advice and proposal in those subject matters falling within its competence which are specified in articles 13 and 14, respectively, of the present Regulations.

## **Article 13 - Audit Committee. Composition, competencies and modus operandi**

1. An Audit Committee shall be formed within the Board of Directors in accordance with the following rules:
  - a) The Audit Committee shall comprise three non-executive Directors appointed by the Board of Directors, at least two of whom must be independent directors and one of them will be designated bearing in mind their knowledge and experience of accounting, auditing or both. They will hold office for a period of one year and may be re-elected.
  - b) The Chairman of the Audit Committee shall be designated from amongst the independent directors and he/she must be replaced every year and may be re-elected once one year has elapsed since his/her termination.
  - c) The Secretary of the Board of Directors will act as secretary of the Committee.
2. Without prejudice to any other tasks that may be assigned to it at any time by the Board of Directors, the Audit Committee shall perform the following basic duties:
  - i. To inform the general shareholders' meeting about any issues raised by the shareholders with regard to those matters that fall under its competence and, in particular, about the result of the audit, explaining how this has contributed to the integrity of the financial information and the role that the committee has played in this process.
  - ii. To propose to the Board of Directors, for submission to the General Shareholders' Meeting, the appointment, re-election and replacement of the external Accounts'

Auditors, as well as their terms of contract, the scope of their professional mandate and, where appropriate, their revocation or non-renewal in accordance with applicable regulations.

- iii. To regularly obtain information from the Accounts' Auditors about the audit plan and its implementation, in addition to preserving their independence in the exercising of their duties.
- iv. To supervise the effectiveness of the internal control of the company, the internal audit and the risk management systems, including fiscal ones, as well as discussing with the accounts' auditors the significant weaknesses of the internal control system detected in the carrying out of the audit, all of which without violating its independence. With this in mind, and where applicable, recommendations or proposals may be presented to the administrative body and the attendant timeframe for their follow-up.
- v. To review the Company's accounts, monitor compliance with legal requirements and the correct application of generally accepted accounting principles, with the direct collaboration of external and internal auditors.
- vi. To supervise the process of preparing and presenting the mandatory financial information, the Company's internal control systems, verify their adequacy and integrity and review the designation and replacement of those responsible for them and present recommendations or proposals to the administrative body, aimed at safeguarding their integrity.
- vii. To strike up the appropriate relations with the external auditor to receive information about those issues that may put at stake its independence for their examination by the committee and any others related with the accounts audit process, as well as those other communications foreseen in accounts auditing legislation and in the audit regulations. In any case, every year they must receive from the external auditors the declaration of their independence from the entity or entities related with the latter directly or indirectly, as well as the information about the additional services of any type provided and the attendant fees received from these entities by the external auditor or by the people or entities related with the latter in accordance with the provisions of the legislation on accounts auditing.
- viii. To issue every year, prior to the issuance of the accounts' audit report, a report setting out an opinion on the independence of the accounts auditor. This report must contain, in any case, an assessment of the rendering of the additional services referred to in the previous letter, considered individually and as a whole, other than the legal audit and with regard to the independence regime or the auditing regulations.
- ix. To supervise compliance with the audit contract, ensuring that the opinion on the annual accounts and the main contents of the Audit Report are drafted in a clear, precise manner, as well as those other communications provided for in the Accounts Auditing legislation and in technical auditing standards.

- x. To review the periodic financial information that the Company must provide to the markets and its supervisory bodies.
- xi. To inform about any related operations that the general meeting or the board of directors must approve and to supervise the internal procedure established by the company for those whose approval has been delegated,
- xii. To examine compliance with the Internal Rules of Conduct on securities' markets, with the present regulations and, in general, with the rules of governance of the Company and making those proposals required to improve them.
- xiii. To receive information and, where applicable, issue a report on the disciplinary measures sought to be imposed on members of the senior management team of the Company.
- xiv. To inform, in advance, the board of directors about all those matters foreseen by law, the corporate articles of association and the board regulations and, in particular, about:
  - 1 - The financial information and the directors' report which shall include, where applicable, any mandatory non-financial information that the company has to make public periodically, and
  - 2 - The creation or acquisition of stakes in special purpose vehicles or domiciled in countries or territories which are regarded as tax havens.

The audit committee shall not perform those duties foreseen in this section or in the previous one when they have been assigned under the articles of association to another committee and the latter meets the composition requirements foreseen in section 1 of the present article.

- 3. The Audit Committee shall hold ordinary meetings every quarter in order to review the periodic financial information that has to be sent to stock market authorities, as well as the information that the Board of Directors has to approve and include in its annual public documentation. Furthermore, it shall meet up at the request of any of its members and whenever convened by its Chairman who must do so whenever the Board or its Chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever this proves appropriate for the smooth performance of its duties.
- 4. The Audit Committee shall be validly formed when more than half of its members attend the meeting, in person or represented. The representation of absent members may be bestowed upon another member of the Audit Committee by any written means addressed to the Chairman. The meetings of the Audit Committee may be held in separate rooms or places, in this case having the audiovisual media and systems available, including phone conference, videoconference systems or other remote communication equipment that allows the recognition and identification of attendees by the Secretary, the permanent intercommunication between the assistants in real time and the exercising of the rights to speak and vote; in any case, the attendees at

any of the different venues will be considered, to all intent and purposes, as having status as attendees of the Audit Committee meeting. The resolutions shall be deemed to have been adopted at the registered office. The Audit Committee will adopt those resolutions it deems appropriate by a majority of those present or represented. In the event of a tie, the issue will be referred to the Board of Directors plenary meeting. The resolutions of the Audit Committee, within the scope of its duties, will not require subsequent approval or ratification by the board of directors. However, any resolutions that are adopted must be brought to the attention of said body at the first session that it holds.

5. The secretary of the Audit Committee or whoever acts in his/her place will draw up minutes of each of the meetings held which will be approved at the same meeting or in that immediately following it. In any case, the Audit Committee will keep the board of directors promptly informed about any matters it deals with and the decisions it adopts, with referral in these cases of the minutes issued in this regard.
6. The Audit Committee will prepare an annual report on its operation, highlighting the main incidents that have arisen, if any, in relation to its duties. Furthermore, when the Audit Committee deems it appropriate, it will include in said report proposals to improve the Company's governance rules. The Audit Committee report will be attached to the annual report on the corporate governance of the Company and it will be available to shareholders and investors via the website.
7. The members of the management team or staff of the Company will be obliged to attend the sessions of the Audit Committee and to provide their collaboration and access to the information at their disposal when the Committee so requests. The Committee may also require the attendance of the auditors at its sessions.
8. To ensure the best performance of its duties, the Audit Committee may seek advice from external experts, when it deems this necessary for the proper performance of its duties.
9. The Board of Directors will exercise control over the tasks assigned to the Audit Committee and the latter will exercise control over the internal audit tasks.

#### **Article 14 - Appointments and Remunerations' Committee. Composition, competencies and modus operandi**

1. Furthermore, an Appointments and Remunerations' Committee shall be formed within the Board of Directors in accordance with the following rules:
  - a. The Appointments and Remunerations' Committee will be made up of three non-executive directors, appointed by the Board of Directors, at least two of whom must be independent directors, appointed by the Board of Directors. They will hold office for a period of one year and they may be re-elected.

- b. The Chairman of the Appointments and Remunerations' Committee shall be designated from amongst the independent directors who form part thereof and he/she must be replaced every year and may be re-elected once one year has elapsed since his/her termination.
      - c. The Secretary of the Board of Directors will act as secretary of the Committee.
2. Without prejudice to any other duties that may be assigned to it by the board of directors, the Appointments and Remunerations' Committee shall have the following basic responsibilities:
  - a. To evaluate the skills, knowledge and experience required in the Board of Directors. With this in mind, it shall define the duties and skills necessary in the candidates that have to cover each vacancy and it shall evaluate the time and dedication needed so that they can carry out their mission smoothly.
  - b. To determine a representation objective for the least represented gender on the board of directors and draw up guidelines on how to achieve said objective.
  - c. To submit to the board of directors the proposals for the appointment of independent directors for their designation through co-opting or for their submission to the decision of the General Shareholders' Meeting, as well as the proposals for the re-election or removal of said directors by the General Shareholders' Meeting.
  - d. To inform the proposals for the appointment of the remaining directors for their designation through co-opting or for their submission to the decision of the general shareholders' meeting, as well as the proposals for their re-election or removal by the general shareholders' meeting.
  - e. To draw up and review the criteria that must be followed for the composition of the Company's management team, and to report on proposals for the appointment and removal of senior managers and the basic terms of their contracts.
  - f. To analyse, draw up and periodically review proposals for hiring and loyalty policies for new managers.
  - g. To examine and organise the succession of the Chairman of the Board of Directors and the company's chief executive and, where appropriate, to draw up proposals to the board of directors so that said succession occurs in an orderly, planned manner.
  - h. To propose to the Board of Directors the remunerations policy for directors and CEOs or those who carry out their senior management duties, directly reporting to the board, executive committees or managing directors, as well as the individual remuneration and other contractual terms of the executive directors, ensuring their observance.

- i. To analyse, draw up and periodically review the proposals for executive remuneration policies, weighing up their suitability and their performance.
  - j. To ensure the transparency of remunerations.
  - k. To report on any transactions which entail or may entail conflicts of interest.
3. The Appointments and Remunerations' Committee shall hold ordinary meetings every quarter. Furthermore, it shall meet up whenever convened by its Chairman who must do so whenever the Board or its Chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever this proves appropriate for the smooth performance of its duties.
4. The Appointments and Remunerations' Committee shall be validly formed when more than half of its members attend the meeting, in person or represented. The representation of absent members may be bestowed upon another member of the Appointments and Remunerations' Committee by any written means addressed to the Chairman. The meetings of the Appointments and Remunerations' Committee may be held in separate rooms or places, in this case having the audiovisual media and systems available, including phone conference, videoconference systems or other remote communication equipment that allows the recognition and identification of attendees by the Secretary, the permanent intercommunication between the assistants in real time and the exercising of the rights to speak and vote; in any case, the attendees at any of the different venues will be considered, to all intent and purposes, as having status as attendees of the Appointments and Remunerations' Committee meeting. The resolutions will be deemed to have been adopted at the registered office.
5. The Appointments and Remunerations' Committee will adopt those resolutions it deems appropriate by a majority of those present or represented. In the event of a tie, the issue will be referred to the plenary session of the Board of Directors. The resolutions of the Appointments and Remunerations' Committee, within the scope of its duties, will not require subsequent approval or ratification by the board of directors. However, any resolutions that are adopted must be brought to the attention of said body at the first session that it holds.
6. The secretary of the Appointments and Remunerations' Committee or whosoever acts in his/her place will draw up minutes of each of the meetings held which will be approved at the same meeting or in that immediately following it. In any case, the Appointments and Remunerations' Committee will keep the board of directors promptly informed about any matters it deals with and the decisions it adopts, with referral in these cases of the minutes issued in this regard.
7. The Appointments and Remunerations' Committee shall draw up the draft annual report on Directors' remunerations, which shall be submitted to the Board of Directors for approval of the annual report on directors' remunerations. The report must include complete, clear and understandable information about the directors' remunerations policy applicable to the financial year in progress. It shall also include a general summary of the application of the remunerations policy during the financial



year coming to a close, as well as details about the individual remunerations accruing under all the items for each of the directors in said financial year.

The annual report on directors' remunerations shall be subject to a vote, being of an advisory nature and as a separate item on the agenda of the ordinary general shareholders meeting.

### **Article 15 - Ethics, Compliance and ESG Committee**

1. An Ethics, Compliance and ESG Committee shall be formed within the Board of Directors in accordance with the following rules:
  - a. The Ethics, Compliance and ESG Committee will be made up of three non-executive directors, appointed by the Board of Directors, at least two of whom must be independent directors, appointed by the Board of Directors. They will hold office for a period of one year and they may be re-elected.
  - b. The Chairman of the Ethics, Compliance and ESG Committee shall be designated from amongst the independent directors who form part thereof and he/she must be replaced every year and may be re-elected once one year has elapsed since his/her termination.
  - c. The Secretary of the Board of Directors will act as secretary of the Committee.
2. Without prejudice to any other tasks that may be assigned at any time by the Board of Directors, the Ethics, Compliance and ESG Committee shall perform the following basic duties:
  - a. To propose to the Board of Directors the approval of an Ethics, Compliance and ESG strategy and policy, as well as its periodic review and update.
  - b. To know and supervise the degree of compliance with the company's objectives and practices in terms of Ethics, Compliance and ESG.
  - c. To supervise the non-financial risk management and control systems.
  - d. To supervise the reporting process of non-financial and diversity information in accordance with applicable regulations and reference standards.
  - e. To supervise the company's relations with stakeholders.
  - f. To supervise the sanctioning procedure in matters of Ethics, Compliance and ESG, and to report, when appropriate, to the Audit Committee.
  - g. Any other duties related with matters within its competence and which are requested by the Board of Directors or its Chairman.

- h. The Ethics, Compliance and ESG Committee shall hold ordinary meetings every six months. Furthermore, it shall meet up whenever convened by its Chairman who must do so whenever the Board or its Chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever this proves appropriate for the smooth performance of its duties.
  - i. Any member of the company's management team or staff who is required to do so must attend the sessions of the Committee and provide their collaboration and access to the information available to them regarding Ethics, Compliance and ESG.
  - j. The Ethics, Compliance and ESG Committee shall be validly formed when more than half of its members attend the meeting, in person or represented. The representation of absent members may be bestowed upon another member of the Ethics, Compliance and ESG Committee by any written means addressed to the Chairman. The meetings of the Ethics, Compliance and ESG Committee may be held in separate rooms or places, in this case having the audiovisual media and systems available, including phone conference, videoconference systems or other remote communication equipment that allows the recognition and identification of attendees by the Secretary, the permanent intercommunication between the assistants in real time and the exercising of the rights to speak and vote; in any case, the attendees at any of the different venues will be considered, to all intent and purposes, as having status as attendees of the Ethics, Compliance and ESG Committee meeting. The resolutions will be deemed to have been adopted at the registered office.
- 3. The Ethics, Compliance and ESG Committee will adopt those resolutions it deems appropriate by a majority of those present or represented. In the event of a tie, the issue will be referred to the plenary session of the Board of Directors. The resolutions of the Ethics, Compliance and ESG Committee, within the scope of its duties, will not require subsequent approval or ratification by the board of directors. However, any resolutions that are adopted must be brought to the attention of said body at the first session that it holds.
  - 4. The secretary of the Ethics, Compliance and ESG Committee or whosoever acts in his/her place will draw up minutes of each of the meetings held which will be approved at the same meeting or in that immediately following it. In any case, the Ethics, Compliance and ESG Committee will keep the board of directors promptly informed about any matters it deals with and the decisions it adopts, with referral in these cases of the minutes issued in this regard. On a periodic basis, the Chairman of the Committee will inform the Board of Directors about the progress of its actions in terms of Ethics, Compliance and ESG and he/she will propose the measures that he/she deems appropriate to take within the scope of its duties, if necessary.
  - 5. In order to ensure the best possible performance of its duties, the Committee may request the advice of external professionals, in which case the Secretary of the Board of Directors, at the request of the Chairman of the Committee, will have what is necessary to hire them.

## CHAPTER V - MODUS OPERANDI OF THE BOARD

### Article 16 - Meetings of the Board of Directors

1. The Board of Directors shall meet up on an ordinary basis at least eight times a year at the initiative of the Chairman, as many times as the latter deems appropriate for the smooth operation of the Company. The Board of Directors must also meet up when so requested by at least two of its members, in which case it shall be convened by the Chairman to meet up within fifteen days after the request. The Board of Directors must meet up, in any case, within no more than three months as from the closure of the business year, with a view to drawing up the annual accounts, the directors' report and the proposed distribution of earnings.

Furthermore, the board of directors must carry out an annual appraisal of its operation and that of its committees and propose, based on its results, an action plan that corrects any shortcomings detected with respect to:

- a. The quality and efficiency of the modus operandi of the board of directors.
  - b. The operation and composition of its committees.
  - c. Diversity in the composition and powers of the board of directors.
  - d. The performance of the chairman of the board of directors and the company's chief executive.
  - e. The performance and contribution of each director, paying special attention to those responsible for the different board committees.
2. The convening of ordinary sessions shall be carried out to each director by letter, fax, telegram or e-mail and shall be authorised by the signature of the chairman or, where applicable, that of the secretary or deputy secretary by order of the chairman. The convening shall be sent giving minimum notice of three days.

The convening shall always include the agenda of the session and shall be accompanied by the duly prepared, summarised relevant information.

The meetings of the Board of Directors may be held in separate rooms or places, in this case having the audiovisual media and systems available, including phone conference, videoconference systems or other remote communication equipment that allows the recognition and identification of attendees by the Secretary, the permanent intercommunication between the assistants in real time and the exercising of the rights to speak and vote; in any case, the attendees at any of the different venues will be considered, to all intent and purposes, as having status as attendees of the Board of Directors' meeting. The resolutions will be deemed to have been adopted at the registered office.

3. The chairman of the board of directors may convene extraordinary sessions of the board when, in his/her opinion, the circumstances so dictate, without the notice period and other requirements indicated in the previous section being applicable in such cases. Notwithstanding the foregoing, efforts will be made to ensure that the documentation which, where applicable, must be provided to the directors is delivered sufficiently in advance. Furthermore, the board shall be deemed to have been validly formed without the need for any convening if, with all its members present or represented, they unanimously agree to hold the meeting.
4. The board may also make written resolutions without the need to hold a session, in accordance with the provisions of current legislation.
5. The board will prepare an annual calendar of its ordinary sessions.

### **Article 17 - Carrying out of the sessions**

1. The board will be validly formed when at least half plus one of its members are present or represented, except in the case of a failure to convene, which will require the attendance of all its members.

The directors will do everything possible to attend board meetings physically or electronically and, when they cannot do so in person, they will try to grant their representation in writing and on a special basis for each session to another member of the board, including the appropriate instructions and informing the chairman of the board of directors thereof by letter with a legitimate signature. Notwithstanding the above, non-executive directors may only do so through another non-executive director.

2. The chairman will organise the debate, seeking and promoting the participation of all the directors in the deliberations of the body.
3. Except in those cases where the Law or the articles of association specifically determine other voting quora, resolutions will be adopted by an absolute majority of those attending the meeting. In the event of a tie in the votes, the chairman shall have the casting vote.
4. Minutes shall be drawn up of the sessions of the Board of Directors by the secretary which shall be signed by at least the chairman and the secretary or deputy secretary and they shall be transcribed or included, in accordance with the legal regulations, in a special book of minutes of the Board. When the directors or the secretary express concerns about any issue and such concerns persist after the board meeting, at the request of the person who expressed them, they will be recorded in the minutes.

Every director must clearly express his/her opposition when he/she considers that any proposed decision submitted to the board may be contrary to the corporate interest; and they must do the same, especially independent ones, when they consider that it unjustifiably harms shareholders not represented on the board. The provisions of this rule are also applicable to the secretary of the board in the performance of his/her

duties.

5. The minutes shall be approved by the Board of Directors itself at the end of the meeting or at the immediately subsequent one.

## **CHAPTER VI - APPOINTMENT AND REMOVAL OF DIRECTORS**

### **Article 18 - Appointment of Directors**

The directors will be appointed by the general meeting or by the board of directors in accordance with the provisions contained in current legislation and in the articles of association.

### **Article 19 - Appointment of independent directors**

1. The board of directors will ensure that the election of candidates falls on people of recognised solvency, competence and experience, and it must be extremely rigorous in relation to those called upon to fill the independent director positions provided for in article six of these Regulations.
2. The board of directors may not propose or appoint to fill an independent director post, people who find themselves in any of those cases provided for in letters a) to j) of article 529 duodecies, section 4 of the current Redrafted Text of the Corporations' Act or any provision that replaces it.

### **Article 20 - Re-election of Directors**

The board of directors, before proposing the re-election of directors to the general meeting, will evaluate, with the abstention of the parties concerned, as provided for in article 22.1, the quality of the work and dedication to the position of the directors proposed during the preceding term of office, in accordance with the provisions of article 8.1. above.

### **Article 21 - Term of office**

1. The directors shall perform their posts for the term of one year, whereafter they may be re-elected on one or more occasions for periods of an equal duration.
2. The appointment of the Directors shall expire when, once the term has ended, the subsequent General Meeting has been held or the legal term has elapsed for holding the Meeting which must make a decision on the approval of the accounts for the previous financial year.
3. Directors designated by co-opting must have their posts ratified on the date of the first General Meeting.

## Article 22 - Termination of the directors

1. The directors will cease to hold office when the period for which they were appointed has elapsed, when the general meeting decides so in use of the powers conferred to them legally or under the articles of association or when they voluntarily resign from the position.
2. The directors must make their position available to the general meeting and formalise before the board of directors, if it deems it appropriate, the attendant resignation in the following cases:
  - a. When they cease to hold the executive positions with which their appointment as director is associated.
  - b. When they are involved in any of the cases of incompatibility or prohibition provided by law.
  - c. When they are seriously reprimanded by the board of directors for having breached their obligations as directors.
  - d. When their remaining on the board could put the interests of the Company at risk or when the grounds on which they were appointed no longer exist (for example, when a proprietary director disposes of his or her stake in the Company).
  - e. In the case of external proprietary directors, when the shareholder they represent sells their entire shareholding.

They must also do so when said shareholder reduces their shareholding to a level that requires a reduction in the number of external proprietary directors.

When, whether due to resignation or for any other reason, a director leaves his/her position before the end of his/her term of office, he/she must explain the reasons why in a letter that he/she will send to all the members of the board.

## Article 23 - Objectivity and secret ballot

1. In accordance with the provisions of article 29 of these Regulations, any directors affected by proposed appointments, re-elections or dismissals will refrain from intervening in the deliberations and votes pertaining thereunto.
2. All votes of the board of directors regarding the appointment, re-election or dismissal of directors will be secret.

## CHAPTER VII - INFORMATION FROM THE DIRECTOR

### Article 24 - Powers of information and inspection

1. The director may request information about any aspect of the Company and examine its books, records, documents and other documentation. The right to information extends to investee companies whenever possible.
2. The request for information must be addressed to the secretary of the board of directors, who will forward it to the chairman of the board of directors and the appropriate interlocutor in the Company.
3. If the information is of a confidential nature in the opinion of the secretary, he/she will warn the director who requests and receives it about this circumstance, as well as of his/her duty of confidentiality in accordance with the provisions of these Regulations.
4. The chairman may deny the information if he/she considers: (i) that it is not necessary for the full performance of the duties entrusted to the director or (ii) that its cost is not reasonable in light of the importance of the issue and the assets and income of the Company.

### Article 25 - Assistance by experts

1. In order to be assisted in the performance of their duties, external directors may request the hiring of legal, accounting, financial or other expert advisors at the Company's expense.

The assignment must necessarily deal with specific issues of a certain importance and complexity that arise during performance of the position.

2. The decision to hire must be communicated to the chairman of the Company and it may be vetoed by the board of directors if it can prove:
  - a) that it is not necessary for the proper performance of the duties entrusted to external directors;
  - b) that its cost is not reasonable in view of the importance of the problem and the assets and income of the Company; or
  - c) that the technical assistance obtained can be adequately provided by experts and technicians of the Company.

## CHAPTER VIII - REMUNERATION OF THE DIRECTORS

### Article 26 - Remuneration of the directors

1. The remuneration of the Board of Directors shall be determined in accordance with the Articles of Association by the General Shareholders Meeting every year or with a longer validity over time that the Meeting itself decides upon and it shall consist of a fixed allowance.
2. Irrespective of the above, the remuneration of the directors may also consist of the submission of shares, option rights over them or be referred to the value of the shares, subject to a resolution by the General Shareholders Meeting which must express at least those aspects foreseen by Law.
3. The board of directors shall be empowered to distribute amongst its members the total remuneration determined by the General Shareholders' Meeting, bearing in mind to this end the duties and responsibilities assigned to each director, whether they belong to committees of the board and any other objective circumstances that they deem to be relevant. The remuneration of the directors must, in any case, be reasonable proportionate to the importance of the company, the economic situation it is in at present and the market standards of comparable companies. The remuneration system determined must be geared towards promoting the long-term profitability and sustainability of the company and incorporating the necessary precautions to avoid the excessive assumption of risks and the rewarding of unfavourable results.
4. The remuneration foreseen in this article shall be compatible and independent of the wages, remunerations, indemnity, pensions or compensation of any kind, determined on a general or specific basis for those members of the Board of Directors who maintain with the Company an employment or service relationship, relationships which shall be compatible with status as a member of the Board of Directors when the objective conditions for their existence are in place, without prejudice to said remuneration concepts conforming to the remunerations policy, having to be set out in the Annual Report, under the terms foreseen in the Corporations Act and other applicable provisions.
5. The remuneration of directors for the performance of executive duties which have to be foreseen in the contracts approved in accordance with the provisions of the Corporations Act shall comply with the remunerations policy of the directors which must necessarily include the annual fixed remuneration amount and its variation during the period to which the policy refers, the different parameters for determining variable components and the main terms and conditions of their contracts including, in particular, their duration, early severance pay or the termination of the contractual relationship and agreements pertaining to exclusivity, postcontractual non-compete, permanence or loyalty.
6. It is incumbent upon the Board of Directors to determine the remuneration of the directors for the performance of executive duties and the terms and conditions of their contracts in accordance with the stipulations of the Corporations Act and with



the remunerations policy of the directors approved by the General Meeting.

## CHAPTER IX - DUTIES OF THE DIRECTOR

### Article 27 - General obligations of the board

1. The directors must carry out the position and fulfil the duties imposed by the laws and articles of association with the diligence of an orderly businessman, taking into account the nature of the position and the duties assigned to each of them.
2. The Directors must be suitably dedicated and they shall adopt the measures required for the smooth management and control of the company. During the performance of their duties, they have the duty to require and the right to obtain from the company that information which is suitable and necessary which it can use to comply with its obligations.

The Directors must also perform the post with the faithfulness of a loyal representative, acting in good faith and in the best interest of the Company, in accordance with the provisions of the Corporations' Act.

In particular, the director is obliged to:

- a. Be informed and adequately prepare the meetings of the board and, where appropriate, the delegated bodies to which he/she belongs;
- b. Attend meetings of the board of directors and actively participate in deliberations so that their judgment contributes effectively to decision-making. In the event that, for justified reasons, he/she is unable to attend the sessions to which he/she has been summoned, he/she must instruct the director who is to represent him/her.
- c. Contribute (and, to a greater extent, the Independent Directors) their strategic vision, as well as any concepts, criteria and innovative measures for the optimum carrying out and evolution of the business of the Company.
- d. Carry out any specific task entrusted to him/her by the board of directors or any of its delegated and/or advisory bodies and which are reasonably included in his/her dedication commitment.
- e. Investigate any irregularity in the management of the Company whereof he/she may have become aware and monitor any risk situation.
- f. Urge the people with the capacity to convene to call an extraordinary meeting of the board or include on the agenda of the first one to be held those items of business they consider appropriate.
- g. Oppose agreements contrary to the Law, the Articles of Association or the corporate

interest, and request that his/her position be recorded in the minutes when he/she deems it more appropriate for the protection of the corporate interest.

### **Article 28 - Duty of non-disclosure of the director**

1. The director will keep secret the deliberations of the board of directors and the delegated bodies of which he/she is a member and, in general, will refrain from revealing the information to which he has had access during the course of his position.
2. The non-disclosure obligation will persist even when the position has terminated, and the confidential information and information, data, reports or background information known to him or her as a result of the performance of the position must be kept secret and they may not be communicated to third parties. or be subject to disclosure when it could have harmful consequences for the corporate interest. Exceptions from the duties referred to in this paragraph are those cases in which the laws allow their communication or disclosure to third parties or which, where appropriate, are required or must be sent to the respective supervisory authorities, in which case the transfer of information must comply with the provisions of the laws.

### **Article 29 - Non-compete obligation**

1. The directors may not perform the post of director or manager in companies which are regarded as competitors of the Company, with the exception of those posts which he/she may hold, where applicable, in group companies, unless specifically authorised by the general meeting pursuant to the provisions of the Corporations' Act."
2. Furthermore, the director may provide his or her professional services to entities that have a corporate purpose wholly or partially similar to that of the Company. Notwithstanding the foregoing, he/she must previously inform the board of directors of his/her purpose, which may deny authorisation for said activity on due grounds.

### **Article 30 - Conflicts of interest**

1. The directors must communicate to the other directors any situation of direct or indirect conflict that they or people linked to them may have with the interest of the company and refrain from attending and participating in the voting and ruling in deliberations which concern matters in which he/she has a personal interest or through a related person.

It will also be deemed that there is a personal interest of the director when the matter affects any of the following related persons:

- i. the spouse or person with a similar sentimental relationship;
- ii. ascendants, descendants and siblings and the respective spouses or people with a similar emotional relationship;
- iii. ascendants, descendants and siblings of the spouse or person with a similar

- sentimental relationship; and
- iv. companies in which the director, himself/herself or through an intermediary, finds himself/herself in any of the situations considered in article 4 of Law 24 enacted on 28 July 1988 on the Securities Market.
2. The director may not directly or indirectly carry out professional or commercial transactions with the Company except in the case of ordinary operations, carried out under standard conditions for clients and of little relevance, taken to mean those whose information is not necessary to express the true image of the equity, financial situation and earnings of the entity.
  3. Nor may the Director carry out any of the following actions:
    - a. Using the name of the company or invoking its status as a director to improperly influence the conducting of private operations.
    - b. Obtaining advantages or remuneration from third parties other than the company and its group associated with the performance of their position, except in the case of mere courtesies.
    - c. Carrying out activities on his/her own behalf or on behalf of others which entail effective competition, whether current or potential, with the company or which, in any other way, place him/her in a permanent conflict with the interests of the company.
  4. In any case, the directors must communicate to the board of directors, or to the general meeting, any situation of conflict, direct or indirect, that they or people linked to them may have with the interest of the company.

Situations of conflict of interest incurred by directors will be the subject of information in the report referred to in article 259 of the Corporations' Act.

5. Notwithstanding the provisions of the preceding sections, the company may waive the prohibitions contained therein in individual cases by authorising the carrying out by a director or a related person of a specific transaction with the company, the use of certain corporate assets, the taking advantage of a specific business opportunity, obtaining an advantage or remuneration from a third party.

The authorisation must necessarily be agreed upon by the general meeting when its purpose is to waive the prohibition on obtaining an advantage or remuneration from third parties, or when it affects a transaction whose value is greater than ten percent of the company's assets.

In other cases, authorisation may also be granted by the administrative body as long as the independence of the members who grant it with respect to the waived director is guaranteed. Furthermore, it will be necessary to ensure that the authorised

operation causes no harm to the corporate assets or, where appropriate, its implementation under market conditions and the transparency of the process.

### **Article 31 - Use of corporate assets**

The director may not use the Company's assets, including the company's confidential information, for private purposes, nor may he/she use his/her position in the Company to obtain a financial advantage unless he/she has paid an adequate consideration.

### **Article 32 - Non-public information**

The director will observe the rules of conduct laid down in the securities market legislation and, in particular, those enshrined in the Internal Rules of Conduct in Matters Relating to the Securities' Markets of the Company in relation to the treatment of privileged information and reserved information.

### **Article 33 - Business opportunities**

1. The director may not take advantage of a business opportunity of the Company for his/her own benefit or that of a person related with him/her under the terms set out in article 29 above, unless the Company or the Board of Directors exempts him/her in accordance with the provisions of the Corporations' Act.
2. For the purposes of the previous section, a business opportunity is taken to mean any possibility of making an investment or commercial operation that has arisen or has been discovered in connection with the exercising of the position by the director, or through the use of means and information of the Company, or under such circumstances that it is reasonable to believe that the third party's offer was actually addressed to the Company.

It is specifically stated that the voting on the aforementioned amendments to the Regulations of the Board of Directors has been carried out individually for each of the articles amended.

### **Article 34 - Indirect operations**

The director violates his/her duties of fidelity towards the Company if, having prior knowledge thereof, he/she allows or fails to reveal the existence of operations carried out by those parties indicated in article 29.1 of these Regulations who have not been subject to the conditions and controls provided for in the previous articles.

### **Article 35 - Duty of information of the director**

1. The director must inform the Company about the Company shares that he or she owns directly or indirectly through the persons indicated in article 29.1 of these Regulations, all in accordance with the provisions of the Internal Rules of Conduct in Matters Relating to the Securities' Markets.

2. The director must also inform the Company about the positions he/she holds on the board of directors of other listed companies and, in general, about the facts, circumstances or situations that may prove relevant to his/her performance as director of the Company in accordance with the provisions provided for in these Regulations.

### **Article 36 - Transactions with significant shareholders**

1. The approval of related-party transactions will require a prior favourable report from the Audit Committee. The directors concerned, in addition to not exercising or delegating their right to vote, will be absent from the meeting room whilst the board deliberates and votes on it.
2. The Board of Directors, before authorising the company to carry out transactions of this nature, will assess the operation from the point of view of equal treatment of shareholders and market conditions.

## **CHAPTER X - BOARD RELATIONS**

### **Article 37 - Relations with shareholders**

1. The board of directors will arbitrate the appropriate channels to hear the proposals that shareholders may make in relation to the management of the Company.
2. The board, through some of its directors and with the collaboration of the members of senior management that it deems appropriate, may organise information meetings on the progress of the Company and its group, for shareholders who reside in the most relevant financial centres in Spain and other countries.
3. Public requests for voting delegation made by the board of directors or by any of its members must justify how the representative will vote in the event that the shareholder fails to provide instructions.
4. The board of directors will promote the informed participation of shareholders in general meetings and will adopt whatever measures are appropriate to facilitate the general shareholders' meeting effectively exercising its duties in accordance with the Law and the Corporate articles of association.

In particular, the board of directors will adopt the following measures:

- a. Every effort will be made to make available to shareholders, prior to the meeting, all information that is legally required and all information that, even if not required, may be of interest and reasonably provided.
- b. It will respond, with the greatest diligence, to any requests for information made by shareholders prior to the meeting.
- c. It will respond, with equal diligence, to any questions that the shareholders ask it

on the occasion of the meeting.

### **Article 38 - Relations with institutional shareholders**

1. The board of directors will also establish appropriate mechanisms for the exchange of regular information with institutional investors who are part of the Company's shareholders.
2. Under no circumstances may the relations between the board of directors and institutional shareholders result in the submission to them of any information that could provide them with a privileged situation or advantage over other shareholders.

### **Article 39 - Relations with the markets**

1. The board of directors, through communications of relevant facts to the National Securities' Market Commission and the corporate website, will inform the public forthwith about any relevant information under the terms laid down in the Securities' Market Law and its implementing legislation.
2. The board of directors will adopt the necessary measures to ensure that the semi-annual, quarterly and any other financial information that prudence requires to be made available to the markets, is prepared in accordance with the same principles, criteria and professional practices with which the annual accounts are prepared and with the same degree of reliability as the latter.
3. The board of directors will include information in its annual public documentation on the Company's governance rules and the degree of compliance therewith.

### **Article 40 - Relations with auditors**

1. It is the responsibility of the Audit Committee to propose to the board of directors, for submission to the general shareholders' meeting, the appointment (setting out the terms of contract and the scope of the professional mandate), renewal and revocation of the auditor and to supervise compliance with the audit contract in accordance with article 13.2. of these Regulations.
2. The Audit Committee will refrain from proposing to the board of directors, and the latter in turn will refrain from submitting to the meeting, the appointment as a Company accounts auditor of any audit firm which finds itself in a situation of incompatibility in accordance with the legislation on auditing accounts, as well as those firms in which the fees that the Company plans to pay them, to all intents and purposes, are greater than five percent of its total income during the last financial year.
3. The board of directors will endeavour to definitively draw up the accounts in such a way that there is no room for qualifications on the part of the auditor. However, when the board deems that it must maintain its criteria, it will publicly explain the content and scope of the discrepancy.

### **Article 41 - Coming into force**

The Regulations are valid indefinitely and they will come into force on the day following the date of admission to official trading of the Company's shares on the Stock Exchanges through the Spanish Stock Exchange Interconnection System (SIBE). They shall apply to the Boards of Directors which must be convened after the date of coming into force of these Regulations.