

REGULATIONS OF THE BOARD OF DIRECTORS OF
TÉCNICAS REUNIDAS, S.A.

CHAPTER I

PRELIMINARY

Article 1.- Purpose

1. The purpose of these Regulations is to determine the principles of action of the Board of Directors of “Técnicas Reunidas, S.A.” (hereinafter, the “**Company**”), the basic rules of its organization and operation and the rules of conduct of its members, with the purpose of achieving greater efficiency and transparency in its management.
2. The rules of conduct established in these Regulations for the Directors of the Company will also be applicable to the senior executives of the Company, insofar as they are compatible with their specific nature and its inspiring principles will be projected as far as possible to the administrative bodies of the subsidiaries.

Article 2.- Interpretation

1. These Regulations will be interpreted in accordance with the applicable legal and statutory regulations and with the principles and recommendations on the corporate governance of listed companies approved or issued by the Spanish authorities and the surrounding countries in force in each moment.
2. It is the responsibility of the Board of Directors to resolve any doubts raised by the application and interpretation of these Regulations in accordance with the general criteria for the interpretation of legal regulations.

Article 3.- Modification

1. These Regulations may only be modified at the request of the Chairman or a third of the directors or the Audit and Control Committee, who must accompany their proposed modification with a supporting report.
2. The text of the proposal and the supporting report of its authors must be attached to the call for the Board meeting that is to deliberate on it. The call must be made at least seven days in advance.
3. The amendment of the Regulations will require for its validity the resolution adopted for this purpose by an absolute majority of the directors present or represented at the meeting.
4. This Regulation must be updated whenever necessary to adapt its content to the applicable provisions in force.

Article 4.- Diffusion

1. Directors and senior managers have the obligation to know, comply with and enforce these Regulations. For this purpose, the Secretary of the Board will provide all of them with a copy of the same, at the time they accept their respective appointments or their hiring becomes effective, as the case may be, and they must deliver a signed statement to the Secretary, in accordance with Annex I to this Regulation, in which they state that they know and accept the content of this Regulation, committing themselves to comply with all the obligations that may be required by virtue of it.
2. The Board of Directors of the Company will adopt the appropriate measures so that the Regulations reach dissemination among the shareholders and the investing public in general. In particular, the current text of the Regulations will be subject to communication to the National Securities Market Commission, registration in the Mercantile Registry and will be available on the Company's corporate website in accordance with the provisions of these Regulations.

CHAPTER II

ROLE OF THE BOARD

Article 5.- General function of the Board

1. Except in matters reserved for the competence of the General Meeting, the Board of Directors is the highest decision-making body of the Company, and will assume those Powers legally reserved for its direct knowledge, as well as those others necessary for a responsible exercise of the general function of supervision, including, among others and without limitation, the functions attributed to it by the Capital Companies Act and, in particular, the following functions assumed on a non-delegable basis:
 - (i) The formulation of the annual accounts, the management report and the proposal for the application of the Company's results, as well as the consolidated accounts and management report, and their presentation to the General Meeting for approval;
 - (ii) The approval of the financial and non-financial information that, due to its status as a listed company, the Company must periodically make public, as well as the supervision of the process of preparing and presenting the financial information and the management report;
 - (iii) The calling of the General meeting, as well as the publication of the announcements related to it and the preparation of the

agenda, making the appropriate proposals, taking into account the nature of each General Meeting;

- (iv) The appointment of directors by co-option and submission of proposals to the General Meeting regarding the appointment, ratification, re-election or removal of directors;
- (v) The appointment and renewal of the internal positions of the Board of Directors and of the members of the Committees;
- (vi) The distribution among its members of the remuneration of the directors, at the proposal of the Appointments and Remuneration Committee;
- (vii) The pronouncement on any takeover bid made on securities issued by the Company;
- (viii) The authorization or waiver of the obligations derived from the duty of loyalty when it corresponds legally to the Board and in accordance with the legal provisions;
- (ix) Its own organization and operation;
- (x) The determination and approval of the general policies and strategies of the Company. The following will be considered, in particular:
 - (a) the strategic or business plan, as well as the annual management and Budget objectives;
 - (b) investment and financial policy;
 - (c) the definition of the structure of the Corporate group of which the Company is the parent entity;
 - (d) the corporate governance policy of the Company and its group, its organization and operation and in particular, the approval and modification of its own Regulations;
 - (e) the corporate social responsibility and sustainability policy;
 - (f) the dividend policy;
 - (g) the remuneration policy and performance evaluation of senior managers;

- (h) the risk control and management policy, including tax risks, as well as the periodic monitoring of internal information and control systems;
- (i) the treasury stock policy and, especially, its limits;
- (j) the policy of communication, contacts and involvement with shareholders, institutional investors and proxy advisors, including the policy of communication of economic-financial, non-financial and corporate information.
- (k) the Directors' selection and Diversity Policy on the Board of Directors.
- (l) the determination of the Company's tax strategy.
- (xi) The approval of the following operational decisions:
 - (a) the appointment and removal of CEOs of the Company, as well as the establishment of the conditions of their contract;
 - (b) the appointment and removal of senior managers who report directly to the Board or any of its members, as well as the establishment of the basic conditions of their contracts, including their remuneration;
 - (c) decisions regarding the remuneration of directors, within the statutory framework and, where appropriate, the remuneration policy approved by the general meeting;
 - (d) investments, including investment in subsidiaries or taking shares in companies, in Spain and outside Spain, or operations of all kinds that, due to their high amount or special characteristics, have a strategic nature or special tax risk, unless their approval corresponds to the General Meeting;
 - (e) the creation or acquisition of participations in special purpose entities or domiciled in countries or territories that are considered tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could undermine the transparency of the Company and its group;
- (xii) The approval, after a report from the Audit and Control Committee, of the operations that the Company, or companies of its group, carry out with directors, managers, or with shareholders, individually or in concert with others, of at least,

10% of voting right, or represented on the Board of Directors, of the Company are considered as Linked Parties under the terms stipulated by the Law (“Related Transactions”), except where these are to be approved by the General Shareholder’s meeting and without prejudice to the powers of delegation provided for in the following paragraph.

The Board of Directors will be able to delegate to the delegated bodies or Top Senior members the approval of the Transactions related to the companies belonging to the Group that are implemented in terms of current management and market conditions, as well as the Related Transactions that are arranged by virtue of contracts under standardized conditions, that are applied en masse to a large number of clients, are carried out at prices or rates, generally established by whoever acts as the supplier of the good or service in question and which amount does not exceed 0.5 percent of the Company’s net revenue amount.

The contracts to be signed with Executive Directors or Top Managers as well the Transactions that are implemented with subsidiaries or participated companies will not have the status of the Related Transactions performed between the Company and its wholly owned companies, directly or indirectly, provided that none the party related to the Company has an interest in these entities.

- (xv) Modification o transfer of the Company’s website.
 - (xvi) The supervision of the effective operation of the Committees and, as well as the supervision of the effective operation of the actions of the delegated bodies and of the managers that have been appointed;
 - (xvii) The formulation of any kind of report required by law to the Board of Directors, as long as the operation to which the report refers cannot be delegated;
 - (xviii) The Powers that the General Meeting had delegated to it, unless it had been expressly authorized by it to sub-delegate them;
 - (xix) Any other matter that the Regulations of the Board of Directors or the bylaws reserve for the knowledge of the full body.
2. When there are duly justified urgent circumstances, the decisions corresponding to the above matters may be adopted by the bodies or delegated persons, which must be ratified at the firs Board of Directors held after the adoption of the corresponding decision.

3. Notwithstanding the foregoing, the Board's policy is to delegate the ordinary management of the Company to the management team and to concentrate its activity on the general supervisory function and on the adoption of the most relevant decisions for the administration of the Company.
4. The Board of Directors shall ensure compliance by the Company of its ethical duties and of 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.
6. The Board of Directors must carry out an annual evaluation of its operation (based on the report submitted by the Appointments and Remuneration Committee) and that of its committees, as well as that of its chairmen, and will propose, based on its result, an action plan that corrects the deficiencies detected. The result of the evaluation will be recorded in the minutes of the session or will be incorporated into it as an annex.

CHAPTER III

COMPOSITION OF THE BOARD

Article 6.- Qualitative composition

1. The Board of Directors, in the exercise of its Powers to propose to the General Meeting and to co-opt for the filling of vacancies, will ensure that, as far as possible, in the composition of the body, the independent, external or non-executive directors represent a large majority over the executive directors.

For these purposes, it will be understood that the directors who perform management functions in the Company or whatever the legal relationship they maintain with it are executives.

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

Consequently, all other directors of the Company will be considered as external or non-executive directors, and may be proprietary, independent or other external directors.

2. The Board will also ensure that the majority group of external directors includes proprietary directors and independent directors. The above definitions of the qualifications of the directors will be interpreted in accordance with the standards or recommendations of good corporate

governance in force at all times. Likewise, the Board will also ensure that, within the external directors, the ratio of proprietary directors over the total of non-executive directors reflects the existing proportion between the capital of the Company represented by proprietary directors and the rest of the capital. In any case, it will be ensured that the number of independent directors represent at least one third of the total number of directors.

3. The Board of Directors will ensure that the selection procedures of its members favor diversity with respect to issues such as age, gender, disability or professional training and experience and do not suffer from implicit biases that may imply any discrimination and, in particular, that facilitate the selection of female directors.
4. The persons appointed as Directors should be persons of recognized commercial and professional honor and must possess adequate knowledge and experience to perform their duties and be in a position to exercise good governance in the entity. Likewise, they must meet, in addition to the conditions required by the Law and the Statutes, those provided for by these Regulations, formally committing at the time of taking office to fulfill the obligations and duties set forth therein. To be appointed a member of the Board, the quality of shareholder is not required.

Article 7.- Quantitative composition

1. The Board of Directors will be made up of a number of members no less than seven (7) nor more than fifteen (15), which will be determined by the General Meeting.
2. The Board will propose to the General Meeting the number that, in accordance with the changing circumstances of the Company and within the statutory limits, it is more appropriate to ensure the due representation and effective functioning of the body.

CHAPTER IV

STRUCTURE OF THE BOARD OF DIRECTORS

Article 8.- The Chairperson of the Board

1. The Chairperson of the Board of Directors will be elected, following a report from the Appointments and Remuneration Committee, from among the members of the Board of Directors in accordance with the provisions of the Company Bylaws.
2. The Chairperson is the head of the Board of Directors and of the effectiveness of its operation, promoting the development of its

competences and coordination with its committees for the best performance of its functions. In any case and without prejudice to the powers granted by the Law, the Statutes and these Regulations, it will have the following powers:

- a) Call and preside over the meetings of the Board of Directors, setting the meeting agenda and directing the discussions and deliberations.
 - b) Prepare and submit to the Board of Directors a Schedule of dates and matters to be discussed.
 - c) Preside over the General Shareholders' Meeting, unless expressly decided otherwise.
 - d) Ensure that the directors receive sufficient information in advance to deliberate on the items on the agenda.
 - e) Stimulate debate and the active participation of the directors during the sessions, safeguarding their free position, ensuring that sufficient discussion time is devoted to strategic issues.
 - f) Organize and coordinate the periodic evaluation of the Board, as well as, where appropriate, that of the first executive of the Company.
 - g) Agree and review knowledge update programs for each director, when circumstances so advise.
3. The charge of Chairperson of the Board of Directors may fall on an executive director, in which case the appointment of the Chairperson will require the favorable vote of two-thirds of the members of the Board of Directors. Likewise, in the event that the Chairperson has the status of executive director, the Board of Directors, with the abstention of the executive directors, must necessarily appoint a coordinating director from among the independent directors, who will have the following powers:
- Request the convening of the Board of Directors or the inclusion of new items on the agenda of a Board that has already been convened.
 - Preside over the Board of Directors in the absence of the Chairperson and Vice-Chairperson.
 - Coordinate and bring together the non-executive directors, echoing their concerns.
 - Maintain contacts with investors and shareholders to find out their points of view in order to form an opinion on their concerns, in particular, in relation to the corporate governance of the Company.
 - Direct the periodic evaluation of the Chairperson of the Board of Directors in the event that the Chairperson has the status of Executive Director.

- Coordinate the succession plan of the Chairperson.
4. The Chairperson, in the event that he/she is an executive director, will be considered as the Company's executive superior, and will be invested with the powers necessary for the exercise of this authority, which will be delegated by the Board of Directors and, in particular, the following:
- a) ensure that the Bylaws are fully complied with and that the resolutions of the General Meeting and of the Board of Directors are faithfully executed; and
 - b) exercise high inspection of the Company and all its services.

The powers delegated to the Chairperson, in the event that he/she is an Executive Director, may be delegated to other persons.

Article 9.- The Deputy Chairperson

1. The Board, following a report from the Appointments and Remuneration Committee, must necessarily appoint one or more Deputy Chairperson from among its members, of whom at least one must be independent. The First Deputy Chairperson will substitute for the Chairperson in case of impossibility or absence, or when the Chairperson himself/herself determines so. Likewise, the Second Deputy Chairperson will substitute for the First Deputy Chairperson in case of impossibility or absence, or when the Deputy Chairperson himself/herself determines so.
2. The First Deputy Chairperson may call the Board when, having requested it from the Chairperson three of the directors, their request has not been answered within a week. The same power will correspond to the Second Deputy Chairperson in the event that the First Deputy Chairperson does not convene the Board in the above terms.

Article 10.- The Secretary of the Board

1. The Board of Directors, following a report from the Appointments and Remuneration Committee, will elect a Secretary whose appointment will be made in person, who may or may not be a director, with the ability to perform the functions of said position. In the event that the Secretary of the Board of Directors is not a director, he/she will have voice but not vote. The Secretary of the Board of Directors will also be the Secretary of all its Delegate or Advisory Committees.
2. The Secretary shall assist the Chairperson in his/her work and shall provide for the proper functioning of the Board, taking care, especially, of providing the directors with the necessary advice and information, of

keeping the Corporate documentation, of duly reflecting the development in the minute books of the sessions and of attesting to the agreements of the body.

3. The Secretary will ensure that the actions of the Board of Directors comply with the applicable regulations and are in accordance with the Bylaws and other internal regulations, will take care of the formal and material legality of the actions of the Board and will verify compliance with the provisions emanating from the regulatory bodies and will ensure compliance with the Company's corporate governance criteria and the rules of the Board Regulations.
4. In addition, the Secretary will assist the Chairperson so that the directors receive the relevant information for the exercise of their functions sufficiently in advance and in the appropriate format.

Article 11.- The Deputy Secretary of the Board

1. The Board of Directors, following a report from the Appointments and Remuneration 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 absence in the performance of such function. The Deputy Secretary of the Board of Directors will also be the Deputy Secretary of all its Delegate or Advisory Committees.
2. Unless the Board of Directors decides otherwise, the Deputy Secretary may attend its sessions to assist the Secretary in drafting the minutes of the meetings.

Article 12.- Delegated bodies of the Board of Directors. Board Committees.

1. The Board of Directors may delegate permanently, within the limits established by the applicable regulations and without prejudice to the powers that may be conferred on any person, all or part of its powers to one or more Delegated Committees, as well as to designate the Directors that will form part of the delegated body and, where appropriate, the form of exercise of the powers granted. The permanent delegation of any faculty of the Board of Directors that cannot be delegated in accordance with current regulations in favor of one or more Delegated Committees and the appointment of the Directors who will form part of the delegated body must be approved by the Board of Directors with the favorable vote of two thirds of its members, and they will not produce any effect until their registration in the Mercantile Registry.
2. When a member of the Board of Directors is assigned executive functions by virtue of any title, a contract must be entered into between him/her and the Company, which must be approved by the Board of Directors

with the favorable vote of two thirds of its members, the affected Director must abstain from attending the deliberation and from participating in the vote and approved contract must be included as an annex to the minutes of the meeting.

3. In any case, the Board must set up an Audit and Control Committee and an Appointment and Remuneration Committee in accordance with legal requirements and a Management and Risks Committee. The Board of Directors may approve a Regulation of the Audit and Control Committee and a Regulation of the Appointments and Remuneration Committee and may also approve specific Regulations of the other Committees that it may constitute, which will develop the rules regarding composition, functions and operation provided for in these Regulations for each of the Committees.
4. Likewise, the Board may create consultative committees within it with Powers of information, advice and proposals in matters determined by the Board of Directors itself, as well as designate the Directors who will form part of them.

Article 13.- Audit and Control Committee. Composition, competences and functioning

1. An Audit and Control Committee will be set up within the Board of Directors in accordance with the following rules:
 - a) The Audit and Control Committee will be formed by a minimum of three (3) and a maximum of five (5) directors, appointed by the Board of Directors from among its non-executive directors, the majority of whom must be independent directors.
 - b) The Chairperson of the Audit and Control Committee will be elected by the Board of Directors from among the independent directors that are part of the same, having to be replaced every four years, and being able to be re-elected after a period of one year has elapsed from the date of his/her cessation.
 - c) At least one of the independent directors that are part of the Audit and Control Committee will be appointed taking into account their knowledge and experience in accounting, auditing, risk management, both financial and non-financial or in all of them , trying equally that the other members, and especially its Chairperson, gather as a whole knowledge and experience in these matters, and also, whenever possible, in those other areas that may be adequate for the performance of its functions by the Audit and Control Committee, such as finance, internal control and information technologies.

In any case, as a whole, and without prejudice to trying to favor gender diversity and other diversity criteria, the members of the Audit and Control Committee will have the relevant technical knowledge in relation to the sector of activity to which the Company belongs.

2. Without prejudice to any other tasks that may be assigned at any time by the applicable regulations or the Board of Directors, the Audit and Control Committee will exercise the following functions:

In relation to the supervision of financial and non-financial information:

- a) Report to the General Meeting on the questions that arise within it in matters of its competence and, in particular, on the result of the audit, explaining how this has contributed to the integrity of the financial information and the role that the Committee has performed in that process.
- b) Supervise and assess the process of preparing and presenting financial and non-financial information mandatory regarding the Company and, where appropriate, the group, including the periodic financial and non-financial information that, as a listed company, the Company must provide to the markets and its supervisory bodies, ensuring that the intermediate accounts are prepared with the same account criteria as the annual accounts, counting for all this with the direct collaboration of the external and internal auditors, and presenting, where appropriate, recommendations or proposals to the Board of Directors aimed at safeguarding their integrity.
- c) Ensure that the annual accounts that the Board of directors present to the General Shareholders' Meeting are prepared in accordance with accounting regulations. In those cases in which the account auditor has included in his/her audit report some disclaimers, the Chairperson of the Audit and Control Committee will explain clearly at the General Meeting the opinion of the Commission on its content and scope, making itself available to shareholders at the time of the publication of the call to the Meeting, together with the rest of the proposals and reports of the Board, a summary of said opinion.

In relation to the supervision of internal control and internal audit:

- d) Periodically supervise the effectiveness of the Company's internal control and internal audit, as well as discuss with the account auditor the significant weaknesses of the internal control system detected during the audit, all without compromising its Independence. For such purposes, and where appropriate, they may

submit recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up.

- e) In relation to the information and internal control systems: (i) know and supervise the internal control systems of the Company, check their adequacy and integrity and review the appointment or replacement of those responsible; (ii) generally ensure that established internal control policies and systems are effectively applied in practice; (iii) review compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria; and (iv) ensure the independence and effectiveness of the internal audit function, proposing the selection, appointment, removal of the person in charge of the internal audit service, as well as proposing the budget for said service; pass the orientation and the annual work plan, making sure its activity is primarily focused on the relevant risks of the Company (including reputational); receive periodic information on its activities and verify that senior management takes into account the conclusions and recommendations of its reports.
- f) Supervise the unit that assumes the internal audit function that ensures the proper functioning of the information and internal control systems.

The head of the unit that assumes the internal audit function will present to the Audit and Control Committee, for its approval, its annual work plan, will inform it directly of its execution, including, the possible incidents and scope limitations that are presented in its development, as well as the results and the follow-up of its recommendations, and will submit an activity report at the end of each year.

- g) Establish and supervise a mechanism that allows employees and other people related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to communicate irregularities of potential significance, including financial and accounting, or of any other nature, related to the company that they notice within the Company or its Group. Said mechanism must guarantee confidentiality and, in any case, foresee cases in which communications can be made anonymously, respecting the rights of the complainant and the accused.

In relation to the account auditor:

- h) Submit to the Board of Directors the proposals for selection, appointment, re-election and replacement of the account auditor, taking responsibility of the selection process in accordance with the

provisions of the applicable regulations, as well as the conditions of their hiring and for this purpose, they must:

- 1°. Define the auditor selection procedure; and
 - 2°. Issue a reasoned proposal that will contain at least two alternatives for the selection of the auditor, except in the case of re-election of the same.
- i) Regularly collect information from the auditor on the audit plan and its execution, in addition to preserving his/her Independence in the exercise of his/her functions.
 - j) Establish the appropriate relationships with the external auditor to receive information on those matters that may pose a threat to his/her Independence, in particular the discrepancies that may arise between the account auditor and the Company's management, for examination by the Committee, and any others related to the process of carrying out the auditing of accounts and, where appropriate, the authorization of services other than those prohibited in the terms provided for in the legislation of auditing of accounts and in auditing standards.
 - k) In any case, they must receive annually from the external auditors the declaration of their independence in relation to the Company or entities linked to it directly or indirectly, as well as detailed and individualized information on the additional services of any kind provided and the corresponding fees received of these entities by the external auditor or by the persons or entities linked to it in accordance with the provisions of the regulations governing the activity of the auditing of accounts and other auditing standards.
 - l) Issue annually, prior to the issuance of the account audit report, a report expressing an opinion on whether the independence of the account auditors or audit firms is compromised. This report must contain, in any case, the reasoned Assessment of the provision of each and every one of the additional services referred to in the previous point, individually and as a whole, other than the legal audit and in relation to the regime of independence or with the regulations governing the activity of auditing accounts. This report must be published on the Company's website sufficiently in advance of the holding of the Ordinary General Meeting.
 - m) In relation to the external auditor: (i) in the event of the resignation of the external auditor, examine the circumstances that led to it; (ii) ensure that the remuneration of the external auditor for his/her work does not compromise its quality or independence; (iii) supervise that the Company communicates the change of auditor as other relevant information to the National Securities Market Commission

and accompanies it with a statement on the eventual existence of disagreements with the outgoing auditor and, if any, its content; and (iv) ensure that the external auditor holds an annual meeting with the full Board of Directors to report on the work carried out and on the evolution of the accounting and risk situation of the Company.

- n) Supervise compliance with the audit contract, ensuring that the opinion on the annual accounts and the main contents of the audit report are drawn up clearly and precisely, as well as evaluating the results of each audit and, likewise, ensuring that the Company and the external auditor respect the regulations in force on the provision of services other than auditing, the limits to the concentration of the auditor's business and, in general, the other regulations established to ensure the independence of the auditors.
- o) Make a final Assessment of the auditor's performance and how it has contributed to the quality of the audit and the integrity of the financial information.

In relation to the supervision of risk and control management:

- p) Supervise and assess the effectiveness of the control and management systems for financial and non-financial risks relating to the Company and, if applicable, the Group, including operational, technological, legal, social, environmental, political and reputational or related to corruption.
- q) Directly supervise the internal risk and control management.
- r) Reassess, at least annually, the list of the most significant financial and non-financial risks and assess their level of tolerance, proposing their adjustment to the Board of Directors, if applicable.
- s) Hold, at least annually, a meeting with the heads of the business units in which they explain business trends and associated risks.
- t) Be aware of the tax policies applied by the Company. In this sense, receive information from the person responsible for tax matters on the tax policies applied, at least, prior to the formulation of the annual accounts and the presentation of the Corporate Income Tax return and, when relevant, on the consequences tax corporate operations whose approval is submitted to the Board of Directors.
- u) Control and supervise compliance with the risk control and management policy, directly or through one or various subcommittees created for this purpose.

The Audit and Control Committee will carry out the functions provided for in this section in coordination, as necessary, with the Management and Risks Committee.

Regarding the supervision of the corporate governance, of the internal codes of conduct and sustainability:

- v) Supervise compliance with policies and rules of the Company in matters of corporate governance, as well as internal codes of conduct of the Company. In particular, the Audit and Control Committee: (i) will supervise compliance with the Internal Code of Conduct in the Securities Markets, this Regulation, the Regulation of the Audit and Control Committee, if applicable, other internal codes of conduct and, in general, of the Company's governance rules, making the necessary proposals for their improvement, and also ensuring that the corporate culture is aligned with its purpose and values; (ii) will supervise the application of the general policy regarding communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, voting advisers and other interest groups; it will also monitor the way in which the Company communicates and relates to small and medium shareholders; and (iii) will periodically assess and review the corporate governance system, in order for it to fulfill its mission of promoting the corporate interest and take into account, as appropriate, the legitimate interests of the remaining stakeholders.
- w) Monitor compliance with the policies and rules of the Company in matters of environmental and social sustainability. In particular, the Audit and Control Committee: (i) will periodically assess and review the Corporate social responsibility and sustainability policy in environmental and social matters of the Company, in order for it to fulfill its mission of promoting the social interest and take into account, as appropriate, the legitimate interests of the remaining interest groups; (ii) will supervise that the practices of the Company in environmental and social matters conform to the strategy and policy set; and (iii) will supervise and assess the relationship processes with the different stakeholders.

Other functions:

- x) Supervise the organization and operation of the system and the Regulatory Compliance area of the Company.
- y) Inform, prior its approval by the General Shareholders' Meeting or the Board of Directors, on the Related Transactions, and supervise the internal procedure established by the Company related to the

Transactions which approval would have been delegated in compliance with the applicable standard.

- z) Inform the Board of Directors, prior to its adoption of the corresponding decisions, on all matters provided for in the law, the Bylaws and the Board Regulations and, in particular, on:
 - a. The financial information and the management report which will include, when applicable, the mandatory non-financial information that the Company must periodically make public.
 - b. The creation or acquisition of interests in purpose entities special or domiciled in countries or territories that are considered tax havens.
 - c. The economic conditions and the accounting impact and, where appropriate, the proposed exchange ratio, of the structural and Corporate modification operations that the Company plans to carry out.
 - d. Any other report and proposal function that is entrusted by the Board of Directors with a general or particular nature, or that is established by the regulations in force in each moment.
- 3. The Audit and Control Committee will meet, ordinarily, a minimum of eight times a year, in order to review the periodic financial information to be disseminated to the markets through the corresponding authorities, as well as the information that the Board of Directors must approve and include within its annual public documentation. Likewise, it will meet every time it is called by its Chairperson, who must do so whenever the Board of Directors requests the issuance of a report of the adoption of proposals by the Audit and Control Committee and, in any case, whenever it is requested by any of the members of the Audit and Control Committee or it is convenient for the proper performance of their duties.
- 4. The Audit and Control Committee will establish an annual work plan that will contemplate the main activities of the Audit and Control Committee during the year.
- 5. The Audit and Control Committee will prepare an annual report on its operation highlighting, among other matters, the main incidents that have arisen, if any, in relation to its functions. In addition, when the Audit and Control Committee deems it appropriate, it will include in said report proposals to improve the Company's governance rules. The report of the Audit and Control Committee will be available to shareholders and investors through the website sufficiently in advance of the holding of the Ordinary General Meeting.

6. The members of the management team or the staff of the Company and its group will be obliged to attend the sessions of the Audit and Control Committee and to provide their collaboration and access to the information at their disposal when the Audit and Control Committee so requests. The Commission may order that they appear without the presence of any other executive. The Audit and Control Committee may also require the auditors to attend its sessions.
7. The Audit and Control Committee may seek the advice of external experts when it deems it necessary for the proper performance of its functions.
8. The Company must provide the Audit and Control Committee with sufficient resources to enable it to carry out its functions. Resources needs must be channeled through the Secretary of the Company's Board of Directors.

Article 14.- Appointments and Remuneration Committee. Composition, competences and functioning

1. Likewise, an Appointments and Remuneration Committee shall be established within the Board of Directors in accordance with the following rules:
 - a) The Appointments and Remuneration Committee will be made up of a minimum of three (3) and a maximum of five (5) directors, appointed by the Board of Directors from among its non-executive directors, two of whom, at least must be independent directors.
 - b) The Chairperson of the Appointments and Remuneration Committee will be elected by the Board of Directors from among the independent directors that form part of the Committee, for a period of four years, and may be re-elected one or more times for periods of the same duration.
 - c) It will be endeavored that the members of the Committee, as a whole, are appointed taking into account their knowledge and experience in those areas that may be suitable for the fulfillment of its functions by the Appointments and Remuneration Committee, such as human resources, selection of directors and executives and design of remuneration policies and plans, without prejudice to trying to also favor gender diversity and other diversity criteria of its members.
2. Without prejudice to other functions that may be assigned to it by the applicable regulations or by the Board of Directors, the Appointments and Remuneration Committee has the following basic responsibilities:

In relation to the composition of the Board:

- a) Evaluate the skills, knowledge, and experience necessary on the Board of Directors. For these purposes, it will define the functions and skills necessary in the candidates who must fill each vacancy and will evaluate the time and dedication required so that they can effectively carry out their duties, ensuring that non-executive directors have sufficient time available for the proper performance of their duties.
- b) Ensure that corporate policies are oriented towards an objective of representation for the less represented sex on the Board of Directors and develop guidelines on how to achieve said objective, as well as, propose to the Board of Directors the Directors Selection and Diversity Policy on the Board of Directors.
- c) Periodically verify the category of the directors.

In relation to the selection of Directors and Senior Managers:

- d) Submit to the Board of Directors proposals for the appointment of independent directors for their appointment by co-option or for submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or removal of said directors by the General Shareholders' Meeting.
- e) Report on the proposals for the appointment of the remaining directors for their appointment by co-option or for 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.
- f) Annually verify compliance with the policy of Directors' Selection and Diversity Policy on the Board of Directors which will be reported in the Annual Corporate Governance Report.
- g) Analyze, formulate and periodically review the proposals for policies for hiring, loyalty and dismissal of managers, as well as formulate and review the criteria that must be followed for the composition of the management team of the Company and its subsidiaries and for the selection of candidates.
- h) Report the proposals for the appointment and removal of senior managers.

In relation to the positions of the Board and the composition of the Committees:

- i) Propose the members who should form part of each of the Committees, taking into account the knowledge, skills and experience of the directors and the tasks of each Committee.
- j) Inform the Board of Directors about the appointment of the Chairperson, Deputy Chairperson, members of the Executive Committee and the Honorary President, if applicable.
- k) Inform the Board of Directors about the appointment and, where appropriate, removal of the Secretary and Deputy Secretary of the Board of Directors.
- l) Propose, where appropriate, the appointment of the Coordinating Director.
- m) Examine and organize the succession of the Chairperson of the Board of Directors and the chief executive of the Company and, where appropriate, make proposals to the Board of Directors so that said succession takes place in an orderly and planned manner.

In relation to the remuneration of directors and senior managers:

- n) Propose to the Board of Directors the remuneration policy for the directors and general managers or those who carry out their senior management functions under the direct dependence of the Board or delegated committees, checking its observance.
- o) Analyze, formulate and periodically review the remuneration policy applied to directors and senior managers, including remuneration systems with shares and their application, weighing their adequacy and performance, as well as ensuring that their individual remuneration is proportionate to that paid to other directors and senior managers of the Company.
- p) Propose to the Board of Directors the individual remuneration and the other contractual conditions of the Executive Directors, verifying that they are consistent with the remuneration policies in force.
- q) Inform the Board of Directors in advance on individual determination of remuneration of each Director acting as such, within the statutory framework and remunerations policy, well as on the performance of executive functions that are allocated to them within framework of remunerations policy and in compliance with their contracts.

- r) Propose the basic conditions of the contracts of senior managers, verifying that they are consistent with the remuneration policies in force.
- s) Inform the Board of Directors about the systems and the amount of the annual remuneration of directors and senior managers and verify the information on remuneration of directors and senior managers contained in corporate documents, including the annual report on directors' remuneration, ensuring for the transparency of remuneration.

Other functions:

- t) Lead the annual evaluation of the Board regarding the operation and composition of the Board and its Committees and submit to the Board the results of its evaluation together with a proposal for an action plan or with recommendations to correct any deficiencies detected or improve its operation.
 - u) Report annually to the Board of Directors on the evaluation of the performance of the Company's senior management.
 - v) Design and periodically organize knowledge update programs for Directors.
 - w) Ensure that any conflicts of interest of the advisers do not affect the Independence of the external advice provided to the Committee.
3. The Appointments and Remuneration Committee will meet at least once a year to prepare the information on the remuneration of the directors that the Board of Directors must approve and make public. Likewise, it will meet whenever called by its Chairperson, preferably four times a year, which must do so whenever the Board or its Chairperson requests the issuance of a report or the adoption of proposals and, in any case, whenever it is convenient for the proper performance of their duties.
 4. The Appointments and Remuneration Committee will establish an annual work plan that will contemplate the main activities of the Appointments and Remuneration Committee during the year.
 5. The request for information to the Appointments and Remuneration Committee will be made by the Board of Directors or its Chairperson. Likewise, the Appointments and Remuneration Committee must consider the suggestions made by the members of the Board of Directors, the directors or the shareholders of the Company.

6. The Appointments and Remuneration Committee may seek the advice of external experts when it deems it necessary for the proper performance of its duties.
7. The Company must provide the Appointments and Remuneration Committee with sufficient resources to enable it to carry out its functions. Resource needs must be channeled through the Secretary of the Company's Board of Directors.

Article 15.- Management and Risk Committee. Composition, competences and functioning

1. A Management and Risk Committee will be set up within the Board of Directors in accordance with the following rules:
 - a) The Management and Risks Committee will be made up of a minimum of three (3) and a maximum of eight (8) directors, appointed by the Board of Directors, and an executive director may belong to it.
 - b) The Chairperson of the Management and Risks Committee will be elected by the Board of Directors for a period of four years and may be re-elected one or more times for periods of the same duration.
 - c) It will be ensured that the members of the Committee, as a whole, are appointed taking into account their knowledge and experience in those areas that may be suitable for the fulfillment of their functions by the Management and Risks Committee, such as economy and finance, and the ability and experience to fully understand and control the Company's strategy, without prejudice to also trying to favor gender diversity and other diversity criteria of its members. Likewise, it will be ensured that the members of the Committee have the pertinent technical knowledge in relation to the sector of activity to which the Company belongs.
2. Without prejudice to other functions that the Board of Directors may assign to it, the Management and Risk Committee has the following basic responsibilities:
 - a) Periodically review the impact of the operations and planning of the Company and its Group.
 - b) Analyze the financial and resource efficiency situation of each Project of the Company and its Group.
 - c) Analyze the commercial policy guidelines and analyze the conditions of the most relevant offers of the Company and its Group.

- d) Perform periodic monitoring of the Company's projects, and in particular, of the most relevant for economic, technical or reputational reasons.
- e) Carry out the monitoring of the periodic analysis of the geopolitical situation of the countries in which the Company and its Group carry out their activity.
- f) Develop periodic analysis of the solvency ratios of clients and suppliers.
- g) Develop and monitor the risk map of the Company and its Group.
- h) Analyze and report on the global approach and strategy of the Company and its Group.
- i) Regarding all the above points, promote the regulatory compliance system and activities of the Company and its Group.

The Management and Risks Committee will carry out the functions provided for in this section in coordination, as necessary, with the Audit and Control Committee.

3. The Management and Risks Committee will ordinarily meet a minimum of eight times a year. Likewise, it will meet each time the Board of Directors or its Chairperson requests the issuance of a report or the adoption of proposals in the field of their competences and, in any case, whenever it is convenient for the proper performance of their duties.
4. May attend meetings of the Management and Risk Committee, with voice and without vote, who has assigned executive function of the Board of Directors by any title, in case of not being a member of the same, in order to the fulfillment by the Commission of its functions. Also, the members of the management team or staff of the Company and its group will be obliged to attend the meetings of the Management and Risks Committee and to provide their collaboration and Access to the information available to them when the Committee so requests.
5. The Management and Risks Committee will establish an annual work plan that will contemplate the main activities of the Management and Risks Committee during the year.
6. The Management and Risks Committee may seek the advice of external experts when it deems it necessary for the proper performance of its functions.
7. The Company must provide the Management and Risks Committee with sufficient resources to enable it to carry out its functions. Resource

needs must be channeled through the Secretary of the Company's Board of Directors.

CHAPTER V

FUNCTIONING OF THE BOARD

Article 16.- Meetings of the Board of Directors

1. The Board of Directors will meet as often as the Company's affairs require and in any case, at least once every two months and, at the initiative of the Chairperson or the coordinating director, as many times as they deem appropriate for the good operation of the Company. The Board of Directors must also meet when requested to do so by at least one third of its members, indicating the agenda, in which case it will be called by the Chairperson to meet within the month following the request. If, once that period has expired, the Chairperson has not made the call without just cause, the administrators who constitute at least one third of the members of the Board may call it to be held in the town where the registered office is located.
2. The meetings of the Board of Directors will be called by the Secretary, at the request of the Chairperson or the coordinating director (within the powers that correspond to him/(her), in the event of their absence or incapacity, of the First Deputy Chairperson, the Second Deputy Chairperson and so on.
3. The ordinary sessions will be called in person, by letter, fax or email, and will be authorized with the signature of the Chairperson or, where appropriate, that of the Secretary or Deputy Secretary by order of the Chairperson or the conveners. The call will be made at least five (5) days in advance.

The call will always include the agenda of the sesión and will be accompanied by the relevant information duly summarized and prepared.

The call may establish, when circumstances so advise, that the session be held by any non-face-to-face means through any technical procedure (including but not limited to, telephone, conference call, video conference, etc. ...) that ensures identity and connection plurilateral real-time remote assistants. In these cases, the session will be understood to be held at the registered office.

4. The calling of extraordinary Board meetings may be made even by telephone and without observing the notice period and other requirements established in the previous section when, in the opinion of the Chairperson or the coordinating director, the circumstances thus

justify it. Notwithstanding the foregoing, it will be endeavored that the documentation that, where appropriate, must be provided to the Directors is delivered sufficiently in advance.

Likewise, the Board shall be understood to be validly constituted without the need for a call if, all of its members present or represented, unanimously accept the holding of the session.

5. The Board may also make agreements in writing without the need to hold a meeting, in accordance with the provisions of the Capital Companies Law.
6. The Board will prepare an annual calendar of its ordinary sessions.

Article 17.- Development of the sessions

1. The Board will be validly constituted when at least half plus one of its members, present or represented, attend.
2. The directors will do everything possible to attend the Board meetings and, when they cannot do so personally, they will Endeavor to grant their representation in writing and specifically for each session to another member of the Board, including the appropriate instructions and communicating it to the Chairperson of the Board of Directors. Notwithstanding the foregoing, non-executive directors may only delegate their representation to another non-executive director.
3. The Chairperson will organize the debate, seeking and promoting the participation of all the directors in the deliberations of the body.
4. Except in the cases where the Law or the statutes specifically establish other majorities, the agreements will be adopted by an absolute majority of those attending the meeting. In the event of a tie in the voting, the Chairperson's vote will be the casting vote.
5. Minutes will be drawn up of the meetings of the Board of Directors, which will be signed by at least the Chairperson and the Secretary or Deputy Secretary, and will be transcribed or collected, in accordance with legal regulations, in a Board Minutes Book.
6. The minutes will be approved by the Board of Directors itself, at the end of the meeting or at a later meeting.

CHAPTER VI

APPOINTMENT AND TERMINATION OF DIRECTORS

Article 18.- Appointment of Directors

The directors will be appointed, following a report from the Appointments and Remuneration Committee, by the General Meeting or by the Board of Directors in accordance with the provisions contained in the Capital Companies Act.

The proposals for the appointment and re-election of directors submitted by the Board of Directors for the consideration of the General Meeting and the appointment agreements adopted by said body by virtue of the co-option Powers that it has legally attributed will, in any case, be submitted to the Board of Directors Selection and Diversity Policy approved by the Board from time to time and must be preceded by:

- a) the corresponding proposal from the Appointments and Remuneration Committee, in the case of independent directors; and
- b) the corresponding proposal of the Board of Directors, in the case of the remaining directors. The proposal of the appointment or reselection of any non-independent Director shall be preceded, in addition, by the Report of the Appointments and Remuneration Committee

In any case, any of these proposals must be accompanied by a supporting report of the Board in which the competence, experience and merits of the proposed candidate that will be attached to the minutes of the General Meeting or of the own Board.

Article 19.- Appointment of external directors

The Board of Directors will ensure that the election of candidates falls on people of recognized solvency, competence and experience, and must exercise extreme rigor in relation to those calls to fill the positions of independent director provided for in article 6 of these Regulations.

Article 20.- Re-election of Directors

The Board of Directors, before proposing the re-election of Directors to the General Meeting, will evaluate, with abstention of the affected parties, as provided in article 23.1, the quality of the work and the dedication to the position of the Directors proposed during the mandate preceding.

Article 21.- Duration of the position

1. The directors will hold office for a term of four (4) year, without prejudice to the possibility that they may be previously dismissed by the General Meeting. At the end of their mandate, they may be re-elected one or more times for periods of equal duration..
2. The appointment of administrators will expire when, after the deadline, the next General Meeting has been held or the legal terms for holding the Meeting that must resolve on the approval of the accounts of the previous year has elapsed.
3. The vacancies that occur may be covered by the Board of Directors by co-option, in accordance with the law. If vacancies occur once the General Meeting is called and before it is held, the Board of Directors will retain the power of co-option until the next General Meeting is held.
4. Directors appointed by co-option must have their position ratified on the date of the first General Shareholders' Meeting immediately following.
5. The director who ends his/her mandate or for any other reason ceases in the performance of his/her position may not be a director or hold management positions in another entity that has a corporate purpose similar to that of the Company for a period of two (2) years.

The Board of Directors, if it deems it appropriate, may release the outgoing director from this obligation or shorten the period of its duration.

Article 22.- Termination of directors

1. The directors will resign from their position when the period for which they were appointed has elapsed and when the General Meeting decides to do so in use of the powers that it has legally or statutory conferred. In the case of independent directors, when they have held said position for an uninterrupted period of 12 years, from the moment the Company's shares are listed on the Stock Exchange.
2. The directors must place their position at the disposal of the Board of Directors and formalize, if it deems it appropriate, the corresponding resignation in the following cases:
 - a) When they cease to hold the executive positions to which their appointment as director was 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 permanence on the Board could put the interests of the Company at risk or when the reasons for which they were appointed disappear (for example, when a proprietary director disposes of their participation in the Company).
3. Directors will immediately inform the Board when situations occur that affect them, related or not to their performance in the Company itself, that may harm its credit and reputation, and must inform in particular of criminal cases in which they appear as investigated, as well as their procedural vicissitudes.

The Board of Directors, having been informed or having otherwise known any of the situations mentioned in this section, will examine the case as soon as possible and, taking into account the specific circumstances, will decide, following a report from the Appointments and Remuneration Committee, the measures to be adopted, such as opening an internal investigation, requesting the resignation of the director or proposing their removal to the General Shareholders' Meeting. Of all of it, it will be informed in the Annual Corporate Governance Report, unless there are special circumstances that justify it, which must be recorded in the minutes. This is without prejudice to the information that the Company must disseminate, if appropriate, at the time of the adoption of the corresponding measures.

4. When, either by resignation or by resolution of the General Meeting, a director leaves his/her position before the end of his/her mandate, he/she will explain sufficiently the reasons for their resignation or, in the case of non-executive directors, their opinion on the reasons for the resignation by the Meeting, in a letter to be sent to all members of the Board. Without prejudice to the disclosure in the Annual Corporate Governance Report, to the extent relevant to investors, the Company will publish the termination as soon as possible including sufficient reference to the reasons or circumstances provided by the director.

Article 23.- Objectivity and secrecy of voting

1. In accordance with the provisions of article 30 of these Regulations, the directors affected by proposals for appointment, re-election or removal shall refrain from intervening in the deliberations and votes that deal with them.
2. All the votes of the Board of Directors regarding the appointment, re-election or removal of directors will be secret.

CHAPTER VII

DIRECTOR'S INFORMATION

Article 24.- Information and inspection powers

1. The director may request information on 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 should be addressed to the Secretary of the Board of Directors, who will forward it to the Chairperson of the Board of Directors and to the appropriate interlocutor in the Company.
3. The Secretary will warn the director of the confidential nature of the information that he/she requests and receive and of his/her duty of confidentiality in accordance with the provisions of these Regulations.
4. The Chairperson may deny the information if he/she considers: (i) that it is not accurate for the full performance of the functions entrusted to the director or (ii) that its cost is not reasonable in view of the importance of the problem and of the assets and income of the Company.

Article 25.- Expert assistance

1. In order to be assisted in the exercise of their functions, external directors may request the hiring of legal, accounting, financial or other experts at the expense of the Company. The assignment must necessarily deal with specific problems of a certain importance and complexity that arise in the performance of the position.
2. The decision to hire must be communicated to the Chairperson of the Company and may be vetoed by the Board of Directors if it proves:
 - a) That it is not necessary for the full performance of the functions 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) The technical assistance that is obtained can be adequately provided by experts and technicians of the Company.

CHAPTER VIII

REMUNERATION OF DIRECTORS AND MEMBERS OF BOARD COMMITTEES

Article 26.- Remuneration of the directors and members of the Board Committess.

1. The members of the Board of Directors will receive for their membership of the Board of Directors and its Committees a remuneration that will consist of the following concepts: (i) a fixed annual allowance for their membership of the Board of Directors; (ii) an additional annual fixed allocation for the chairmanship of the Delegate or Advisory Committee to which they belong; and (iii) allowances for effective attendance at the meetings of the Board of Directors and of the delegated or advisory Committees to which they belong.
2. It will be the responsibility of the Board of Directors to determine, in each year, the form and time of payment and to fix, following a report of the Appointments and Remunerations Commission, the individual remuneration of each Director based on the concepts established in point 1 above within statutory framework and remunerations policy and considering the functions and responsibilities attributed to each director, belonging to the Board Committees and other objective circumstances that the Board of Directors deems relevant.
3. Likewise, the directors may be remunerated with the delivery of shares of the Company, options thereon or remuneration linked to the value of the shares. This remuneration must be agreed by the General Shareholders' Meeting and the resolution must include the maximum number of shares that may be assigned in each year to this remuneration system, the directors to whom it is directed, the exercise price or the system of calculation of the exercise price of the stock options, the value of the shares that, where appropriate, is taken as a reference and the duration of the plan.
4. The remuneration of the directors must in any case keep a reasonable proportion with the importance of the Company, the economic situation it had at all times and the market standards of comparable companies. The remuneration system established must be aimed at promoting the profitability and long-term sustainability of the Company and incorporate the necessary precautions to avoid the excessive assumption of risks and the reward of unfavorable results.
5. In particular, the Board of Directors will adopt all the measures within its reach to ensure that the remuneration of external directors, including the remuneration they receive as members of the Committees, complies with the following guidelines:

- a) The external director must be remunerated based on their effective dedication, qualification and responsibility.
 - b) The remuneration of external directors should be that necessary to attract and retain directors of the desired profile, but not so high as to compromise their Independence of judgement.
6. In addition to the provisions of the previous sections, the directors who are assigned executive functions by any title will receive, for the performance of said functions, the remuneration that the Board itself determines on the basis of the following concepts: (i) a fixed part, adequate to the services and responsibilities assumed; (ii) an annual variable part, correlated with some indicator of the Director's or the Company's returns; (iii) long-term variable remuneration, correlated with some indicator of the performance of the Director or the Company; (iv) an assistance benefit, which may include pension and insurance systems and, where appropriate, Social Security; (v) the delivery of shares of the Company, options on the same or through other remuneration linked to the value of the shares; (vi) remuneration in kind linked to the provisions of services inherent in the performance of their duties; and (vii) compensation in the event of separation or any other form of termination of the legal relationship with the Company not due to breach attributable to the Director, exclusivity agreements, post-contractual non-concurrence and/or permanence or loyalty.
- The remuneration of directors with executive functions in accordance with the aforementioned remuneration concepts must comply with the Directors' Remuneration Policy approved by the General Meeting. Likewise, the remuneration items applicable to directors with executive functions must be reflected in a contract that will be signed between the director and the Company in the terms provided by law. The director may not receive any remuneration for the performance of executive functions whose amounts or concepts are not provided for in said contract or in the Directors' Remuneration Policy which shall necessarily establish the amount of annual fixed remuneration of the Directors with executive functions and other legally established provisions
7. The maximum amount of the annual remuneration of all the Directors, both for their membership of the Board of Directors and its Committees and for their executive functions, must be approved by the General Shareholders' Meeting either by express agreement in this regard or by approving the Policy of Directors' Remuneration and will remain in force as long as the General Meeting does not agree to its modification, and may be updated based on the indexes or magnitudes that the General Meeting itself defines.
8. The Company may take out civil liability insurance for its directors.

9. The remuneration of external directors and directors with executive functions will be recorded in the report individually for each director.

CHAPTER IX

DIRECTOR'S DUTIES

Article 27.- General duties of the director

In the performance of their duties, the director will act with the diligence of an orderly businessman and a loyal representative, acting in good faith and in the best interest of the Company. His particular interest must be subordinated to the Company's interest. In the field of strategic and business decisions, subject to business discretion, the standard of diligence of an orderly businessman will be understood to be met when the director has acted in good faith, without personal interest in the matter under decision, with sufficient information and in accordance with an appropriate decision-making procedure. In particular, the director is obliged to:

- a) Be informed about and adequately prepare the meetings of the Board and, where appropriate, of the delegated bodies to which he/she belongs;
- b) Attend the meetings of the Board of Directors and actively participate in the deliberations so that their judgement effectively contributes to decision-making.
In the event that, for justified reasons, he/she cannot attend the sessions to which he/she has been summoned, he/she must instruct the director who is to represent him/her.
- c) Provide (and, to a greater extent, independent directors) their strategic vision, as well as concepts, criteria and innovative measures for the optimal development and evolution of the Company's business.
- 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 is reasonably included in his/her dedication commitment.
- e) Investigate any irregularity in the management of the Company that may have been reported and monitor any risk situation.
- f) Urge people with the capacity to call to convene an extraordinary meeting of the Board or include in the agenda of the first meeting to be held the points that they consider appropriate.
- g) Oppose agreements contrary to the Law, the Bylaws or the corporate interest, and request the record of his/her position in the minutes when he/she deems it more convenient for the protection of the corporate interest.

Article 28.- Director's duty of confidentiality

1. The director will keep secret the deliberations of the Board of Directors and the delegated bodies of which he/she forms part and, in general,

will refrain from revealing the information to which he/she has had access in the exercise of his/her position.

2. The obligation of confidentiality will subsist even when the position has been terminated, and the confidential information and the information, data, reports or antecedents that are known as a result of the exercise of the position must be kept secret, without the same being communicated to third parties or be subject to disclosure when it could have detrimental 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 have to be referred to the respective supervisory authorities, in which case, the transfer information must comply with the provisions of the law.

Article 29.- Obligation of non-competition

1. The director may not hold the position of administrator or manager in companies with the same, analogous or complementary type of activity as the Company or carry out activities for their own account or for others that involve effective competition, whether current or potential, with the Company or that, in any other way, place him/her in a permanent conflict with the interests of the Company, unless expressly authorized by the Company, by resolution of the General Shareholders' Meeting, in the terms established by law and with the exception of the positions that may be held, where appropriate, in group companies.
2. Notwithstanding the foregoing, the director may provide his/her professional services to entities that have a Corporate purpose totally or partially analogous to that of the Company, provided that he/she previously informs the Board of Directors of his/her purpose, which may justifiably deny its authorization to such activity.

Article 30.- Conflicts of interest

1. The director must notify the existence of conflicts of interest to the Board of Directors and abstain from attending and intervening in the deliberations that affect matters in which they are personally interested. It will be considered that there is also a personal interest of the director when the matter affects any of the following persons:
 - The spouse or the person with a similar affective relationship.
 - The ascendants, descendants and siblings of the director or the director's spouse.
 - The spouses of the director's ascendants, descendants, and siblings;
 - The companies or entities in which the director holds directly or indirectly, including through an intermediary, a stake that gives the director significant influence or in which he/she holds a

position on the administrative body or in the Top Management of the company. For these purposes, any holding of 10% or more of the share capital or voting rights which has been obtained, in the company's administrative body is presumed to confer significant influence.

- The partners represented by the Director on the Board of Directors.
2. Situations of conflict of interest incurred by directors will be the subject of information in the annual accounts report.

Article 31.- Use of social assets

The director may not make use of the assets of the Company, including the confidential information of the Company, nor use his/her position in the Company to obtain an equity advantage unless they have obtained the corresponding dispensation or authorization from the Company, under the terms legally established.

Article 32.- Non-public information

The director will observe the rules of conduct established in the legislation of the stock market and, in particular, those enshrined in the Internal Regulations of Conduct in Matters Relating to the Stock Markets of the Company in relation to the treatment of privileged information and of the 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 linked to him/her in the terms established in article 30 above, unless he/she has obtained the corresponding dispensation or authorization from the Company, under the legal terms established.
2. For the purposes of the previous section, a business opportunity is understood to be any possibility of carrying out an investment or commercial operation that has arisen or has been discovered in connection with the exercise of the position by the director, or through the use of means and information from the Company, or under circumstances such that it is reasonable to think that the third party's offer was actually directed to the Company.

Article 34.- Indirect operations

The director infringes his/her obligations of fidelity towards the Company if, knowing it in advance, he/she allows or does not reveal the existence of

operations carried out by the persons indicated in article 30.1 of these Regulations that have not been subjected to the conditions and control provided for in the previous articles.

Article 35.- Director's information duties

1. The director must inform the Company of the shares of the same that they own directly or indirectly through the persons indicated in article 30.1 of these Regulations, all in accordance with the provisions of the Internal Code of Conduct on Matters Relating to the Securities Markets.
2. The director must also inform the Company of the positions they hold on the Board of Directors of other listed companies and, in general, of the facts, circumstances or situations that may be relevant for their performance as administrator of the Company in accordance with the provided for in these Regulations.

Article 36.- System of the Related Transactions

1. The system contained in this article applies to the Related Transactions defined in article 5.1 (xii) of this Regulation.
2. The Audit and Control Commission shall issue a report on the Related Transactions implemented prior to the approval by the General Shareholders' Meeting or the General Board. In this report, the Commission shall assess whether the Transaction is fair and reasonable from the point of view of the Company and report on the budgets on which the assessment is based, and the applied methods.

The Directors-Members of the Commission concerned by the Related Transaction cannot participate in the report development.

This report will not be prescriptive in relation with the holding of the Related Transactions which approval has been delegated by the General Board in the terms stipulated in article 5.1 (xii) of this Regulation.

3. In the event that the General Board delegates the approval of the Related Transactions in accordance with article 5. (xii) of this Regulation, the proper General Board shall establish an internal information procedure and periodic control to verify the equity and transparency of these operations, and, in its case, the compliance with the applicable legal criteria.
4. The General Board will drive the public diffusion of the Related Transactions held by the Company or the companies of its Group and which share reaches or exceeds either 5% of the total amount of the asset headings or 2.5% of the annual revenue amount.

For these purposes there shall be published an announcement with the legally established content, in a place easily accessible from the Company's website that, in its turn, shall be reported to the Stock Market National Commission. The announcement shall be published and notified, as maximum, on the same date of the Related Transaction holding and shall be accompanied with the report issued by the Audit and Control Commission, in its case.

In order to determine the amount of one Related Transaction, the operations that were held with the same counterpart in last 12 months will be considered on an aggregate basis.

CHAPTER X

BOARD RELATIONS

Article 37.- Relations with shareholders

1. The Board of Directors will arbitrate the appropriate channels to know the proposals that the shareholders may formulate in relation to the management of the Company.
2. The Board, through some of its directors and with the collaboration of the members of the senior management that it deems appropriate, may organize informative meetings on the progress of the Company' and its Group, for shareholders residing in the most important financial centers, from Spain and other countries.
3. In its relations with shareholders, the Board Directors will guarantee equal treatment, simultaneously providing the presentations used in public information meetings to the CNMV and publishing them on the website of the Company.
4. The Board of Directors will promote the informed participation of the shareholders in the General meetings and will adopt whatever measures are opportune to facilitate that the General Meeting of Shareholders effectively exercise the functions that are proper to it in accordance with the Law and the Bylaws.

In particular, the Board of Directors will adopt the following measures:

- a) It will endeavor to make available to shareholders, prior to the Meeting, all information that is legally required and all that, even if it is not, it may be of interest and be reasonably supplied.
- b) It will respond, with the utmost diligence, to requests for information made by shareholders prior to the Meeting.

- c) It will attend, with equal diligence, the questions asked by the shareholders on the occasion of the General Meeting.
 - d) It will ensure that the matters proposed to the Meeting are vote don in an orderly and separate manner, giving shareholders the opportunity to intervene to express their opinion on each of the questions submitted to the vote.
5. The Company will define and promote a policy of communication, contacts and involvement with shareholders, institutional investors and proxy advisors that is fully compliant with the rules against market abuse and provides similar treatment to shareholders who are in the same position, which will be published through its website, including information regarding the way in which it has been put into practice and identifying the interlocutors or persons responsible for carrying it out.

Article 38.- Relations with institutional shareholders

- 1. The Board of Directors will also establish adequate mechanisms for the regular exchange of information with institutional investors that are part of the Company's shareholders.
- 2. In no case, the relations between the Board of Directors and the institutional shareholders may be translated into the delivery to them of any information that could provide them with a privileged or advantageous situation with respect to the other shareholders.

Article 39.- Relations with the markets

- 1. The Board of Directors, through communications to the National Securities Market Commission and the Corporate website, will inform the public immediately of all information insider and other information relevant in the terms established 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, and any other financial information that the Law required to make available to the markets is prepared in accordance with the same principles, criteria and professional practices with which the annual accounts are prepared and that it enjoy the same reliability as the latter.
- 3. Without prejudice to the legal obligations to disseminate privileged information and other types of regulated information, the Company will have a policy regarding the communication of economic-financial, non-financial and corporate information that contributes to maximizing the dissemination and quality of the information available to the market, investors and other interest groups.

4. The Board of Directors will include information in its annual public documentation on the Company's governance rules and the degree of compliance with them.

Article 40.- Relations with the auditors

1. The Audit and Control Committee is responsible for proposing to the Board of Directors, for submission to the General Shareholders' Meeting, the selection, appointment, re-election and replacement of the auditor and supervising compliance with the audit contract in accordance with article 13.2 of the Regulations of the Board of Directors.
2. The Audit and Control Committee shall abstain from proposing to the Board of Directors, and the latter in turn shall obtain from submitting to the Meeting the appointment as auditor of the Company's accounts of any auditing firm found to be subject to incompatibility in accordance with the legislation on account auditing as well as those firms in which the fees that the Company expects to pay, for all concepts, are greater than five percent of its total income during the last financial year.

Article 41.- Annual Report of Corporate Governance

1. The Board of Directors will annually approve an annual report on the corporate governance of the Company with the legally stipulated references together with those that, where appropriate, it deems appropriate. In particular, the report must offer a detailed explanation of the structure of the Company's governance system and its operation in practice, including in particular a description of the main characteristics of the internal control and risk management systems in relation to the process of issuing financial information.
2. The annual corporate governance report will be approved prior to the publication of the announcement of the convening of the ordinary General Meeting of the Company for the year to which it refers and will be made available to the shareholders together with the rest of the documentation of the General Meeting.
3. The Company will include the annual corporate governance report in a separate section of the management report.
4. Additionally, the annual Corporate governance report will be the subject of the publicity provided for in the securities market regulations. In particular, the report will be published as other relevant information.

Article 42.- Annual Report on the Remuneration of the Board of Directors

1. Together with the annual Corporate governance report, the Board of Directors must prepare and disseminate an Annual Report on Directors' Remuneration, which will include complete, clear and understandable information on the remuneration policy of the directors applicable to the year in progress. It will also include a global summary of how the remuneration policy was applied during the closed year, as well as the detail of the individual remuneration accrued by all concepts by each of the directors in said year.
2. This report will be submitted to a vote, on a consultative basis and as a separate item on the agenda, at the ordinary General Shareholders' Meeting.
3. The Company will include the Annual Report on the Directors' Remuneration together with the annual report of the corporate governance, in a separate section of the management report.
4. The annual report on the Directors' remuneration will be diffused by the Company as another relevant information, simultaneously to the annual report of the corporate governance, and it will remain accessible on the Company's website and the National Securities Market Commission on a free basis during minimum of 10 years, in accordance with the current legislation.