

REPORT OF THE BOARD OF DIRECTORS REGARDING THE AMENDMENT OF THE REGULATIONS OF THE BOARD OF DIRECTORS OF NEINOR HOMES, S.A.

1. Introduction

At the proposal of the Board of Directors of Neinor Homes S.A. ("**Neinor Homes**" or the "**Company**") and its Chairman hereby submits for the approval of the Board of Directors the amendment of the Regulations of the Board of Directors (the "**Regulations**").

For a better understanding of the proposed changes, the purpose and justification thereof, as well as the proposed resolution submitted for the approval of the Board of Directors, are set forth below.

2. Justification of the proposal

The proposed amendments to the Regulations are generally part of the process of continuous review and updating carried out by the Company in relation to its internal corporate governance rules.

Within the framework of such review, it has been deemed appropriate to amend the Regulations in order to:

- (i) Its adaptation to the new provisions of the Consolidated Text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of July 2 (the "**Capital Companies Act**"), as amended by Law 5/2021 amending the Capital Companies Act (the "**Law 5/2021**") which imposes new requirements on the content of the Regulations of listed companies, which must be subject to approval at the next General Meeting held by listed companies after the entry into force of said regulation pursuant to the First Transitory Provision of Law 5/2021.

The latter mainly offers a new regime for intra-group transactions and related transactions (articles 529 duovicies and 231 bis of the Capital Companies Act). Additionally, it introduces changes in the non-delegable powers of the Board of Directors in article 529 ter 2 of the Capital Companies Act and adds requirements that the members of the Audit and Control Committee must have in article 529 quaterdecies.

- (ii) Its adaptation to the amendments introduced by the reform of the Good Governance Code of Listed Companies, approved by the Board of the National Securities Market Commission (CNMV) on June 26, 2020;

Within the framework of the foregoing, it has also been deemed appropriate to revise the Regulations in order to introduce improvements of a technical nature on an ad hoc basis.

The proposed amendment will entail the modification of Articles 1, 2, 4, 5, 7, 8, 9, 10, 10, 13, 14, 15, 15, 18, 18, 19, 21, 24, 25, 29, 34, 35, 36 and 38, as well as the elimination of the sole transitory provision.

The amendments to be included in the aforementioned articles are included in the document attached hereto as Annex (highlighting the proposed changes with respect to the wording of the Board Regulations currently in force).

3. Proposal of agreement

The following is a literal transcription of the full text of the proposed new wording submitted for approval by the Board of Directors:

Amendment of the Regulations of the Board of Directors.

Proposed resolution:

To amend Articles 1, 2, 4, 5, 7, 7, 8, 9, 10, 10, 13, 14, 14, 15, 18, 19, 21, 24, 25, 25, 29, 34, 35, 36 and 38, and to delete the sole transitory provision, which shall henceforth have the wording set forth in the revised text of the Regulations of the Board of Directors attached hereto as Annex.

In Madrid, on February 23, 2022.

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

Annex

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

REGULATIONS
OF THE GENERAL MEETING OF SHAREHOLDERS OF
NEINOR HOMES, S.A.

~~6 March 2017~~

April 13, 2022

CONTENTS

Article 1. Origin, purpose and validity	48
Article 2. Interpretation	48
Article 3. Amendment	49
Article 4. Dissemination.....	49
TITLE II. ROLE OF THE BOARD.....	50
Article 5. Responsibilities of the Board	50
Article 6. Corporate interest	55
TITLE III. COMPOSITION OF THE BOARD.....	56
Article 7. Number of directors	56
Article 8. Types of directors.....	56
TITLE IV. STRUCTURE OF THE BOARD OF DIRECTORS	57
Article 9. The Chairman.....	57
Article 10. The Vice-Chairman.....	58
Article 11. Secretary and Legal Counsel to the Board of Directors.....	58
Article 12. Deputy Secretary of the Board of Directors.....	60
Article 13. Delegate and consultative bodies	61
Article 14. Audit and Control Committee. Composition, responsibilities and functioning....	62
Article 15. Appointments and Remuneration Committee. Composition, responsibilities and functioning	70

TITLE V. FUNCTIONING OF THE BOARD.....	73
Article 16. Meetings of the Board of Directors.....	73
Article 17. Conduct of meetings	74
Article 18. Annual assessment	76
TITLE VI. APPOINTMENT AND REMOVAL OF DIRECTORS.....	77
Article 19. Appointment and re-election of directors	77
Article 20. Term of office	78
Article 21. Removal of directors	79
Article 22. Objectivity of voting	81
TITLE VII. INFORMATION TO BE PROVIDED TO DIRECTORS	81
Article 23. Authority to request information and carry out inspections.....	81
Article 24. Expert advice and professional development programmes.....	81
TITLE VIII. REMUNERATION OF DIRECTORS.....	82
Article 25. Remuneration of directors	82
TITLE IX. DIRECTORS' DUTIES.....	84
Article 26. General obligations of directors	84
Article 27. Directors' duty of confidentiality	86
Article 28. Non-competition obligation	86
Article 29. Conflicts of interest	87

Article 30. Use of the Company's assets.....	89
Article 31. Non-public information.....	89
Article 32. Business opportunities	89
Article 33. Indirect transactions	90
Article 34. Directors' duty of disclosure	90
Article 35. Transactions with directors and significant shareholders	91
TITLE X. POLICY ON INFORMATION AND BOARD RELATIONS.....	92
Article 36. Website.....	92
Article 37. Relations with shareholders	93
Article 38. Relations with the markets	94
Article 39. Relations with the external auditors	95
Article 40. Relations with the Company's managerial employees	96
Single Transitional Provision	Error! Bookmark not defined.

**REGULATIONS OF THE GENERAL MEETING OF SHAREHOLDERS OF
NEINOR HOMES, S.A. (THE “COMPANY”) TITLE I.**

INTRODUCTION

Article 1. Purpose and validity of the Regulations

1. The purpose of these Regulations is to establish rules for the call, preparation and conduct of the General Meeting of shareholders, information about the General Meeting and attendance at meetings, as well as the exercise of voting rights by shareholders, all this in accordance with applicable laws and regulations and the Company’s Articles of Association.

2. These Regulations ~~will enter~~entered into force on the date of admission to trading of the shares of the Company on the Spanish Stock Exchanges and their successive amendments from the date of their approval by the General Shareholders’ Meeting. The effectiveness and applicability of these Regulations will be indefinite and, therefore, it will be applicable to all General Shareholder Meetings carried out after its entry into force.

Article 2. Interpretation and dissemination

1. These Regulations supplement any regulations provided in current laws and in the Company’s Articles of Association that are applicable to the General Meeting of shareholders. They are to be interpreted in accordance with applicable law and the Articles of Association and with the principles and the recommendations on the corporate governance of listed companies approved or issued by the authorities of Spain and other countries in its sphere in force from time to time or by special committees or task forces set up upon the order of the abovementioned authorities, taking into account its purpose and the corporate interest.

Doubts regarding the interpretation will be resolved by the Board of Directors. Doubts regarding its application and interpretation that may arise during a General Shareholders Meeting will be resolved by the Chairman of the Meeting.

2. Without prejudice of the shareholders' legal a statutory right to propose new items for the General Shareholders Meeting agenda, including the proposal to amend these

Regulations, the Board of Directors may also propose the amendment of these Regulations to the General Shareholders Meeting whenever the Board considers it necessary or convenient, issuing a report justifying the amendment.

3. These Regulations, and its amendments, shall be communicated to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*, the "CNMV"), attaching a copy of the document containing the Regulations, and recorded by the Registrar of Companies (*Registro Mercantil*) and shall be available on the Company's corporate web site and on the CNMV web site, in accordance with applicable laws and regulations and these Regulations.

TITLE II. GENERAL MEETING. TYPES AND AUTHORITY

Article 3. The General Meeting of shareholders

1. The General Meeting of shareholders is the Company's highest decision-making and control body in the matters within its authority, giving expression to the shareholders' right to intervene in the making of the Company's essential decisions.

2. The General Meeting, duly constituted, shall represent all the shareholders and all the shareholders shall be bound by its decisions on matters within its authority, including shareholders who dissent or are absent from the meeting, without prejudice to any rights of challenge established by law, in the Articles of Association or in these Regulations.

Without prejudice to any more favourable mandatory provisions of law, resolutions of the General Meeting may always be challenged by any director, third party who can demonstrate a legitimate interest or shareholder who became a shareholder before the resolution was adopted, provided they represent, individually or as a group, at least one tenth of one percent of the share capital, on the terms established in applicable laws and

regulations.

3. The Company shall at all times ensure equal treatment of all equally entitled shareholders, as regards information, participation and exercise of voting rights in the General Meeting of shareholders.

Article 4. Types of General Meeting

1. General Meetings of Shareholders may be ordinary or extraordinary.
2. The Ordinary General Meeting of shareholders shall be held in the first half of each year to review the Company's management and, where applicable, the previous year's accounts and resolve on the allocation of profit or loss, although it shall also have authority to debate and resolve on any other business stated in the agenda.
3. Any General Meeting of shareholders other than that described in the preceding paragraph shall be considered an extraordinary General Meeting of shareholders and shall be held when convened by the Company's Board of Directors, either at its own initiative or at the request of shareholders holding at least three per cent of the share capital, who shall state in their request the business to be transacted at the meeting.
4. Whenever all the shareholders of the Company are present, they may decide unanimously to form a General Meeting (a "Universal General Meeting") to transact any business.

Article 5. Authority of the General Meeting of shareholders

The General Meeting of shareholders has authority to decide on all matters assigned to it by law or the Articles of Association. Any decisions, whatever their legal nature, that entail a major change to the Company's principal activity shall also be submitted to the approval or ratification of the General Meeting of shareholders. In particular, by way of illustration only, it is the responsibility of the General Meeting of shareholders to:

- (i) Review the Company's management.

- (ii) Approve the individual and consolidated financial statements and resolve on the allocation of results.
- (iii) The approval, when appropriate, of non-financial information statement.
- (iv) ~~(iii)~~ Appoint and remove the members of the Board of Directors and ratify or revoke the appointment of persons who have been co-opted as directors.
- (v) ~~(iv)~~ Where applicable, appoint the Company's liquidators.
- (vi) ~~(v)~~ Appoint and dismiss the Company's auditors.
- (vii) ~~(vi)~~ Bring the corporate action for liability against directors, liquidators and/or auditors of the Company.
- (viii) ~~(vii)~~ Resolve to increase or reduce capital or to grant the Board of Directors authority to increase capital and exclude or limit shareholders' preferential subscription rights.
- (ix) ~~(viii)~~ Resolve to issue securities, provided such responsibility does not been legally correspond to other body of the Company, or to grant the Board of Directors authority to issue such securities and exclude or limit shareholders' preferential subscription rights in such issues.
- (x) ~~(ix)~~ Resolve to transform, merge, demerge or transfer all the Company's assets and liabilities, to move the Company's registered offices abroad or, in general, to amend the Company's Articles of Association, in accordance with the laws and regulations in force from time to time.
- (xi) ~~(x)~~ Resolve to dissolve and wind up the Company, approve the final winding up balance sheet and approve transactions that have the effect of winding up the Company.
- (xii) ~~(xi)~~ Approve transactions that entail a structural modification of the Company, in particular the transformation of listed companies into holding companies through

“subsidiarisation” or the transfer of core activities previously carried out by the Company to subsidiaries, even if the Company retains full control of the activities.

(xiii) ~~(xii)~~ Authorize transactions not covered by the corporate purpose.

(xiv) ~~(xiii)~~ Approve the acquisition, disposal or transfer of core assets to another company.

(xv) ~~(xiv)~~ Approve the directors’ remuneration policy as required by law.

(xvi) ~~(xv)~~ Authorise any waiver of directors’ duty to avoid conflicts of interest, in accordance with applicable laws and regulations.

(xvii) ~~(xvi)~~ Authorise the purchase of own shares in the market.

(xviii) The approval of related party transactions whose approval corresponds to the General Shareholders' Meeting under the terms according to the Law.

(xix) ~~(xvii)~~ Approve these Regulations and subsequent amendments thereto.

(xx) ~~(xviii)~~ Decide on any matters referred to it for deliberation and approval by the Company’s Board of Directors.

TITLE III. CALLING AND PREPARING THE GENERAL MEETING

Article 6. Calling General Meetings of Shareholders

1. Without prejudice to the provisions of any applicable laws and regulations on Universal General Meetings of Shareholders and call by court of General Meetings of Shareholders, General Meetings of Shareholders of the Company shall be called by the Board of Directors or, if appropriate, by the Company’s liquidators.

2. The Board of Directors shall call the ordinary General Meeting of shareholders within the first six months of each year. The ordinary General Meeting of shareholders shall be valid even if called or held late. Likewise, the Board of Directors shall call extraordinary General Meetings of Shareholders whenever the Board considers it to be in the Company’s interest to do so.

3. The Board of Directors shall also call a General Meeting of shareholders whenever so

requested by shareholders holding at least three per cent of the share capital, who shall state in their request the business to be transacted at the meeting. In this case, the General Meeting shall be held within the two months period following the date on which the directors received the notarised request to call it. The Board of Directors shall also include in the agenda the item or items of business that were the subject of the request.

4. If the ordinary General Meeting of shareholders is not called within the legal time limit indicated in this article, it may be called, at the request of the shareholders and after hearing the members of the Board of Directors, by the clerk of the Court or by the Commercial Registrar of the Company's jurisdiction of incorporation, who furthermore shall appoint a person to chair the General Meeting of shareholders. Extraordinary General Meetings of Shareholders shall be called in the same manner as described above, when so requested by the number of shareholders referred to in previous paragraph and the directors did not issue the call within two months after the request.

Article 7. Notice of General Meetings

1. Call of the ordinary General Meeting and of extraordinary General Meetings shall be given by publication of an announcement in the Official Gazette of the Register of Companies (BORME) or in one of the largest circulation newspapers in Spain, on the Company's corporate web site and on the CNMV web site at least one month before the date of the meeting (without prejudice to section 2 of this article and any circumstances in which the law provides for a longer notice period).

2. Where the Company offers shareholders the possibility of voting by electronic means accessible to all shareholders, extraordinary General Meetings of the Company may be called with 15 days' notice.

Any authority to reduce the notification period shall require an express resolution of the ordinary General Meeting, adopted by at least two-thirds of the subscribed capital with voting rights, and shall be valid only until the next General Meeting.

3. The notice of meeting shall state whether it is an ordinary or extraordinary meeting, the name of the Company, the day, place and time at which the meeting is to be held, the agenda (which shall state all the business to be transacted) the name of the person or persons calling the meeting, the date on which the General Meeting of shareholders is to be held on second call, if necessary, which shall be at least twenty-four hours after the first call, and any other information required under applicable laws and regulations, in particular the information required under article 517 of the consolidated text of the Spanish Companies Act (*Ley de Sociedades de Capital*). As far as possible,

shareholders shall be informed as to whether it is likely that the General Meeting of shareholders will be held on first or second call. Additionally, the call shall state the date in which the shareholder must have its shares registered under his or her name in order to attend and vote on the General Shareholders Meeting, the place and the procedures to access the complete text of the documents and proposals regarding the items on the agenda and the address of the website of the Company in which these documents will be made available.

4. The notice shall also mention shareholders' right to be represented at the General Meeting of shareholders by another person, even though not a shareholder, and the requirements and procedures to exercise this right, as well as their right to information and the means to exercise that right.

5. The Board of Directors shall include in the call specific details of the media of distance communication that shareholders may use to vote, or to appoint a proxy, and basic instructions for doing so.

6. Shareholders who represent at least three percent of the capital may request that a supplement to the notice of the ordinary General Meeting of shareholders be published, proposing one or more points to be added to the agenda, provided the proposal is accompanied by an explanation of the reasons for the additions or a documented draft resolution. This right may be exercised by due notice to the Company's registered office within five calendar days of publication of the notice of the meeting. The supplement to the notice of the meeting shall be published within 15 calendar days of the date set for the General Meeting.

7. Likewise, shareholders who represent at least three percent of the capital may, within the time limit specified in the previous paragraph, submit reasoned proposals for resolutions on items already included, or which are to be included, in the agenda of a General Meeting of shareholders that has already been called. Said proposals for resolutions shall be published on the Company's corporate web site, in accordance with applicable laws and regulations.

8. If a General Meeting of shareholders is not held on first call and a date of second call was not specified in the notice, the second call shall be announced, with the same agenda and the same information requirements as for the first call, within 15 calendar days of the date of the first call and at least 10 calendar days in advance of the date of the meeting.

Article 8. Availability of information on the Company's corporate website from the date of the notice of meeting

1. From the date of publication of the notice of the General Meeting of shareholders, apart from the information required by article 518 of the Spanish Companies Act or any other legal provision, the Articles of Association and these Regulations, the Company shall publish permanently on its corporate website the full text of any resolution proposals submitted to the General Meeting, the documentation that shall also be submitted to the General Meeting and, in particular, any reports

required by law or issued by the Board of Directors, and any reasoned proposals for resolutions on matters already included, or to be included, in the agenda of the General Meeting of shareholders that may be submitted by shareholders, as provided by applicable laws and regulations.

2. Furthermore, from the date of publication of the notice, any information considered useful or appropriate to encourage shareholder attendance and participation at the

General Meeting shall be published on the Company's corporate website, including the following:

- (i) How to obtain the attendance card.
- (ii) How to vote or appoint a proxy remotely by the means indicated, as the case may be, in the call notice and the forms that must be used for these purposes.
- (iii) The venue of the General Meeting of shareholders and how to get there.
- (iv) Any systems or procedures for following the General Meeting of shareholders.
- (v) How shareholders may exercise their right to information.
- (vi) Where the General Meeting of shareholders must deliberate on the appointment, re-election or ratification (in case of co-optation) of directors, from the date of publication of the notice, the following information about the directors shall also be published and kept up to date on the Company's corporate web site:
 - a) Professional experience and background.
 - b) Other boards of directors of which they are members, whether of listed or unlisted companies.

- c) An indication of the category of director to which they belong and, in the case of proprietary directors, the shareholder they represent or to which they are related.
- d) The date of their first appointment as director of the Company and of subsequent appointments.
- e) Any shares and options on shares of the Company held by them.
- f) A report by the Board of Directors assessing the competence, experience and merits of the proposed candidate and, where applicable, the report of the Appointments and Remuneration Committee.

~~If the candidate was a legal person, the information shall include that of the physical person who is appointed to permanently exercise the roles related to such position.~~

- (vii) Any supplement to the notice of the General Meeting of shareholders.
- (viii) The total number of shares and voting rights outstanding in the date of the call,
differentiating the different types of shares, where appropriate.

The Company shall send to its shareholders, either directly or indirectly through the third parties appointed by such shareholders, the central securities depository or the intermediary entity, a notice indicating where they can find the information necessary to enable them to exercise the rights deriving from their shares, under the terms provided for in the applicable regulations.

Article 9. Right to receive information before the General Shareholders Meeting

1. From the date on which the notice of the General Meeting of shareholders is published until the fifth calendar day before the date of the meeting, inclusive, shareholders may request from the Board of Directors any information or clarifications they may require about the items of business on the agenda or submit in writing any questions they

consider pertinent.

2. With the same deadlines and requirements, shareholders may request information or

clarifications or submit questions in writing about the publicly accessible information provided by the Company to the CNMV since the last General Meeting of shareholders and, if applicable, the report of the auditor. Until the day of the General Meeting of shareholders, the Board of Directors shall provide the requested information in writing.

3. Information requests may be delivered to the Company's registered office by hand or by postal mail or the other means of distance communication specified in the notice of the meeting. Requests for information shall be accepted when the document requesting the information includes mechanisms which the Board of Directors, pursuant to a resolution previously adopted for that purpose and duly published, considers sufficient to authenticate and identify the shareholder who wishes to exercise the right to information.

4. By whatever means the request for information is submitted, it shall include the shareholder's full name and details of the shares held, so that it may be checked against the list of shareholders and shareholdings provided by the central securities depository Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) for the General Meeting of shareholders in question. It shall be the responsibility of the shareholder to prove that the request was sent to the Company in proper form and time. The Company's corporate website shall provide all the necessary information to allow shareholders to exercise the right to information, as provided by applicable laws and regulations.

5. Requests for information submitted in accordance with this article shall be responded to, once the applicant's identity and shareholder status has been verified, before the date of the General Meeting of shareholders.

6. Until the day of the General Meeting of shareholders, the directors are obliged to provide the information in writing, except where:

- a) the information is unnecessary for the safeguarding of the member's rights or there are objective reasons to believe that the information could be used for purposes unrelated to the Company or that its disclosure will harm the Company or related companies;
- b) the request for information or clarification does not refer to items of business included in the agenda or to the publicly available information provided by the Company to the CNMV since the last General Meeting of shareholders; or
- c) legal or regulatory provisions or court decisions provide otherwise.

In the event that, prior to the formulation of a specific question, the requested information is clearly, expressly and directly available to all the shareholders on the Company's corporate web site in the form of an answer to a question, the directors may limit their response to referring to the information provided on the website.

7. In spite of the exceptions indicated in the previous section, information shall not be denied when the application is supported by shareholders representing one-quarter or more of the share capital.

8. The Board of Directors may appoint any of its members, the Chairmen of Board committees or its Secretary or Deputy Secretary to respond on the Board's behalf to requests for information submitted by shareholders.

9. The information requested by shareholders shall be delivered by the same means as was used to submit the request, except where the shareholder specifies a different one from among those declared acceptable in this article. In all cases, the directors may send the information in question by registered mail with return receipt requested or by bureauxfax.

10. Valid requests for information or clarification or questions submitted and the answers provided in writing by the directors shall be posted on the Company's corporate web site, as provided by applicable laws and regulations.

Article 10. Online shareholders' forum

1. From the time of the announcement until the day of each General Meeting of shareholders, an online shareholders' forum (the "**Forum**") shall be made available on the Company's corporate website. Individual shareholders and any voluntary associations of shareholders formed in the manner provided by law shall have access to the Forum to facilitate communication before each General Meeting. The Forum may be used to publish proposals for items to be added to the agenda announced in the notice of meeting, calls to support such proposals, initiatives to gather sufficient votes to reach the minimum percentage required by law to exercise minority rights and voluntary proxy offers or solicitations.

2. In accordance with applicable law, the Board of Directors shall establish the Forum's rules of operation, specifying, among other things, the procedure, time limits and other conditions of access and use by the Company's shareholders and any voluntary associations of shareholders that may be formed pursuant to applicable laws and regulations.

TITLE IV. HOLDING OF THE GENERAL MEETING

SECTION 1: ATTENDANCE AND REPRESENTATION

Article 11. Right to attend

1. Shareholders have the right to attend the General Meeting of shareholders however many shares they hold, provided the shares are registered in their name in the appropriate register of shares at least five calendar days before the day of the meeting.

All shareholders, whatever the number of shares they hold, will have the right vote remotely, provided the shares are registered in their name in the appropriate register of shares at least five calendar days before the day of the voting.

2. Additionally, in order to attend the General Meeting of shareholders, shareholders must have the appropriate attendance card, a certificate issued by the appropriate registrar or a legal document certifying that they are shareholders.

The attendance cards shall be issued, at the Company's request, in the shareholder's name, either directly by the Company itself or by the registrars, and may be used by shareholders to appoint a proxy for the General Meeting of shareholders in question. The Company may prescribe the format of the attendance card to be issued by the registrars in the shareholders' name, so as to ensure that the cards are uniform and include a barcode or other machine-readable code to facilitate the keeping of computer records of attendance, and also the formula to be used for proxy appointments.

3. Shareholders who attend the General Meeting of shareholders in person or by proxy at the place and on the day of the meeting shall present their attendance card, as provided in these Regulations.

4. Shareholders who wish to vote remotely shall prove their identity and shareholder status in the manner specified by the Board of Directors in the notice of meeting.

5. In addition, the General Meeting may be called to be held exclusively by telematic means, without the physical attendance of the shareholders or their representatives. In all matters not expressly provided for, the telematic meeting shall be governed by the provisions of these Regulations for face-to-face meetings, adapting to the special features deriving from this form of meeting.

6. The holding of the Meeting exclusively by telematic means shall be subject in all cases to the identity and legitimacy of the shareholders and their representatives

being duly guaranteed and to all those attending being able to effectively participate in the meeting through of the appropriate means of remote communication, such as audio or video, complemented by the possibility of written messages during the course of the Meeting, both to exercise in real time the rights of intervention, information, proposal and vote that correspond to them, and to follow the interventions of the other attendees through the aforementioned means.

7. The members of the Board of Directors may attend the Meeting by means of a telematic connection or, as the case may be, from the place where the Meeting is being retransmitted.

8. The notice of call shall inform the shareholders of the formalities and procedures to be followed for the registration and preparation of the list of attendees, for the exercise of their rights and for the proper recording in the minutes of the proceedings of the Meeting.

Article 12. Presence of third parties at the General Meeting of shareholders

1. The members of the Company's Board of Directors shall attend General Meetings,

although the failure of a director to attend a General Meeting for whatever reason shall in no way invalidate the meeting.

2. The Chairman of the General Meeting may authorise executives, managers and technical specialists of the Company, as well as any other persons who in the Chairman's judgment have an interest in the progress of the Company's affairs, to attend the General Meeting.

3. To promote the widest possible dissemination of the proceedings of its meetings and the resolutions adopted, the Chairman may allow the media and financial analysts to have access to the General Meeting of shareholders.

4. The General Meeting of shareholders may also be attended by anyone who has received

an invitation from the Chairman of the General Meeting.

5. Notwithstanding the provisions of the preceding paragraphs, the General Meeting of shareholders may revoke any notices sent by the Chairman to third parties authorising

them to attend the meeting.

Article 13. Proxies

1. Without prejudice to the right of corporate shareholders to be represented by their authorised representative, any shareholder who has the right to attend a General Meeting may appoint a proxy, who need not be a shareholder of the Company.

2. Proxy appointments may be revoked at any time and attendance in person at the General Meeting of shareholders by the shareholder who appointed a proxy shall have the effect of revoking the proxy. The vote of the shareholder shall take precedence over the vote of the proxy and, therefore, proxies issued prior to voting will be understood to have been revoked and those proxies issued after the proxy will be understood as not having been issued.

3. Proxies shall be appointed specifically for each General Meeting of shareholders, in writing or using the means of distance communication specified in the notice of meeting. Proxies appointed by these means shall be accepted when the document appointing the proxy includes mechanisms which the Board of Directors, pursuant to a resolution previously adopted for that purpose and duly published, considers sufficient to authenticate and identify the shareholder who wishes to appoint a proxy.

4. To be valid, proxies appointed using the means of distance communication provided for by the Board of Directors must be received by the Company before 23:59 on the day before the day of the General Meeting of shareholders on first call. The Board of Directors may set a shorter period.

5. The documents appointing proxies for the General Meeting of shareholders shall include at least the following information:

- (i) The date of the General Meeting of shareholders and the agenda.
- (ii) The identity of the person appointing the proxy and of the proxy.
- (iii) The number of shares held by the person appointing the proxy.
- (iv) Voting instructions for each item on the agenda.

6. The Chairman of the General Meeting or the persons appointed by him shall be deemed to be authorised to determine the validity of any proxy appointments and compliance

with the requirements for attendance at the General Meeting of shareholders.

7. The provisions of the preceding sections 4, 5 and 6 of this article shall not apply when the proxy is a spouse, ancestor or descendant of the person appointing the proxy or when the proxy holds a notarised general power of attorney with authority to manage all the

assets held by the person appointing the proxy in Spanish territory.

8. If a proxy is validly appointed in accordance with applicable law and these Regulations but no voting instructions are given or there are doubts as to the person to be appointed as proxy or as to the scope of the appointment, it shall be understood that ~~(i)~~ (i) the person appointed as proxy is the Chairman of the Board of Directors, (ii) the proxy is authorised to vote on all the items on the agenda of the General Meeting of shareholders, (iii) the proxy is instructed to vote in favour of all the proposals put forward by the Board of Directors and (iv) the appointment extends to any proposals that may arise outside the agenda, in respect of which the proxy shall refrain from voting, unless he or she has good reason to consider it in the best interest of the person appointing the proxy to vote for or against such proposals.

9. Without prejudice of the foregoing, in the absence of express instructions to the

contrary, if the person appointed as proxy is subject to a conflict of interest, the person granting the proxy shall be deemed to have also appointed as proxies, jointly and successively, the Chairman of the General Meeting and, if the latter is subject to a conflict of interest, the Secretary of the General Meeting and, if the latter in turn is subject to a conflict of interest, the Deputy Secretary of the Board of Directors, if one has been appointed.

Article 14. Public solicitation of proxies

1. Whenever directors of the Company, depository agents or registrars solicit proxies for themselves or for others and, in general, whenever proxies are solicited publicly, the rules set forth in the laws and regulations applicable to public limited companies and, in particular, article 526 of the Spanish Companies Act and any other applying to listed companies, shall apply. In particular, besides the information specified in article 13 above, the document appointing the proxy shall contain general voting instructions for cases where no precise instructions are given, always subject to applicable laws and regulations.

2. Proxy solicitations conducted by the Board of Directors or any of its members shall state the representative's voting intention in case the shareholder gives no instructions.

3. Public solicitation of proxies shall be deemed to have occurred where the same person acts as proxy for more than three shareholders.

Article 15. Appointment of a financial intermediary as proxy

1. An entity that provides investment services, as a professional financial intermediary, may exercise the right to vote on behalf of its client, whether an individual or a corporation, when so appointed.

2. Within the seven calendar days before the day of the General Meeting of shareholders, the financial intermediary shall send the Company a list indicating the identity of each client and the number of shares in respect of which it will vote on the client's behalf.
3. The financial intermediary may receive voting instructions from its clients, which shall be recorded, together with the details of the clients, in the notice sent to the Company.
4. Entities that are registered as shareholders in the register of shares but that act on behalf of various persons may, if necessary, split their votes to comply with the voting instructions they have received.
5. Financial intermediaries may delegate the right to vote to each indirect holder or third party appointed by them, with no limit on the number of such appointments that may be made by any one financial intermediary.

Article 16. Planning, media and venue of the General Meeting

1. The Board of Directors may decide, in view of the circumstances, on the use of media or systems that allow more people to follow the General Meeting of shareholders more closely or that allow the proceedings to be broadcast more widely.
2. Specifically, the Board of Directors may:
 - (i) provide for simultaneous interpreting;
 - (ii) establish appropriate access control, security, protection and security measures;and
 - (iii) take measures to give shareholders with disabilities access to the hall in which the General Meeting of shareholders is held.
3. In the room or rooms in which the General Meeting of shareholders takes place,

attendees are prohibited from using still or video cameras, recording devices, mobile phones or similar, except where permitted by the Chairman of the General Meeting of shareholders. Control mechanisms may be installed at the entrance to the room or rooms in which the General Meeting of shareholders takes place to enforce this prohibition.

4. The General Meeting of shareholders shall be held in the municipality of the Company's registered office, at the place indicated in the notice of meeting. If the venue is not indicated in the notice of meeting, it shall be understood that the General Meeting of shareholders is to be held at the Company's registered office.

SECTION 2: CONSTITUTION OF THE GENERAL MEETING OF SHAREHOLDERS

Article 17. Constitution of the General Meeting of shareholders. Special cases

1. The General Meeting of shareholders shall be duly constituted on first call if shareholders holding at least 25 percent of the subscribed voting capital are present in person or by proxy. The General Meeting of shareholders shall be held on second call regardless of the percentage of capital represented by those present.

2. Without prejudice to the foregoing, for the General Meeting, ordinary and extraordinary, to be able to pass resolutions for the increase or reduction of the share capital and any other amendment to the Articles of Association, the issue of bonds and securities whose competence has not been legally attributed to another body of the Company, the exclusion or limitation of pre-emptive rights to acquire new shares, the transformation, merger, demerger or transfer of all assets and liabilities, and the transfer of the registered office abroad, it will be necessary shareholders holding at least 50 per cent of the subscribed voting capital must be present in person or by proxy on first call. On second call, the presence of shareholders holding 25 percent of the subscribed voting capital shall be sufficient, although when shareholders holding less than 50 per cent of the subscribed voting capital are present in person or by proxy, the resolutions referred to in this paragraph may only be passed if two-thirds of the capital present or represented at the General Meeting votes in favour.

3. Any absences that may occur after a General Meeting of shareholders has started shall not affect the validity of the meeting.
4. If under applicable regulations or the Articles of Association a resolution on one or more of the items on the agenda of the General Meeting of shareholders can only be passed if a certain percentage of the capital is present and that percentage is not reached on first call, the General Meeting of shareholders shall be held on second call. And if the quorum required to pass said resolutions is not present on second call, the General Meeting of shareholders shall confine itself, at second call, to deliberating on those items on the agenda that do not require the presence of said percentage of the capital for the passing of resolutions.
5. The provisions of this article shall be without prejudice to any qualified majorities that may be required under applicable laws and regulations or the Articles of Association for the holding of the General Meeting of shareholders or the passing of resolutions.

Article 18. Presiding Committee of the General Meeting

1. The Presiding Committee of the General Meeting shall be made up of the Chairman and Secretary, the members of the Company's Board of Directors and the notary, if the presence of a notary has been requested.
2. The General Meeting shall be chaired by the Chairman of the Board of Directors or, if the latter does not attend in person, the Vice-Chairman. If none of the above attend in person, the meeting shall be chaired by the longest-serving director, and if there is more than one longest-serving director, the eldest of them. In the absence of all the above, the General Meeting shall be chaired by the person appointed by the Presiding Committee.
3. The Chairman shall be assisted by a Secretary or Deputy Secretary, or both. The

position of Secretary of the General Meeting shall be held by the Secretary of the Board of Directors or, if the latter does not attend in person, the Deputy Secretary or, in his absence, the longest-serving director, and if there is more than one longest-serving director, the eldest of them. In the absence of all the above, the position of Secretary of the General Shareholders Meeting shall be filled by the person appointed by the Presiding Committee.

4. The Chairman, even when present at the meeting, may appoint the Secretary or a member of the Board of Directors to lead the debate. The Chairman may also request the assistance of any expert he or she considers appropriate.

Article 19. Organisation of the General Meeting of shareholders

It is the responsibility of the Chairman to declare the General Meeting of shareholders duly constituted, to govern and set the order of deliberations and speeches and the time allotted to each speaker in accordance with these Regulations, to end the debates when he considers a matter to have been debated sufficiently, to order the taking of votes, to resolve any doubts that may arise with regard to the agenda and the list of person attending, to declare resolutions to be passed, to close and, where necessary, adjourn the meeting and, in general, to exercise all the authority, including the authority to enforce order and discipline, that may be necessary to ensure that the meeting proceeds in an orderly manner, with the power to expel anyone who disrupts the normal conduct of the meeting, including the authority to interpret the provisions of these Regulations.

Article 20. Register of shareholders

1. In the place and on the day of the General Meeting of shareholders, on first or second call, from one hour before the time set for the start of the meeting (unless specified otherwise in the notice of meeting), shareholders or their representatives may present their attendance cards and, where applicable, the documents appointing them as proxies to the persons responsible for keeping the register of shareholders. Attendance

cards and proxy documents presented to the persons responsible for keeping the register of shareholders after the time set for the start of the General Meeting of shareholders shall not be accepted.

2. The register of shareholders present in person or by proxy shall be kept by persons appointed for that purpose by the Secretary of the General Meeting of shareholders, using whatever means are considered appropriate.

3. To the extent and as provided in the Articles of Association and these Regulations, shareholders who vote remotely shall be considered present for the purpose of constituting the General Meeting of shareholders.

Article 21. Preparation of the list of persons attending

1. Once the attendance cards and proxies have been registered and a quorum has been declared, the list of persons attending shall be drawn up.

2. Once the acceptance of attendance cards and proxies has ended, any shareholders or proxies who arrive at the General Meeting venue late shall be provided with an invitation, so that, if they so wish, they may follow the proceedings of the meeting (in the meeting room itself or, if considered appropriate by the Company to avoid confusion during the General Meeting, in an adjoining room from which the proceedings may be followed), but neither the shareholders nor the proxies who arrive late (nor the shareholders who appointed them) shall be included in the list of persons attending.

3. At the place, day and time set for the meeting to be held on first or second call, as the case may be, once the Presiding Committee has been formed and the list of persons attending has been drawn up, the General Meeting of shareholders shall start.

4. First, the Secretary shall give account of the notice of the meeting. After that, the Secretary shall read out the overall figures resulting from the list of persons attending, stating the number of shareholders with the right to vote (including those who have opted to vote remotely) present in person or by proxy, the number of shares present and represented and the percentage of capital they represent, specifying, where applicable, the percentage relating to shareholders with the right to vote. Next, the Chairman, if appropriate, shall declare the General Meeting of shareholders duly constituted on first or second call, as the case may be.

5. Once the General Meeting of shareholders has been declared duly constituted, without prejudice to their right to make any statements they see fit during the open debate, the shareholders may address the Secretary or, where appropriate, the notary, if one has been asked to attend, in order to place on record in the minutes of the General Meeting any reservation or objection they may have regarding the constitution of the General Meeting of shareholders or the overall figures resulting from the list of persons attending read out previously, without this entailing any delay, interruption or postponement of the normal progress of the meeting.

6. If the list of persons attending does not appear at the beginning of the minutes of the General Meeting of shareholders, it shall be attached to the minutes in an annexe signed by the Secretary of the General Meeting and countersigned by the Chairman of the General Meeting. The list of persons attending may also be prepared in the form of a computer file or may be recorded on an electronic medium. In such cases, the medium used shall be specified in the minutes and the identification note, signed by the Secretary of the General Meeting and countersigned by the Chairman of the General Meeting, shall be affixed to the sealed cover of the file or medium.

SECTION 3: SPEAKING BY SHAREHOLDERS

Article 22. Requests to speak

1. Once the General Meeting of shareholders is duly constituted, in order to organise the speaking turns, the Chairman shall ask the shareholders who wish to speak at the General Meeting in order to request information or clarifications in relation to the items

on the agenda or to submit proposals that they address the Secretary or, where appropriate, notary or, at the latter's instruction, the persons assisting them, stating their name and surname, the number of shares held by them and the shares they represent.

2. If a shareholder (or proxy) wishes to request that his speech be recorded verbatim in the minutes of the General Meeting of shareholders, he must deliver his speech in writing when giving his details to the Secretary or, where appropriate, the notary, or, at the latter's instruction, the persons assisting them, so that they may check it against the speech actually delivered by the shareholder.

3. The shareholders' turn to speak shall begin once the Presiding Committee has the list of shareholders who wish to speak, after any address or reports delivered to the meeting by the Chairman, the CEO, if there is one, the Chairmen of the various Board committees, other members of the Board of Directors or any other persons appointed by the Chairman for this purpose and always before the items on the agenda are debated and voted upon.

Article 23. Speaking by shareholders

1. Shareholders shall speak in the order in which they are called to speak by the Presiding Committee, once the order of speaking has been set by the Chairman of the General Meeting.

2. In the exercise of his powers to ensure that the General Meeting proceeds in an orderly manner, without prejudice to any other action he may take, the Chairman may:

- (i) set a time limit for each speaker, which initially shall be the same for all speakers;
- (ii) extend or reduce the time initially allotted to each speaker, based on the purpose and content of the speech;
- (iii) limit the time for which shareholders may speak when he considers that a matter has been sufficiently debated;
- (iv) ask speakers to clarify matters that have not been made sufficiently clear in their speech;
- (v) moderate the discussion to ensure that speakers confine themselves to the matters before the General Meeting and refrain from making improper statements or exercising their right in an abusive or obstructionist manner;
- (vi) warn speakers when their allotted time has nearly expired, so that they can adjust their speech accordingly, and withdraw the right to speak from any speaker whose allotted time has expired or who persists in the behaviour described in paragraph (v) above;
- (vii) ask shareholders to leave the premises or, where necessary, take whatever auxiliary measures he considers appropriate if he considers that a shareholder's speech may disrupt the normal progress of the meeting and
- (viii) accord or withdraw the right to speak, as he sees fit, to or from shareholders who wish to reply.

Article 24. Right of information during the General Meeting

1. When invited to speak, shareholders may request any information or clarifications they consider appropriate about the items on the agenda, the publicly

available information provided by the Company to the CNMV since the last General Meeting of shareholders or the external auditors' report. To do this, they must first have identified themselves as provided in article 22 above. Shareholders who, if applicable, attend by telematic means may request such information or clarifications as they deem appropriate regarding the matters set forth above under the terms provided in the notice of call in accordance with the applicable regulations. The answers to the shareholders or their representatives who, attending telematically, exercise their right to information during the Meeting will be

given during the meeting itself or in writing during the seven days following the end of the Meeting.

2. The directors shall be obliged to provide the information requested as described in the preceding paragraph in the form and within the time prescribed by applicable laws and regulations, except in the cases and with the requirements of article 9 of these Regulations, which are also applicable in this case.

3. The requested information or clarification shall be provided by the Chairman or, at the Chairman's instruction, by the CEO, if there is one, the Chairmen of the Board committees, the Secretary or Deputy Secretary, any director or, where appropriate, any employee or expert in the matter at hand. In each case, depending on the information or clarification requested, the Chairman shall determine whether the proper functioning of the General Meeting of shareholders is best served by providing the responses individually or grouped by subject matter.

4. If a shareholder's right to information cannot be satisfied during the General Meeting, the directors shall provide the requested information in writing within seven calendar days of the close of the General Meeting in question. Responses provided by the directors in writing shall be posted on the Company's corporate website.

Article 25. Adjournment and suspension of the General Meeting of shareholders

1. The General Meeting of shareholders may adjourn for one or more consecutive days, at the proposal of directors or shareholders representing at least one-fourth of the share capital present at the meeting. However many sessions may be held, the General Meeting of shareholders shall be treated as a single meeting, with one set of minutes for all the sessions. The requirements of applicable laws and regulations, the Articles of Association or these Regulations for the General Meeting to be duly constituted shall therefore not be repeated in successive sessions. If a shareholder who was included in the list of persons attending does not attend subsequent sessions, the majorities required in order to pass resolutions shall continue to be based on said list.

2. Exceptionally, in the event of disturbances that significantly disrupt the orderly progress of the meeting or any other extraordinary circumstance that temporarily interrupts or impedes the normal progress of the meeting, the Chairman of the General Meeting may suspend the session for an appropriate period, so that the necessary conditions for the meeting to continue can be re-established. The Chairman may also take whatever measures he considers appropriate to ensure the safety of those present and prevent the repetition of circumstances that interrupt or impede the normal progress of the meeting.

SECTION 4: VOTING AND DOCUMENTATION OF RESOLUTIONS

Article 26. Voting by means of distance communication

1. Shareholders who have the right to attend General Meetings may vote on the items on the agenda of any kind of General Meeting of shareholders using the following means of distance communication:

a) By postal correspondence, sending the duly completed and signed attendance

and voting card issued by the registrar or registrars to the Company, or by any other written medium which, in the judgment of the Board of Directors recorded

in a resolution previously adopted for that purpose and duly published, allows the identity of the shareholder who wishes to exercise the right to vote to be verified.

b) By such other means of distance communication as the Board of Directors shall determine on the occasion of the notice of each General Meeting of shareholders, provided the document exercising the voting right includes mechanisms which the Board of Directors, pursuant to a resolution previously adopted for that purpose and duly published, considers sufficient to authenticate and identify the shareholder who wishes to exercise the right to vote.

2. A vote cast using means of distance communication shall only be valid if it is received by the Company before 23:59 of the day immediately before the day set for the meeting on first call. The Board of Directors may set a shorter period for receipt of votes cast using means of distance communication.

3. Shareholders who vote using means of distance communication as provided in this article shall be considered present for the purpose of constituting the General Meeting of shareholders in question. Consequently, any proxies appointed previously shall be deemed to be revoked and any proxies appointed subsequently shall be deemed not to have been appointed.

4. The votes cast using means of distance communication referred to in this article shall

have no effect if:

a) They are subsequently expressly revoked using the same means used to cast the

vote and within the time set for voting.

b) The shareholder who casted the vote, or the representative of the legal-
~~person-~~

~~shareholder~~personshareholder, attends the meeting in person.

c) The shares that carry the right to vote are transferred and the Company receives notice of the transfer no less than five calendar days before the day of the General Meeting of shareholders.

5. When the vote has been cast by electronic means, the Company shall send the shareholder issuing the vote an electronic confirmation of the receipt of his vote. Notwithstanding the foregoing, within one month from the date of the General Meeting, the shareholder or its representative and the ultimate beneficiary may request from the Company a confirmation that the votes corresponding to its shares have been correctly recorded and accounted for by the Company, unless it already has this information. The Company must send this confirmation within the period established in the applicable regulations.

6. ~~5.~~ The Board of Directors has authority to develop the above provisions and establish such rules, means and procedures as are appropriate to the current state of technology, so as to allow shareholders to vote and appoint proxies by electronic means, in accordance with the laws and regulations on electronic communications and the provisions of the Articles of Association and these Regulations. Said means and procedures shall be published on the Company's corporate website. The Board of Directors shall take the necessary measures to verify that any person who voted or appointed a proxy by postal mail or electronic communication is authorised to do so, under the Articles of Association and these Regulations.

Article 27. Voting on proposed resolutions

1. Once the shareholders have spoken and any information or clarifications have been given, as provided in these Regulations, the resolutions on the agenda and any other resolutions that are not legally required to be included on the agenda shall be put to the vote, the Chairman deciding the order in which they shall be put to the vote.

2. Resolutions that have been published by the Company as provided in article 8 or that were provided to the shareholders at the beginning of the session do not need to be

read out by the Secretary. The persons attending shall be told to which item on the agenda the resolution that is to be voted on refers.

3. The General Meeting of shareholders shall vote separately on substantially independent matters, so that shareholders are able to express their preferences in each case. Even if included in the same item on the agenda, the following shall be voted separately: (i) the appointment, re-election or ratification (in case of co-optation) of directors, which shall

be voted individually; (ii) the advisory vote on the Annual report on directors' remuneration; and (iii) in resolutions to amend the Articles of Association, each substantially independent article or group of articles. However, where circumstances so advise, the Chairman may order that resolutions relating to various items on the agenda be voted on together, in which case the result of the vote shall be deemed to apply individually to each resolution if none of the persons attending has expressed a wish to change their vote on any resolution. Otherwise, any changes of votes by each person attending and the result of the vote on each resolution as a result of such changes shall be recorded in the minutes.

4. Resolutions shall be voted on in the order in which they are shown on the agenda published in the notice of meeting. Resolutions proposed by the Board of Directors shall be put to the vote first, followed by any resolutions proposed by other persons and any resolutions on matters that do not need to be included in the agenda, the Chairman deciding the order in which they shall be put to the vote. Once a resolution has been passed, all other resolutions on the same matter that are incompatible with the passed resolution shall be withdrawn and do not need to be voted on.

5. As a general rule, without prejudice to the Chairman's authority to use other alternative procedures and systems, shareholders' votes on the proposed resolutions shall be determined as follows:

a) In the case of resolutions included in the agenda published in the notice of meeting, all the shares present and represented shall be considered votes in favour, less any votes corresponding to: shares whose holders or representatives vote against, vote blank or abstain by communicating their vote or abstention to the Secretary or, where appropriate, the notary or the persons assisting them, so that it can be recorded in the minutes; shares whose holders vote against, vote blank or expressly abstain using the media referred to in these Regulations; shares whose holders or representatives have left the meeting before the vote on the resolution in question is taken and have placed their departure from the meeting on record with the notary or the persons assisting him (or, if no notary is present, the Secretary of the General Meeting).

b) Where the vote is on a resolution that is not included in the agenda published in the notice of meeting, all the shares present and represented shall be considered votes against, less any votes corresponding to: shares whose holders or representatives vote in favour, vote blank or abstain by communicating their vote or abstention to the notary (or, if no notary is present, the Secretary of the General Meeting) or the persons assisting them, so that it can be recorded in the minutes; shares whose holders have voted in favour or blank or who have expressly stated their wish to abstain using the means of communication referred to in these Regulations; shares whose holders or representatives have left the meeting before the vote on the resolution in question is taken and have placed their departure from the meeting on record with the notary or the persons assisting him (or, if no notary is present, the Secretary of the General Meeting).

c) Any communications or statements Secretary or, where appropriate, the notary or the persons assisting them provided for in paragraph (i) above giving instructions to vote or abstain shall be made individually for each resolution or jointly for some or all of the resolutions, giving Secretary or, where appropriate,

the notary or the persons assisting them, details of the person (shareholder or proxy) giving the instructions, the number of shares concerned and whether the vote is in favour, against or abstained.

Article 28. Conflicts of interest

1. Shareholders may not exercise the voting rights attached to their shares when the purpose of the resolution to be voted on is to:

- a) Release them from an obligation or grant them a right;
- b) Provide them with any kind of financial assistance, including the provision of guarantees; or
- c) Exempt them from the obligations arising from the duty of loyalty, in accordance with applicable regulations.

Article 29. Passing of resolutions and closing of the General Meeting of shareholders

1. Resolutions of the Meeting will be adopted by simple majority of capital of the votes of the shareholders present or by proxy in the General Meeting, being understood to be adopted when more votes are obtained in favour than against of the share capital present or by proxy, except where applicable laws and regulations or the Articles of Association require a larger majority

2. The Chairman shall declare resolutions to be passed when he or she has confirmation of the existence of sufficient votes in favour; notwithstanding, the votes or abstentions of any shareholders present who so indicate to the notary (or, where applicable, the Secretary or the persons assisting him) shall be placed on record in the minutes.

3. Once the voting on the resolutions is complete and the Chairman has announced the results, the General Meeting of shareholders shall come to an end and the Chairman

shall declare the session closed.

Article 30. Qualified majorities

Nevertheless, the agreements referred to in article 17.2 shall be adopted by absolute majority if the share capital present or by proxy is over fifty percent. However, favorable vote of ~~twothirds~~twothirds majority of the present or by proxy share capital at the General Meeting shall be required when, at second call, twenty-five percent but less than fifty percent of the subscribed share capital with voting rights is in attendance.

The foregoing does not apply to cases in which the applicable regulation or the Articles of Association specify a higher majority.

Article 31. Minutes of the General Meeting of shareholders

1. The resolutions of the General Meeting of shareholders shall be recorded in minutes, which shall be set down or transcribed in the book of minutes kept for that purpose. The minutes may be approved at the end of the same General Meeting of shareholders or, within the time specified in the laws and regulations applicable to the Company, by the Chairman and two representatives, one representing the majority and the other, the minority.
2. The minutes approved in either of these ways shall be effective from the date of approval.
3. The Board of Directors may request the presence of a notary to keep a record of the General Meeting of shareholders and shall be obliged to do so if requested, at least five calendar days before the day set for the meeting, by shareholders representing at least one percent of the share capital. Likewise, in the event that the General Meeting of the Company is held exclusively by telematic means, the minutes of the meeting shall be drawn up by a Notary Public.

4. The notarial record shall be considered to be the minutes of the General Meeting of shareholders and shall not require approval by the meeting.

Article 32. Publication of resolutions

In addition to having any resolutions that must be recorded by the Registrar of Companies so recorded and without prejudice to any applicable legal provisions regarding the publication of corporate resolutions, the Company shall notify the CNMV of the resolutions that have been passed through the filing of a notice of material event. The text of the resolutions and the results of voting relating to the General Meetings held during the current and the previous year shall be published in full on the Company's corporate website within five calendar days of the end of the General Meeting of shareholders concerned.

TITLE V. APPROVAL AND AMENDMENT

Article 33. Approval and amendment

These Regulations and any subsequent amendments thereto shall be approved by the General Meeting of shareholders, which, for the purposes specified in this article, shall be considered to be duly constituted on first call when shareholders holding at least 25 per cent of the subscribed capital with voting rights are present in person or by proxy. The General Meeting of shareholders shall be held on second call regardless of the percentage of capital represented by those present.

The Board of Directors may make proposals to the General Meeting of shareholders to amend these Regulations when it considers it necessary or appropriate, in which case the proposal shall be accompanied by a statement setting out the grounds for the proposal.

~~Single Transitional Provision~~

~~The provisions of these Regulations shall not apply to General Meetings of Shareholders of the Company convened by unanimous consent of all the members before the Company's shares are admitted to trading on the exchanges.~~

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.



**REGULATIONS
OF THE BOARD OF
DIRECTORS OF NEINOR
HOMES, S.A.**

April 13, 2022

CONTENTS

Article 1. Origin, purpose and validity	48
Article 2. Interpretation	48
Article 3. Amendment	49
Article 4. Dissemination.....	49
TITLE II. ROLE OF THE BOARD.....	50
Article 5. Responsibilities of the Board	50
Article 6. Corporate interest	55
TITLE III. COMPOSITION OF THE BOARD.....	56
Article 7. Number of directors	56
Article 8. Types of directors.....	56
TITLE IV. STRUCTURE OF THE BOARD OF DIRECTORS	57
Article 9. The Chairman.....	57
Article 10. The Vice-Chairman.....	58
Article 11. Secretary and Legal Counsel to the Board of Directors.....	58
Article 12. Deputy Secretary of the Board of Directors.....	60
Article 13. Delegate and consultative bodies	61
Article 14. Audit and Control Committee. Composition, responsibilities and functioning	62

Article 15. Appointments and Remuneration Committee. Composition, responsibilities and functioning.....	70
TITLE V. FUNCTIONING OF THE BOARD.....	73
Article 16. Meetings of the Board of Directors.....	73
Article 17. Conduct of meetings	74
Article 18. Annual assessment	76
TITLE VI. APPOINTMENT AND REMOVAL OF DIRECTORS.....	77
Article 19. Appointment and re-election of directors.....	77
Article 20. Term of office.....	78
Article 21. Removal of directors	79
Article 22. Objectivity of voting	81
TITLE VII. INFORMATION TO BE PROVIDED TO DIRECTORS	81
Article 23. Authority to request information and carry out inspections.....	81
Article 24. Expert advice and professional development programmes.....	81
TITLE VIII. REMUNERATION OF DIRECTORS.....	82
Article 25. Remuneration of directors	82
TITLE IX. DIRECTORS' DUTIES	84
Article 26. General obligations of directors	84
Article 27. Directors' duty of confidentiality	86
Article 28. Non-competition obligation	86

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

Article 29. Conflicts of interest	87
Article 30. Use of the Company's assets.....	89
Article 31. Non-public information.....	89
Article 32. Business opportunities	89
Article 33. Indirect transactions	90
Article 34. Directors' duty of disclosure	90
Article 35. Transactions with directors and significant shareholders	91
TITLE X. POLICY ON INFORMATION AND BOARD RELATIONS	92
Article 36. Website.....	92
Article 37. Relations with shareholders	93
Article 38. Relations with the markets	94
Article 39. Relations with the external auditors	95
Article 40. Relations with the Company's managerial employees	96
Single Transitional Provision	Error! Bookmark not defined.

REGULATIONS OF THE BOARD OF DIRECTORS OF NEINOR HOMES, S.A.

TITLE I. PREAMBLE

Article 1. Origin, purpose and validity

1. These regulations (the “**Regulations**”) have been approved by the Board of Directors of Neinor Homes, S.A. (the “**Company**”), which has reported on them to the General Meeting and on the proposal of the Chairman of the Board, in compliance with article 528 of the recast Capital Companies Act, enacted by Legislative Royal Decree 1/2010 of 2 July (the “**Capital Companies Act**”). The purpose of these Regulations is to determine the principles that are to guide the work of the Board of Directors, as well as Board’s basic rules of organisation and operation and the standards of conduct applicable to its members.
2. The standards of conduct established in these Regulations for the Company’s directors shall also apply to the Company’s managerial employees insofar as they are compatible with the managers’ specific roles and the activities they carry out. For the purposes of these Regulations, “managerial employees” are managers who report directly to the Board of Directors or the Chief Executive Officer (CEO), if there is one, as well as, in any case, the Company’s head of internal audit.
3. These Regulations entered into force on the date of admission to trading of the shares of the Company on the Spanish Stock Exchanges and their subsequent amendments shall come into force on the date of approval by the Board of Directors, without prejudice to the formal applicable obligations of communication and registration.

Article 2. Interpretation

1. These Regulations supplement the regulations established in current laws and in the Company’s Articles of Association that are applicable to the Board of Directors. They are to be interpreted in accordance with applicable laws and the Articles of Association and with the principles and recommendations on the

corporate governance of listed companies approved or issued by the authorities of Spain and other countries in its sphere in force from time to time or by special committees or task forces set up upon the order of the abovementioned authorities.

2. The Board of Directors shall resolve any doubts that may arise in the application and interpretation of these Regulations in accordance with general criteria for the interpretation of rules of law and in accordance with the Articles of Association and the Good Governance Code prepared by the National Securities Commission, in all cases with a view to ensuring the best management of the Company, consolidating an ethical, transparent and effective corporate governance model, and promoting the long-term success and sustainability of the Company.

Article 3. Amendment

1. These Regulations may only be amended at the request of the Chairman of the Board of Directors, one-third of the directors or one-third of the Audit and Control Committee, who shall always accompany their amendment proposal with a memorandum setting out the grounds for the proposal and a report prepared by the Audit and Control Committee, except where the proposal originates from said committee.
2. The text of the proposal and the explanatory memorandum shall be attached to the notice of the Board meeting at which the proposal is to be discussed. The meeting shall be called with at least 48 hours' notice.
3. Any resolution to amend these Regulations shall require an absolute majority of the directors present at the meeting in person or by proxy.
4. These Regulations shall be updated whenever necessary to adapt their content to applicable laws and regulations.

Article 4. Dissemination

1. The directors and managerial employees have the obligation to know, comply with and enforce these Regulations and amendments thereto. To that end, the Secretary

of the Board shall provide all directors and managerial employees with a copy of the Regulations at the time they accept their appointment or are effectively hired, as the case may be. Directors and managerial employees shall deliver to the Secretary a signed statement indicating that they know and accept the content of these Regulations and undertake to fulfil their obligations hereunder.

2. Without prejudice to compliance with the obligations established by the laws and regulations in force from time to time, the Company's Board of Directors shall take the necessary measures to disseminate the Regulations among the shareholders and the investing public in general and, in particular, to communicate it to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores* or *CNMV*). Once this communication has been carried out, the Regulations will be registered with the Commercial Registry in accordance with general rules and, once registered, been made public by the CNMV. Likewise, the current version of these Regulations will be made available on the corporate website.

TITLE II. ROLE OF THE BOARD

Article 5. Responsibilities of the Board

1. The Board of Directors has authority in all matters that are not assigned by law or under the Articles of Association to the General Meeting of shareholders.
2. The Board of Directors, which has the broadest powers and authority to operate, manage, govern and represent the Company, will as a general rule delegate the ordinary management of the Company to the delegate governing bodies and the management team, establishing the content, limits and modes of the delegation, and shall concentrate its activity on the general oversight function and the consideration of matters that are of particular importance to the Company.
3. Powers that are reserved by law or under the Articles of Association to the Board of Directors and any other powers that are necessary in order for the Board to

exercise its general oversight function in a responsible manner shall not be delegated.

4. Without prejudice to the legal authority to delegate and grant powers of attorney for the execution of any specific resolutions that may have been adopted, the Board of Directors shall exercise the following responsibilities and authorities directly, either at its own initiative or at the proposal of the appropriate internal body:
 - (i) Draft the Company's financial statements, the management report and proposed allocation of the financial results, and the consolidated accounts and consolidated management report for presentation to the General Meeting of shareholders.
 - (ii) Call the General Meeting of shareholders and publish announcements relating to the General Meeting, the drafting of the agenda.
 - (iii) Authorise or waive obligations arising from the duty of loyalty, in accordance with the provisions of applicable law.
 - (iv) Execute the Company's policy on treasury shares within the framework of the authority granted by the General Meeting.
 - (v) Formulate dividend policy, submit proposals to the General Meeting regarding the allocation of profit and decide on the resolution on the payment of interim dividends.
 - (vi) Appoint directors by co-option and submit proposals to the General Meeting for the appointment, ratification and re-election of directors that do not classify as independent, after consideration of a report by the Appointments and Remuneration Committee, and proposals for the removal of directors, as well as acknowledging the resignations of any director.

- (vii) Approve a director selection policy that is specific and verifiable, ensures that appointment and re-election proposals are based on a prior analysis of the Board of Directors' needs and contributes to diversity of knowledge, experience and gender.
- (viii) Approve the remuneration of each director, based on a proposal from the Appointments and Remuneration Committee, in accordance with the remuneration policy approved by the General Meeting of shareholders.
- (ix) Appoint, remove and approve agreements to terminate the CEOs and approve any contracts to be entered into between the Company and directors who are given executive functions, which will specify the remuneration directors may earn for performing those functions with the vote majority set out for these purposes in article 17.4 of these Regulations.
- (x) Appoint and reappoint the officers of the Board of Directors and the members and officers of Board committees.
- (xi) At the proposal of the Company's CEO, after consideration of a report by the Appointments and Remuneration Committee, appoint, remove and approve agreements to terminate the managerial employees and approve their indemnity clauses.
- (xii) Approve the remuneration policy for the Company's managerial employees and the basic terms of their contracts and agreements to terminate, at the proposal of the CEO, if there is one, after consideration of a report by the Appointments and Remuneration Committee.
- (xiii) Approve the financial and non-financial information which the Company, as a publicly listed company, must publish at certain intervals, and the supervision of its elaboration and presentation process.
- (xiv) The determination of the Company's tax strategy.

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

- (xv) Approve any investments, divestments or transactions of any kind which, because of their amount or special characteristics, have strategic importance or entail special tax risks, unless they require the approval of the General Meeting of shareholders.
- (xvi) Create or acquire interests in special purpose entities or entities resident in countries or territories considered to be tax havens and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.
- (xvii) The approval and delegation for the approval of related transactions, subject to a mandatory report from the Audit and Control Committee, except when their approval corresponds to the General Shareholders' Meeting, according to the legislation in force from time to time.
- (xviii) Ensure that related party transactions are disclosed in accordance with the law.
- (xix) The approval and delegation for the approval of intra-group transactions, as provided by law, unless their approval corresponds to the General Shareholders' Meeting.
- (xx) Issue an opinion on any tender offer made for securities issued by the Company.
- (xxi) Prepare the Company's annual corporate governance report, the sustainability report and the annual directors' remuneration report.
- (xxii) Once a year, assess the quality and efficiency of the work done by the Board of Directors and the quality and efficiency of the Board committees, based on the reports they issue.
- (xxiii) Approve and amend these Regulations, after consideration of a report by the Audit and Control Committee.

- (xxiv) All the powers delegated by the General Shareholders Meeting. These powers will not be, in turn, able of further delegations by the Board, unless expressly stated in the resolution of the General Shareholders Meeting.
 - (xxv) Ultimate responsible for the existence and maintenance of an adequate and effective internal control systems of financial information (*sistemas de control interno de la información financiera -SCIIF-*).
 - (xxvi) Any other matter that the Board of Directors Regulations or the Capital Companies Act reserve for the consideration of the full Board.
5. Under no circumstances the Board of Directors may delegate those powers that, according to the legislation in force from time to time, are considered non-delegable.
6. The core of the Board of Directors' mission is to approve the Company's strategy and the organisation that is needed in order to put that mission into effect and to oversee managerial employees so as to ensure that it meets the stated objectives and serves the purpose and best interests of the Company.

To this end, the full Board of Directors reserves the authority to approve the general policies and strategies of the Company, in particular, (i) the strategic or business plan and the annual management objectives and budget; (ii) the investment and financing policy; (iii) the definition of the structure of the corporate group; (iv) the corporate governance policy; (v) the corporate social responsibility policy; (vi) the policy on the control and management of risks, including tax risks, and the periodic monitoring of internal information and control systems; (vii) the dividend policy and the treasury shares policy, particularly their limits; (viii) the director selection policy; (ix) the general policy for the communication of economic-financial, non-financial and corporate information and contacts with shareholders, institutional investors and proxy advisors and (x) the Succession Plan for the Chairman and Chief Executive Officer of the Company.

7. The Board of Directors will be responsible for agreeing on the emission and admission to trading of the bonds, as to agree to grant guarantees of the emissions of the bonds, in accordance with the provisions of the Articles of Association.
8. Regarding the subsidiaries that may be part of the Company's group and within the limits set by the applicable law; the Board of Directors will have the power to set the bases for an efficient and appropriate coordination between the Company and its subsidiaries. However, the Board of Directors will not affect the autonomy of the management bodies of its subsidiaries, taking into consideration the corporate interests of the Company and of the companies of the group.
9. Without prejudice of the above, the Board of Directors shall obtain the favorable report of the Land Investment Committee for the approval of any acquisition of land for property development in those cases in which the Internal Charter of the Commission requires such report.
10. When there are urgent circumstances, duly justified, the decisions corresponding to the above matters may be adopted by the Chief Executive Officer, which must be ratified at the first Board of Directors meeting to be held after the adoption of the decision.

Article 6. Corporate interest

The Board of Directors shall perform its functions with unity of purpose and independence of judgment, dispensing the same treatment to all equally entitled shareholders and being guided by the Company's best interest, this latter being understood as the achievement of a business that is profitable and sustainable in the long run and that promotes the Company's long-term survival and maximises its economic value.

The Board of Directors, without prejudice to the protection awarded by the business discretion, shall also seek to reconcile the corporate interest with the legitimate interests of any stakeholders who may be affected, while respecting applicable laws and regulations, fulfilling its obligations and contracts in good faith, respecting the customs

and good practices of the industries and countries in which it operates and observing any other additional principles of social responsibility that it has freely accepted.

TITLE III. COMPOSITION OF THE BOARD

Article 7. Number of directors

1. The Board of Directors shall be made up of no fewer than five and no more than 15 members, the exact number to be determined by the General Meeting of shareholders.
2. The Board shall propose to the General Meeting of shareholders the number it considers most appropriate in the Company's changing circumstances, within the limits set by the Articles of Association, for the proper representative and the effectively work of the body, favoring diversity and the appropriate balance of experience and knowledge to enrich decision-making and contribute plural points of view to the debate of the matters dealt with.

Article 8. Types of directors

1. In exercising its powers to propose directors to the General Meeting of shareholders and to co-opt directors to fill vacancies, the Board of Directors shall ensure that, as far as possible, on the composition of the body, proprietary and independent directors represent a majority of the Board of Directors, attempting that the number of independent directors represent at least one third of the members of the Board of Directors. In addition, it shall be attempted that the number of executive directors is the minimum necessary, taking into account the complexity of the corporate group and the ownership interests of the executive directors in the capital of the Company.
2. The definitions of the different categories of directors shall be those established in applicable laws and regulations or, failing that, in the good corporate governance recommendations applicable to the Company at any given time.

3. The Board shall endeavour to ensure that the ratio of proprietary directors to independent directors reflects the ratio of the shares represented by proprietary directors to the rest of the Company's shares.
4. The Board shall avoid any discrimination between shareholders as regards their access to the Board of Directors through proprietary directors, ensuring that the selection procedures of its members favours as far as possible the diversity of knowledge, experience, age and gender.
5. The Board shall explain to the General Meeting of shareholders the classification of each director that is to be appointed or whose appointment is to be ratified at the meeting. These classifications shall be confirmed or amended, as the case may be, in the annual corporate governance report, once they have been verified by the Appointments and Remuneration Committee. If there is an external director that cannot be considered to be either proprietary or independent, the Company shall explain this circumstance and the person's relationship, whether with the Company or its executives or with the Company's shareholders.

TITLE IV. STRUCTURE OF THE BOARD OF DIRECTORS

Article 9. The Chairman

1. The Chairman of the Board of Directors shall be elected from among the Board's members, after consideration of a report by the Appointments and Remuneration Committee, in accordance with the Company's Articles of Association.
2. The Chairman shall call and chair meetings of the Board of Directors, draw up the agenda for its meetings, chair the General Meeting of shareholders, ensure that directors receive sufficient advance information to be able to deliberate on the items on the agenda, lead the discussion and stimulate debate and active participation.

However, the Chairman shall call a meeting of the Board of Directors in the case provided in article 11.5 of these Regulations and when so requested by at least

onethird of the directors, stating the business to be considered at the meeting, in which case a meeting of the Board of Directors shall be called by the Chairman to be held within 15 calendar days of the date of the request. If 15 calendar days after receipt of the request the Chairman has not called a meeting of the Board, the meeting shall be called by the Vice-Chairman, when has been appointed. Notwithstanding this, directors may directly call a meeting in accordance with the law.

3. As the person responsible for the effective functioning of the Board of Directors, besides exercising the functions vested in him by law and under the Articles of Association, the Chairman shall (i) prepare and submit to the Board of Directors a schedule of dates and items of business to be transacted; (ii) organise and coordinate the periodic assessment of the Board; (iii) be responsible for guiding the Board and ensuring that it works effectively; (iv) ensure that sufficient time is devoted to discussion of strategic matters; and (v) agree on and review the professional development programme for each director, when circumstances so advise.

Article 10. The Vice-Chairman

After consideration of a report by the Appointments and Remuneration Committee, the Board may appoint one or more Vice-Chairmen. Where more than one Vice-Chairman is appointed, each shall be assigned a number. The Vice-Chairman shall take the Chairman's place if the post falls vacant or the Chairman is absent or ill, and when the Chairman so decides. If there is more than one Vice-Chairman, the Vice-Chairmen shall replace the Chairman in the order in which they are numbered.

Article 11. Secretary and Legal Counsel to the Board of Directors

1. At the proposal of its Chairman and after consideration of a report by the Appointments and Remuneration Committee, the Board of Directors shall elect a Secretary, who shall be a Board member or a non-Board member who has the

necessary aptitude to perform the functions of the Secretary's position. Where the Secretary of the Board is not a director, he or she shall have the right to speak but not to vote.

To safeguard the Secretary's independence, impartiality and professionalism, the appointment and removal of the Secretary shall be approved by the full Board of Directors, after consideration of a report by the Appointments and Remuneration Committee.

2. The Secretary shall assist the Chairman in his tasks and shall provide for the proper functioning of the Board. In particular, the Secretary shall provide the directors with the necessary advice and information, helping the Chairman ensure that the directors receive the information that is relevant to the exercise of their function sufficiently in advance and in an appropriate format, have custody of corporate documents, faithfully record the proceedings of Board meetings in the minutes book and attest to the resolutions of the Board. The Secretary shall also include in the minutes of Board meetings a record of any concerns raised by directors in relation to the running of the Company that are not resolved by the Board of Directors meeting and any concerns raised by the Secretary or directors in relation to any proposal, when so requested by the person who raised the concern.
3. The Secretary shall take special care to ensure that the actions and decisions of the Board of Directors (i) adhere to the law and applicable regulations; (ii) are consistent with the Articles of Association and the Regulations of the General Meeting of shareholders and the Board of Directors and the Internal Code of Conduct in Securities Markets; and (iii) give due consideration to any recommendations on good governance that may be applicable to the Company.
4. The Board of Directors shall have a Legal Counsel to the Board of Directors, who shall have the functions assigned to him by applicable law. The Secretary or the Deputy Secretary, as the case may be, may act as Legal Counsel to the Board of

Directors if he or she is a lawyer and meets the other requirements stated in applicable law.

5. Where the Chairman of the Board of Directors exercises executive functions, the Board of Directors, with the abstention of the executive directors, shall necessarily appoint a coordinating director from among the independent directors, who shall have special authority to:
 - (i) Request that the Chairman of the Board of Directors call a meeting of the Board when the independent coordinating director considers it appropriate.
 - (ii) Request that items be added to the agenda of meetings of the Board of Directors.
 - (iii) Coordinate, meet with and voice the opinions of the external directors.
 - (iv) Lead the periodic assessment of the Chairman of the Board of Directors and coordinate the succession plan for the Chairman.
 - (v) Chair the Board of Directors in the absence of the Chairman and ViceChairmen, if any.
 - (vi) Be in contact with investors and shareholders to know their views and form an opinion as to their concerns, in particular as regards the Company's corporate governance.
 - (vii) Coordinate the Chairman's plan of replacement.

Article 12. Deputy Secretary of the Board of Directors

1. The Board of Directors may appoint a Deputy Secretary, who need not be a director, to assist the Secretary of the Board or to perform the Secretary's functions in the Secretary's absence or any other functions or offices held by the Secretary within the Board, including any committees or internal working groups created within the Board of Directors.

To safeguard the Deputy Secretary's independence, impartiality and professionalism, the appointment and removal of the Deputy Secretary shall be approved by the full Board of Directors, after consideration of a report by the Appointments and Remuneration Committee.

2. Unless decided otherwise by the Board of Directors, the Deputy Secretary may attend meetings of the Board in order to assist the Secretary in drafting the minutes of the session and in the other advising faculties of these Regulations.

Article 13. Delegate and consultative bodies

1. Without prejudice to any powers of attorney that may be granted to any person, the Board of Directors may form an Executive Committee, made up of no fewer than five and no more than eight members and at the proposal of the Chairman of the Board may also appoint a CEO, to whom it may wholly or partly delegate all the powers that the law allows it to delegate, either temporarily or permanently. Any such delegation and any appointment of directors to hold such posts shall require a two-thirds majority of the Board of Directors and shall have no effect until it is duly recorded by the Commercial Registry (*Registro Mercantil*).
2. The Board of Directors shall endeavour to ensure that, as far as possible, the composition of the Executive Committee includes at least two non-executive directors, one of whom shall be independent. The Chairman and Secretary of the Executive Committee will be the Chairman and Secretary of the Board of Directors, respectively.
3. The Chairman of the Executive Committee shall report to the Board of Directors on the matters discussed and the resolutions adopted in its sessions, at which minutes shall be taken, a copy of which shall be sent to all the directors.
4. In addition, an Audit and Control Committee, an Appointments and Remuneration Committee and a Land Investment Committee shall be created and given authority to report, supervise, advise and make proposals in matters under their responsibility, as specified in these Regulations and in the corresponding internal

regulations of each committee approved, where appropriate, by the Board of Directors.

5. The Board may also create other committees with consultative or advisory functions, although these committees may also, exceptionally, be given decision-making authority. The Chairman, the Secretary and the remaining members of such committees shall be appointed by a simple majority of the Board of Directors.
6. The committees created by the Board of Directors will be governed by this Regulations and by their respective internal regulations.
7. Without prejudice of the foregoing, and in accordance with the provisions included in article 41 of the Articles of Association, any resolution modifying the internal regulations or the rules regarding the composition or the powers of the Land Investment Committee, as well as the resolutions regarding the appointment or termination of its members, will required the favorable vote of, at least, two thirds of the members of the Board.

Article 14. Audit and Control Committee. Composition, responsibilities and functioning

1. The Board of Directors shall create a standing Audit and Control Committee, as an internal reporting and consultative body with no executive functions but with authority to report, advise and make proposals within the scope of its activities, as indicated in this article. The Audit and Control Committee shall be made up of no fewer than three and no more than five directors, appointed by the Board of Directors itself, all of whom shall be non-executive directors. All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters, both financial and non-financial. Likewise, as a whole, the members of the committee shall have the relevant technical knowledge in relation to the sector of activity to which the audited entity belongs, in this case, the real estate sector.

2. The Board of Directors will also appoint its Chairman as well as the Chairman of the Audit and Control Committee from among the independent directors that are members of that Committee. In addition, the Board of Directors also may appoint a ViceChairman if deemed appropriate, being applicable to the appointment of the ViceChairman the provisions for the appointment of the Chairman.
3. The position of Secretary of the Audit and Control Committee will be performed by the person appointed by the Board of Directors. The Secretary of the Audit and Control Committee may not be a member of such Committee, in which case it may not be a member of the Board of Directors. The Secretary of the Audit and Control Committee may be the Secretary of the Board of Directors or different to the Secretary of the Board of Directors.
4. The directors who sit on the Audit and Control Committee shall continue to hold their post for so long as they remain directors of the Company, unless the Board of Directors resolves otherwise. The renewal, re-election and removal of directors who serve on the Audit and Control Committee shall be governed by the resolutions of the Board of Directors.

The position of Chairman shall be held for a maximum of three years, at the end of which the Chairman may not be re-elected as Chairman until one year has passed after leaving office, although he or she may continue or be re-elected as a member of the committee.

5. In addition to any other tasks that may be assigned to it from time to time by the Board of Directors, the Audit and Control Committee shall exercise the following basic functions:
 - (i) Report to the General Meeting of shareholders on matters raised by shareholders in the General Meeting that fall under its responsibility and, in particular, in relation to the result of the audit, explaining how it has contributed to the integrity of the financial information and the role that the Committee has performed in this process.

- (ii) Identify, supervise and evaluate the effectiveness of the internal control of the Company and its group, the internal audit and their systems for managing risks, both financial and non-financial relating to the Company and, where appropriate, the group - including tax, operational, technological, legal, social, environmental, political and reputational risks, and risks relating to corruption - and analyze, in collaboration with the auditors, any significant weaknesses of the internal control system detected during the external audit, without affecting its independence. For these purposes and, if applicable, they may present recommendations or proposals to the Board and the corresponding term for its monitoring.
- (iii) Supervise and evaluate the preparation and presentation of the statutory financial and non-financial information relating to the Company and, if applicable, to the Group, reviewing compliance with regulatory requirements, the accurate delimitation of the consolidation perimeter, and the correct application of accounting principles. and present recommendations or proposals to the Board of Directors directed to safeguard its integrity.
- (iv) To assist the Board of Directors in the supervision of the process of preparation and presentation of the mandatory financial and non-financial information and to submit recommendations or proposals to the Board of Directors, aimed at safeguarding the integrity of such information.
- (v) Make proposals to the Board of Directors, for submission to the General Meeting of shareholders, regarding the selection, appointment, re-election and replacement of the external auditors, taking responsibility of the process of selection, in accordance with applicable laws and regulations, as well as the terms of the audit engagement, and regularly gather information from the external auditors regarding the audit plan and its execution, while also preserving the auditors' independence in the exercise of their functions.

- (vi) Supervise the activity of the Company's internal audit function reporting organically to the Chairman of the Audit and Control Committee and monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit function; propose the function's budget; approve or make a proposal for approval to the Board of the priorities and annual work programme of the internal audit unit, ensuring that it focuses primarily on the main risks the Company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
- (vii) Establish appropriate relationships with the external auditors in order to receive information, for examination by the Audit and Control Committee, on matters that may threaten the auditors' independence and any other matters relating to the audit process, and, where applicable, the authorization of the services other than those prohibited in the terms set out by applicable law, as well as any other communications provided for in audit legislation and other audit standards. In any event, the Audit and Control Committee shall receive, each year, written confirmation from the external auditors of their independence from the Company and entities directly or indirectly related to it and individualized and detailed information about any additional services of any kind rendered and the corresponding fees received from this entities by the external auditor or by the persons or entities related to it, in accordance with audit legislation.
- (viii) Issue a report each year, prior to the audit report, expressing an opinion on whether the independence of the external auditors or audit companies is jeopardized. This report shall give an opinion on the provision of the additional non-audit services referred to in the preceding paragraph, both individually considered and as a whole, and in relation to the auditors' independence regime or to the audit regulations.

- (ix) Report to the Board of Directors, prior to Board meetings, on all matters provided by law, the Articles of Association or the Board of Directors Regulations and, in particular, on the following matters: (i) the financial information and the management report, which shall include, where appropriate, the mandatory non-financial information that the Company must publish periodically and (ii) the creation or acquisition of interests in special purpose vehicles or entities domiciled in countries or territories considered to be tax havens.
- (x) Report on related party transactions to be approved by the General Shareholders' Meeting or the Board of Directors, as the case may be, and supervise the internal procedure for transactions whose approval has been delegated.
- (xi) Report on the acquisitions that entail or may entail a conflict of interest.
- (xii) Report on any corporate structural modification intended to be carried out, its economic conditions and its accounting implications, specially, where appropriate regarding the applicable exchange rate.
- (xiii) Establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance of any nature, that they notice within the Company or its group. confidentially report any potentially serious irregularities within the Company, especially financial or accounting irregularities, as well as those that could entail criminal responsibility for the Company.
- (xiv) In general, ensure that the internal control policies and systems established are applied effectively in practice.
- (xv) Ensure that the preparation of annual accounts by the Board of Directors are drawn up in accordance to accounting legislation. Furthermore, in those cases where the auditors includes any qualification in its report, the

Chairman of the audit committee should give a clear explanation at the general meeting of their opinion regarding the scope and content, making a summary of that opinion available to the shareholders at the time of the publication of the notice of the meeting, along with the rest of proposals and reports of the Board.

(xvi) Supervise compliance with the policies and rules of the Company in the environmental, social and corporate governance areas, and internal rules of conduct. In particular, the Committee shall be responsible for:

(i) Supervise compliance with the Company's internal codes of conduct and corporate governance rules, and ensure that the corporate culture is aligned with its purpose and values.

(ii) Monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored.

(iii) Periodically evaluate the effectiveness of the Company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.

(iv) Ensure the Company's environmental and social practices are in accordance with the established strategy and policy.

(v) Monitor and evaluate the Company's interaction with its stakeholder groups.

6. Additionally, the Audit and Control Committee will be empowered to carry out all those faculties provide for in the Internal Charter of the Audit and Control Committee approved, where appropriate by the Board of Directors. In addition, it

shall assume the functions of the Audit and Control Committee contemplated at any time in the legislation in force.

7. The Audit and Control Committee shall meet quarterly in ordinary session to review the periodic financial information that must be mandatorily submitted to the stock market authorities, or that the Board may voluntarily decide to publish, as well as the information the Board of Directors must approve and include in its annual public documentation. It shall also meet at the request of any of its members and when convened by its Chairman, who must call a meeting whenever the Board of Directors or its Chairman requests the issuance of a report or the adoption of proposals and whenever necessary for the proper performance of its functions.
8. Meetings of the Audit and Control Committee shall be duly convened when a majority of the members are present in person or by proxy and resolutions shall be adopted by absolute majority vote. In the event of a tie, the Chairman of the Audit and Control Committee shall not have a casting vote.
9. Minutes shall be taken of the committee's meetings and a copy of the minutes shall be sent to all the members of the Board of Directors.
10. The Audit and Control Committee shall prepare an annual report on its activities, highlighting any material incidents that have occurred in relation to its specific functions. Where the Audit and Control Committee considers it appropriate, said report may also include proposals aimed at improving the Company's rules of governance.
11. The Audit and Control Committee may call any member of the management team and any Company employee to attend its meetings, even without the presence of any other managerial employees. Any person called to attend shall be obliged to come before the Audit and Control Committee, collaborate with the committee and provide any information they may have at their disposal. The committee may also call on the external auditors to attend its meetings.

12. Where considered necessary to enable it to perform its functions more effectively, the Audit and Control Committee may take advice from outside experts.
13. The Company shall have an internal audit department, which, under the supervision of the Audit and Control Committee, shall oversee the proper functioning of the information and internal control systems. The internal audit function shall report functionally to the non-executive Chairman of the Board or to the Chairman of the Audit and Control Committee. The head of the internal audit department shall submit the department's annual work plan to the Audit and Control Committee, ensuring that its activity focuses primarily on the main risks the Company is exposed to (including reputational risk). He shall also report to the committee any incidents that may occur in the exercise of the internal audit function, the execution of projects, the results and the follow-up of the Committee's recommendations, and at the end of each year shall present the committee with a report on the department's activities.
14. Additionally, with regard to the external auditor, the Committee shall have the following competences:
 - (i) Investigate the issues giving rise to the resignation of the external auditor, should this come about.
 - (ii) Ensure that the remuneration of the external auditor does not compromise its quality or independence.
 - (iii) Ensure that the Company notifies any change of external auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
 - (iv) Ensure that the external auditor has a yearly meeting with the Board in full to inform it of the work undertaken and developments in the Company's risk and accounting positions.
 - (v) Ensure that the Company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the

concentration of the auditor's business and other requirements concerning auditor independence.

Article 15. Appointments and Remuneration Committee.
Composition, responsibilities and functioning

1. The Board of Directors shall create a standing Appointments and Remuneration Committee, as an internal reporting and consultative body with no executive functions but with authority to report, advise and make proposals with the scope of its activities, as indicated in this article. The Appointments and Remuneration Committee shall be made up of no fewer than three and no more than five directors, appointed by the Board of Directors at the proposal of the Chairman of the Board, all of whom shall be non-executive directors. A majority of the members of the Appointments and Remuneration Committee shall be independent directors.
2. The Board of Directors will also appoint its Chairman from among the independent directors that are members of that Committee. In addition, the Board of Directors also may appoint a Vice-Chairman if deemed appropriate, .being applicable to the appointment of the Vice-Chairman the provisions for the appointment of the Chairman.
3. The position of Secretary of the Appointments and Remuneration Committee will be performed by the person appointed by the Board of Directors. The Secretary of the Appointments and Remuneration Committee may not be a member of such Committee, in which case it may not be a member of the Board of Directors. The Secretary of the Appointments and Remuneration Committee be the Secretary of the Board of Directors or different to the Secretary of the Board of Directors.
4. The directors who sit on the Appointments and Remuneration Committee shall continue to hold their post for so long as they remain directors of the Company, unless the Board of Directors resolves otherwise. The renewal, re-election and

removal of directors who serve on the Appointments and Remuneration Committee shall be governed by the resolutions of the Board of Directors.

5. In addition to any other tasks that may be assigned to it from time to time by the Board of Directors, the Appointments and Remuneration Committee shall independently exercise the following basic functions:

- (i) Assess the competencies, knowledge and experience required on the Board of Directors. For this purpose, it shall define the functions and aptitudes required of candidates for each vacancy and shall assess the time and commitment required of them in order to be able to perform their duties effectively.
- (ii) Set a target for the representation of the gender that is less well represented on the Board of Directors and develop guidelines on how to achieve that target.
- (iii) Make recommendations to the Board of Directors for the appointment of independent directors, whether through co-option by the Board or for submission to the General Meeting of shareholders, and for the re-election or removal of such directors by the General Meeting of shareholders.
- (iv) Report on proposals for the appointment of the other directors, whether through co-option by the Board or for submission to the General Meeting of shareholders, and on proposals for the re-election or removal of such other directors by the General Shareholders Meeting.
- (v) Report on proposals for the appointment or removal of managerial employees and the basic terms of their contracts.
- (vi) Examine and organise, in coordination with the Lead Independent Director, the succession of the Chairman of the Board of Directors and the CEO of the Company and, where appropriate, make recommendations to the Board of Directors to ensure that the succession is orderly and planned.

- (vii) Make proposals to the Board of Directors for the policy on the remuneration of directors and executive directors, or managerial employees who report directly to the Board, an Executive Committee or a managing director, as well as the individual remuneration and other contractual terms of executive directors, ensuring and monitoring compliance.
- 6. Additionally, the Appointments and Remuneration Committee will be empowered to carry out all those tasks included in the Internal Charter of the Appointment and Remuneration Committee approved, where appropriate, by the Board of Directors.
- 7. The Appointments and Remuneration Committee shall meet quarterly or, at least, four times a year in ordinary session. It shall also meet at the request of any of its members and when convened by its Chairman, who must call a meeting whenever the Board of Directors or its Chairman requests the issuance of a report or the adoption of proposals and whenever necessary for the proper exercise of its functions.
- 8. Meetings of the Appointments and Remuneration Committee shall be duly convened when a majority of the members are present in person or by proxy and resolutions shall be adopted by absolute majority vote.
- 9. Minutes shall be taken of the committee's meetings and a copy of the minutes shall be sent to all the members of the Board of Directors.
- 10. The committee shall consult the Chairman and the CEO of the Company, especially in matters concerning executive directors and managerial employees.
- 11. Where considered necessary to enable it to perform its functions more effectively, the Appointments and Remuneration Committee may take advice from outside experts, taking care to ensure that conflicts of interest do not adversely affect the independence of the external advice provided to the committee.

TITLE V. FUNCTIONING OF THE BOARD

Article 16. Meetings of the Board of Directors

1. The Board of Directors shall meet as frequently as necessary for the proper exercise of its functions and, at least, quarterly, following the schedule of dates and items of business established at the beginning of the year, although each director may request that new items be added to the agenda, provided the request is submitted at least three calendar days in advance of the date set for the meeting.
2. The Board of Directors shall also meet, at the initiative of the Chairman, as many times as the Chairman deems appropriate for the smooth running of the Company and also when requested in the terms provided in articles 9.2 and 11.5 above.
3. Notice of meetings of the Board of Directors shall be given by the Secretary of the Board or a substitute, with the authorisation of the Chairman of the Board, by any means that will ensure it is received by each of the directors listed in the Company's records. The notice shall be issued at least seventy two hours before the day of the meeting. The notice shall always include the agenda for the meeting and shall be accompanied by the relevant information, duly prepared and summarised.
4. The agenda of Board meetings shall clearly indicate the items of business on which the Board of Directors must adopt a decision or resolution, so that the directors may investigate or gather the necessary information in advance. When, exceptionally and for reasons of urgency, the Chairman wishes to submit to the approval of the Board of Directors decisions or resolutions that do not appear in the agenda, the prior express consent of a majority of the directors present shall be required and shall be duly recorded in the minutes.
5. The Chairman of the Board of Directors may call extraordinary meetings of the Board when, in the Chairman's opinion, the circumstances justify a meeting, in which case the notice period and the other requirements stated in the previous

section shall not apply. Nevertheless, any documentation that must be provided to the directors shall be delivered sufficiently in advance, unless the meeting is formed or is called exceptionally for reasons of urgency.

6. Notwithstanding the foregoing, meetings of the Board of Directors are considered to be duly convened with no need for prior notice if all of the Board's members present in person or by proxy unanimously consent to hold a meeting and agree on the business to be transacted. Similarly, if no director objects, votes of the Board of Directors may be conducted in writing, without a meeting. The vote may be issued in writing or via email, as long as the determination of the identity of the issuer is guaranteed.
7. The Board shall prepare an annual schedule of ordinary meetings.
8. The Board of Directors shall hold its meetings at the registered office, unless another meeting place is indicated in the notice of the meeting.
9. The Board of Directors may also meet simultaneously in multiple locations connected by systems that allow the participants to be recognised and identified, allow continuous communication among the participants wherever they are and allow participation and voting, all this in real time. Subject to the foregoing, Board of Directors meeting may take place by means of phone or video conferences, or any other similar means.

Wherever the participants are, for the purposes of the Board of Directors they shall be considered to be attending the same single meeting. The meeting shall be deemed to be held in the place where there is the largest number of directors or, in the event of a tie, where the Chairman of the Board of Directors or the person chairing the meeting in the Chairman's place is located.

Article 17. Conduct of meetings

1. The Board of Directors shall be duly convened when one-half plus one of the full number of directors decided upon by the General Meeting is present in person or

by proxy, even if not all director positions have been filled or positions have fallen vacant. Only the members of the Board shall be entitled to attend Board meetings. However, members of the Group's management team and certain external advisors may be invited to attend whenever deemed necessary and appropriate. Invited guests shall be present only for the time necessary for the discussion of the agenda item that justifies their presence at the meeting and shall leave the meeting once said discussion has been completed and in any case before voting, as the case may be, and under no circumstances shall they be permanently present at the meeting.

2. Directors shall do everything in their power to attend Board meetings and when they cannot attend in person, shall in writing appoint another member of the Board as proxy, each appointment being specific to the meeting concerned, giving appropriate instructions and notifying the appointment to the Chairman of the Board of Directors. Non-executive members of the Board of Directors may only appoint other nonexecutive members as their proxy. Any non-attendance by directors at Board meetings shall be reported in the annual corporate governance report.
3. The Chairman shall organise and stimulate the debate, seeking and promoting the active participation of all the directors in the Board's deliberations and safeguarding their freedom to take positions and express opinions.
4. Except where the law or the Articles of Association specifically establish other voting rules, resolutions shall be adopted by absolute majority of the directors present at the meeting. In particular, the appointment, removal and agreements to terminate of CEOs, as well as the previous approval of contracts to be entered into between the

Company and directors who are given executive functions will require the favourable vote of at least two thirds of the members of the Board, with the abstention, where applicable, of the affected director. In the event of a tie, the Chairman will not have a casting vote.

5. Minutes shall be taken of the meetings of the Board of Directors and shall be signed by at least the Chairman (or Vice-Chairman, where appropriate) and the Secretary or Deputy Secretary. The minutes shall be transcribed or recorded, in accordance with legal requirements, in a special minutes book of the Board of Directors.
6. The minutes shall be approved by the Board of Directors at the end of the meeting or in a later meeting.

Article 18. Annual assessment

1. Each year, the Board of Directors shall assess (i) its own functioning and the quality of its work; (ii) the performance of the Chairman of the Board of Directors and the CEO, if any, based on the report submitted by the Appointments and Remuneration Committee; (iii) the diversity of the composition and powers of the Board of Directors; and (iv) the functioning of the Board's committees, based on the reports they submit to the Board. To do this, the Chairman of the Board of Directors shall organise and coordinate the assessment process with the Chairmen of the committees.

The result of the annual assessment shall be recorded in or annexed to the minutes of the meeting.

2. Where the Chairman of the Board of Directors exercises executive functions, his assessment shall be led by the independent director specially empowered for this purpose as provided in article 11.5 above.
3. Every three years the Board of Directors shall be assisted in carrying out the assessment by an outside consulting firm whose independence shall be verified by the Appointments and Remuneration Committee.
4. Any business relationship the consulting firm or any firm in its group may have with the Company or any company in its Group shall be disclosed in the annual

corporate governance report. Likewise, the assessment process and the areas assessed shall be described in the annual corporate governance report.

5. Based on the results of the annual assessment, the Board of Directors shall propose an action plan to correct any deficiencies detected as regards:
 - (i) The quality and efficiency of the functioning of the Board of Directors and its delegated bodies.
 - (ii) The functioning and composition of the Board's committees.
 - (iii) Diversity in the composition and competencies of the Board of Directors.
 - (iv) The performance of the Chairman of the Board of Directors and the CEO of the Company.
 - (v) The performance and the contribution of each director, paying special attention to the heads of the various Board committees.

TITLE VI. APPOINTMENT AND REMOVAL OF DIRECTORS

Article 19. Appointment and re-election of directors

1. Directors shall be individuals appointed by the General Meeting or the Board of Directors by coopt, after consideration of a report by the Appointments and Remuneration Committee or, in the case of independent directors, at the proposal of the Appointments and Remuneration Committee, in accordance with applicable laws and regulations, the Articles of Association and these Regulations, and the Company's director selection policy.
2. The proposals for appointment and re-election of directors submitted by the Board of Directors to the consideration of the General Shareholders' Meeting and the appointment decisions adopted by said body by virtue of the co-optation powers legally attributed to it, must be preceded by the proposal of the Appointments Committee, in the case of independent directors, or by the report of the

Appointments Committee, in the case of the other nature of directors. Both proposals require a prior analysis of the competences required by the Board, favoring diversity of knowledge, experience, age and gender.

3. Newly appointed directors shall quickly acquire sufficient knowledge of the Company and its corporate governance rules.
4. Members of the Board of Directors shall be subject, where applicable, to Law 53/1984 of 26 December on incompatibilities affecting government employees, Law 3/2015 of 30 March on the exercise of the senior government and other rules on incompatibilities.
5. The Board of Directors shall endeavour to ensure that the chosen candidates are people of recognised standing, competence and experience, exercising extreme care in selecting people to fill independent director positions. These qualifications shall be written up in the Appointments Committee's explanatory report to accompany the proposal for appointment and re-election of directors.
6. Before making proposals to the General Meeting of shareholders for the re-election of directors, the Board of Directors, with the abstention of the directors concerned, shall assess the quality of the directors' work and performance during their previous term of office.

Article 20. Term of office

1. Directors shall be elected for a term of three years, after which they may be re-elected one or more times for similar terms of no more than four years.
2. Director appointments shall become void when, the term of office having expired, the following General Meeting of shareholders has been held or the period provided by law for holding the General Meeting of shareholders that is to receive the accounts for the preceding financial year has expired.
3. Directors who have been co-opted onto the Board shall exercise their position until the first meeting of the General Meeting of shareholders after their appointment

and shall cease to exercise their position if the General Meeting of shareholders does not ratify their appointment. If the vacancy arises when the General Meeting is already convened and before it is hold, the Board of Directors may appoint a director until the next General Meeting is hold.

4. No independent director shall continue to serve as an independent director for a continuous period of more than 12 years.

Article 21. Removal of directors

1. Directors shall relinquish their position at the end of the period for which they were appointed or when so decided by the General Meeting of shareholders, using the authority granted to it by law or the Articles of Association.
2. Directors shall tender their resignation to the Board of Directors and, if the Board considers it appropriate, shall resign in the following circumstances:
 - (i) When they cease to hold the executive positions with which their appointment as directors was associated.
 - (ii) When they are affected by any of the rules on incompatibility or legal prohibition prescribed by law or the Articles of Association.
 - (iii) When they are seriously admonished by the Board of Directors for violating their duties as directors.
 - (iv) When their continued presence on the Board is likely to threaten or harm the interest, credibility or reputation of the Company or when the reasons for which they were appointed cease to apply included, but not limited to, when significant changes occur in connection with their professional status or in the circumstances under which they were appointed.
 - (v) When criminally charged or subject to disciplinary procedures for misdemeanours instructed by supervisory authorities.
 - (vi) In the case of proprietary directors, (i) when the shareholder they represent sells all or a significant part of its shareholding and (ii) by an appropriate

number, when said shareholder reduces its shareholding to a point where the number of proprietary directors must be reduced.

- (vii) When appointed to more than four boards of directors of other listed companies (excluding the Company).
 - (viii) When, due to acts and events attributable to the directors, his or her permanence in the Board of Directors may entail great harm to the Company's reputation, according to the Company.
3. Where, due to resignation or for any other reason, a director relinquishes the position before the relevant term of office expires, the director shall explain the reasons for the resignation in a letter which shall be sent to all the members of the Board. The reason for the resignation shall also be reported in the annual corporate governance report, and if it is relevant for investors, the Company should publish an announcement of the departure as promptly y as posible, with sufficient reference to the reasons or circumstances provided by the director.
4. The Board of Directors may only propose the removal of an independent director before the term of office specified in the Articles of Association has expired when the Board of Directors considers there to be good cause, based on a report from the Appointments and Remuneration Committee. In particular, good cause shall be considered to exist when directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a Board member, if the director has failed to perform the duties of the position or come under one of the disqualifying grounds for classification as independent according to applicable laws and regulations or, failing this, to the good corporate governance recommendations applicable to the Company from time to time. The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the Company's capital structure, provided the changes in Board membership ensue from the good corporate governance recommendations applicable to the Company from time to time.

Article 22. Objectivity of voting

Directors who are the subject of proposals for appointment, re-election or dismissal shall refrain from participating in the deliberations and voting on those proposals.

TITLE VII. INFORMATION TO BE PROVIDED TO DIRECTORS

Article 23. Authority to request information and carry out inspections

1. Directors have the duty to diligently inform themselves regarding the on-going businesses of the Company and, to that end, directors may request information on any matter within the Board's authority and so may examine the Board's books, records, documents and other documentation. The right to request information will also be applicable with regard to subsidiary companies and participated entities, whenever this was possible.
2. Requests for information shall be addressed to the Secretary of the Board, who shall pass them on to the Chairman of the Board of Directors and the appropriate person in the Company.
3. The Secretary shall notify the director of the confidential nature of the information requested and received and of the director's duty of confidentiality under these Regulations.
4. The Chairman may refuse the information if he or she considers: (i) that the information is not needed for the proper exercise of the director's functions or (ii) that the cost of the information is unreasonable in view of the importance of the problem and the scale of the Company's assets and revenues.

Article 24. Expert advice and professional development programmes

1. All directors may obtain from the Company such advice as may be required to enable them to exercise their functions. To this end, the Company shall open the necessary channels, which in special circumstances may include external advice at the Company's expense.

The advice sought shall necessarily concern specific problems of some importance and complexity that have arisen in the performance of the director's duties.

2. The decision to hire external advisors at the Company's expense shall be notified to the Chairman of the Board of Directors of the Company and may be vetoed by the Board of Directors if it can show:
 - (i) that the advice is not needed for the proper exercise of the director's functions;
 - (ii) that the cost of the advice is unreasonable in view of the importance of the problem and the scale of the Company's assets and revenues; or
 - (iii) that the specialised assistance sought can be adequately provided by the Company's own experts and specialists.
3. The Company shall also offer directors professional development programmes where circumstances so advise, independently of the knowledge required of the directors for the exercise of their functions.

TITLE VIII. REMUNERATION OF DIRECTORS

Article 25. Remuneration of directors

1. Directors shall be entitled to receive the remuneration established in the Articles of Association and in the Remuneration Policy. The total amount effectively paid to the directors shall not exceed the amount established by the General Shareholders Meeting.
2. The specific distribution and the specific amount corresponding to each director will be determined by the Board of Directors in accordance with the directors remuneration policy, to be approved, at least, every three years by the General Shareholders Meeting. For this distribution, the Board of Directors will take into account the tasks and the assistance to the different committees.

3. Directors remuneration shall be in reasonable proportion to the size of the Company, the economic situation at any given time and market rates of remuneration in companies of a similar size in similar sectors and that each director's level of commitment to the Company is taken into account. The remuneration system shall be designed to promote the long-term profitability and sustainability of the Company and shall include the necessary safeguards to avoid excessive risk taking and adverse results. Specifically, the remuneration system, in case of including variable elements, will set the limits and the necessary cautions to ensure that the variable remuneration is linked to the professional performance of the beneficiaries and its no the consequence market conditions.
4. The Board of Directors shall also take steps to ensure that the amount of the remuneration of external directors is such as to offer incentives for dedication but without compromising their independence.
5. Remuneration linked to the Company's earnings shall take into account any qualifications in the external auditor's report that reduce those earnings.

If the annual accounts on which said remuneration was based have to be restated, the Board of Directors shall decide whether it is necessary for all or part of the variable remuneration to be cancelled or repaid.
6. Remuneration consisting of the delivery of shares of the Company or of group companies, options on shares or instruments linked to the value of the shares, longterm savings schemes such as pension plans, retirement schemes or other pension and insurance schemes and variable remuneration linked to the Company's profitability or to personal performance shall, as a general rule, be limited to executive directors, although external directors may participate in remuneration systems that entail the delivery of shares where delivery is subject to the holding of the shares throughout the period of office as a director. The above shall not apply to any shares a director needs to sell in order to cover the costs related to their acquisition.

7. Each year, the Board of Directors shall prepare a report on directors' remuneration in the terms established by applicable laws and regulations.

Said report shall be made available to the shareholders at the time of the notice of the Annual General Meeting and shall be submitted to an advisory vote as a separate item on the agenda.

TITLE IX. DIRECTORS' DUTIES

Article 26. General obligations of directors

1. In the performance of their duties, directors shall act with the care of prudent businessmen and the loyalty of faithful representatives, taking into account the nature of the position and the functions attributed to each one. Their actions shall be guided exclusively by good faith and the corporate interest, aiming to defend and protect the interest of the shareholders as a whole, from whom they have their mandate and to whom they render account. In particular, directors are obliged to:
 - (i) Be informed and prepare adequately for meetings of the Board of Directors and any Board committees of which they are members;
 - (ii) Attend the meetings of the Board of Directors and participate actively in deliberations, so that their judgment contributes effectively to decision making.
 - (iii) A director who is unable, for good reason, to attend a meeting to which he or she has been called shall give instructions to the director who is to act as representative.
 - (iv) Contribute (especially the independent directors) their strategic vision and new concepts, criteria and measures to foster optimal development and growth of the Company's business.
 - (v) Perform their functions in accordance with the principle of personal responsibility, exercising their own judgment, independently of any instructions from or ties with third parties.

- (vi) Carry out any specific task that the Board of Directors or any of its delegate or consultative bodies may assign to them and that is reasonably within the scope of their responsibilities.
- (vii) Promote the investigation and report immediately to the Board of Directors any irregularity in the Company's management that may come to their notice and the monitoring of any risk situation.
- (viii) Call on persons with the necessary authority to call an extraordinary meeting of the Board of Directors when they consider there to be matters that require discussion, or to add such matters to the agenda of the next meeting that is to be held.
- (ix) Oppose any resolutions that are against the law, the Company's Articles of Association or the Company's best interest and have their position placed on record whenever they consider it necessary in order to safeguard the Company's interests. Independent directors and other directors who are not affected by the potential conflict of interest shall make a point of clearly stating their opposition to any decisions that may be contrary to the interests of shareholders who are not represented on the Board of Directors.

If the Board of Directors adopts significant or repeated decisions about which a director has expressed serious reservations, the director shall draw the appropriate conclusions and, if he or she chooses to resign, shall state the reasons in her letter of resignation.

The provisions of this section shall apply to the Secretary and, if applicable, to the Vice Secretary of the Board, even if they are not directors.

2. Directors shall devote sufficient time and effort to their function to be able to perform it effectively and so shall inform the Appointments and Remuneration Committee of

their other professional obligations, in case those obligations might interfere with their commitments as directors of the Company.

Article 27. Directors' duty of confidentiality

1. Directors shall keep the deliberations of the Board of Directors and any delegate bodies of which they are members secret and, in general, shall refrain from revealing any information to which they have had access in the exercise of their office.
2. The obligation of confidentiality shall continue even after directors have ceased to exercise their position. Directors shall keep secret all confidential information and all information, data, reports or background details that may have come to their knowledge as a result of having exercised the position, which shall not be communicated to third parties or otherwise disclosed when such disclosure could be contrary to the Company's interests. The duty of confidentiality referred to in this paragraph shall not apply in cases where the law allows the information to be communicated or disclosed to third parties or where the information is requested by or must be submitted to the supervisory authorities, in which case the information shall be conveyed as required by law.

Article 28. Non-competition obligation

1. Directors shall refrain from carrying on any activities for their own account or on behalf of others that actually or potentially entail effective competition with the Company or that in any way place the directors in permanent conflict with the interests of the Company.
2. The obligation not to compete with the Company may only be waived if no harm is expected to result for the Company or if any foreseeable harm is likely to be

outweighed by the benefits that are expected to be obtained from the waiver. The waiver shall be granted by express, separate resolution of the General Meeting.

3. At the request of any shareholder, the General Meeting shall resolve on the removal of any director who carries on competitive activities when the risk of harm to the Company has become significant.

Article 29. Conflicts of interest

1. A conflict of interest shall be deemed to exist where the interest of the Company or of a company in its Group clashes, directly or indirectly, with the personal interest of a director. A director shall be considered to have a personal interest in a matter when the issue affects him or a person related to him or, in the case of a proprietary director, the shareholder or shareholders that proposed or obtained the director's appointment or people directly or indirectly related to said shareholder or shareholders.
2. For the purposes of these Regulations, the following terms have the following meanings:
 - (i) Persons related to a director who is an individual:
 - a) The spouse or persons with an analogous affective relationship.
 - b) Ancestors, descendants and siblings of the director or of the director's spouse (or person with an analogous affective relationship).
 - c) The spouses of the director's ancestors, descendants and siblings.
 - d) In companies or entities in which the director holds directly or indirectly, including through an intermediary, a shareholding that gives him significant influence or holds a position in the administrative body or in senior management of such companies or their parent company. Significant influence shall be presumed to

be conferred by any shareholding equal to or exceeding 10% of the share capital or of the voting rights or by virtue of which it has been possible to obtain, legally or the facto, a representation in the management body of the Company.

- e) Companies or entities in which the director or any person related to the director, either directly or through an intermediary, holds a position as director or managerial employees or from which the director or related person receives emoluments for whatever reason.
- f) In the case of proprietary directors, in addition, the shareholders at whose proposal the director was appointed.

(ii) Persons related to a corporate director:

- a) Members who, with respect to the corporate director, are in any of the situations envisaged in article 42 of the Commercial Code.
- b) Companies that form part of the same group, as this term is defined in article 42 of the Commercial Code, and their members.
- c) The individual who acts as representative, the de jure and de facto directors, the liquidators and the legal representatives with general powers of attorney of the corporate director.
- d) Persons who, with respect to the representative of the corporate director, are classified as related parties in accordance with the provisions of section 2.(i) of this article with regard to directors who are individuals.

- 3. Directors shall report conflicts of interest, both direct and indirect, to the Board of Directors and shall refrain from acting as representatives of the Company in the transaction to which the conflict refers, with such exceptions as may be established by applicable law. In addition, the Company shall inform, when appropriate

according to the law, about any conflict of interest situation that had affected the directors (or any related party thereto) during the exercise at stake and of which it has knowledge by virtue of a communication of the affected party or by any other means. Directors' conflicts of interest situations will be disclosed in the notes to the Company's annual accounts.

Article 30. Use of the Company's assets

Directors shall not use the Company's assets, including the Company's confidential information, nor use their position in the Company to obtain an economic advantage, unless it is in exchange for consideration given.

Article 31. Non-public information

Directors shall adhere to the standards of conduct established in securities market regulations, in particular the standards set forth in the Company's Internal Rules of Conduct in the Securities Markets regarding the treatment of inside information and material information.

Article 32. Business opportunities

1. Directors shall not take advantage of a business opportunity of the Company for their own benefit or for the benefit of persons related to them, within the meaning of article 29 of these Regulations, unless they have previously offered the opportunity to the Company and the Company has declined to take advantage of it.
2. For the purposes of the previous section, a business opportunity means any opportunity to make an investment or enter into a commercial transaction that has arisen for or been discovered by the director through the exercise of his position as director, or using means and information belonging to the Company, or under circumstances such that it is reasonable to assume that the counterparty's offer was in fact addressed to the Company.

Article 33. Indirect transactions

Directors are in breach of their duty of loyalty to the Company if they knowingly allow or fail to report the existence of transactions carried out by the related persons indicated in article 29 of these Regulations that have not been subject to the conditions and controls provided for in the previous articles.

Article 34. Directors' duty of disclosure

1. Directors shall inform the Company of any shares of the Company held by them, whether directly or indirectly through the related persons indicated in article 29 of these Regulations, all this in accordance with the Company's Internal Rules of Conduct in the Securities Markets.
2. Directors shall also inform the Company of any positions held by them on the management bodies of other companies and, in general, of any facts, circumstances or situations that may be relevant to their activities as directors of the Company, in accordance with these Regulations. In this respect, directors of the Company shall not hold more than ten directorships in other companies that do not belong to the Company's Group, of which no more than four may be of listed companies.
3. Furthermore, directors shall inform the Company of any circumstances that may harm the Company's name and reputation and, in particular, shall inform the Board of any criminal proceedings in which they are defendants or investigated and the progress of such proceedings.

If a director is charged with or stands trial for any of the offences indicated in corporate law, the Board of Directors shall examine the case at the earliest opportunity and shall decide, in view of the specific circumstances, whether or not it is appropriate for the director to continue in office, or shall adopt some other measure. All such circumstances shall be reported and explained in the annual

corporate governance report, unless there are special circumstances that justify it.

Article 35. Transactions with directors and significant shareholders

1. The Company or its subsidiaries shall not enter into any transaction with directors or significant shareholders, as defined in applicable securities market regulations, or with shareholders who proposed the appointment of any of the Company's directors, or with persons related to them, as defined in the regulations governing related party transactions and, if applicable with respect to directors and shareholders related to proprietary directors, in the Company's internal regulations, without the authorisation of the Board of Directors or, where there is urgency, the Executive Committee, if one has been created, or the CEO, for subsequent ratification by the Board of Directors, in both cases after consideration of a report by the Audit and Control Committee.
2. Before authorising the Company to enter into transactions of this nature, the Audit and Control Committee and the Board of Directors or Executive Committee shall assess the transaction from the point of view of equality of treatment of shareholders and market conditions.
3. The Board of Directors may delegate the approval of those related party transactions between companies that are part of the same corporate group that carried out within the scope of ordinary management and under market conditions, and those others that simultaneously meet the following three conditions:
 - (i) they are entered into under contracts whose terms and conditions are standardised and apply collectively to a large number of customers; (ii) they are entered into at market prices or rates, set on a general basis by the person supplying the goods or services; and (iii) their amount does not exceed 0,5% of the Company's annual revenue.
4. The Board of Directors shall establish, in relation to the related party transactions of the preceding section, an internal procedure of information and periodic control,

in which the Audit Committee shall participate and which shall verify the fairness and transparency of such transactions and, if applicable, compliance with the legal criteria applicable to the foregoing exceptions.

5. The authorisation shall necessarily require the approval of the General Meeting when it concerns a transaction with a significant shareholder, a director or a related person to them, in an amount that exceeds 10% of the total asset items according to the last annual balance sheet approved by the Company.

TITLE X. POLICY ON INFORMATION AND BOARD RELATIONS

Article 36. Website

1. The Company shall maintain the corporate website to allow shareholders to exercise the right to information and to disseminate the privileged information and other relevant information required under securities market legislation, which shall include the documents and information provided for by applicable laws and regulations, including the information and documentation relating to the notice of General Meetings of Shareholders, as well as any other documentation and information the Board of Directors considers it appropriate to make available to shareholders by this means.
2. Through the corporate website, the Company shall publish and update as necessary the following information about its directors:
 - (i) Professional experience and background.
 - (ii) Other management bodies of which they are members, whether of listed or unlisted companies, and any other remunerated activities of any kind carried out by them.
 - (iii) An indication of the category of director to which they belong and, in the case of proprietary directors, the shareholder they represent or to which they are related.

- (iv) Date of their first and subsequent appointments as directors of the Company.
 - (v) Shares, or options on shares, of the Company held by them.
3. It is the responsibility of the Board of Directors to provide the information that is to be posted on the Company's corporate website in compliance with the obligations imposed by applicable laws and regulations and to ensure that the information is updated in accordance with applicable law.

Article 37. Relations with shareholders

1. The Board of Directors shall establish to receive proposals from shareholders in relation to the Company's management.
2. Through one or more of its directors and with the collaboration of selected members of managerial employees, the Board may organise meetings for shareholders based in the main financial centres in Spain and other countries to inform them about the progress of the Company and its Group.
3. The Board of Directors shall also establish mechanisms for the regular sharing of information with the institutional investors among the Bank's shareholders. On no account may relations between the Board of Directors and institutional shareholders lead to the disclosure to such shareholders of information that could put them in a position of privilege or advantage over other shareholders.
4. Proxy solicitations conducted by the Board of Directors or any of its members shall state the representative's voting intention in case the shareholder gives no instructions.
5. The Board of Directors shall promote the informed participation of shareholders in General Meetings and shall take appropriate steps to enable the General Meeting of shareholders to more effectively exercise the functions assigned to it by law and the Company's Articles of Association.

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

- (i) It shall strive to provide shareholders, prior to the General Meeting of shareholders, with all the information required under applicable laws and regulations and any other information that, while not specifically required, may nevertheless be of interest and can reasonably be provided.
- (ii) It shall respond promptly to requests for information submitted by shareholders prior to the General Meeting of shareholders.
- (iii) It shall respond equally promptly to any questions raised by shareholders on the occasion of the General Meeting of shareholders.

Article 38. Relations with the markets

1. Through the communication of privileged information and other relevant information made to the CNMV and through the corporate website, the Board of Directors shall immediately make public all relevant information, as specified by the laws and regulations in force from time to time.
2. The Board of Directors shall appoint one or more persons to act as authorised representatives to the CNMV and shall notify the appointment as provided in applicable law.
3. The Board of Directors shall take the necessary measures to verify that any quarterly (if applicable), semi-annual or other financial information that the regulations require or prudence recommends to be made available to the markets is prepared according to the same professional principles, criteria and practices as the annual financial statements and is equally reliable.
4. In its annual public documentation, the Board of Directors shall include information on the Company's governance rules and the degree of compliance with them.

Article 39. Relations with the external auditors

1. It is the responsibility of the Audit and Control Committee to make proposals to the Board of Directors, for submission to the General Meeting of shareholders, for the appointment (indicating the terms of engagement and the scope of the audit engagement), renewal and revocation of the auditor of the Company's financial statements and supervise the execution of the audit engagement, in accordance with article 14 of these Regulations and the Internal Charters of the Committee approved, where appropriate by the Board of Directors.
2. The Audit and Control Committee shall refrain from submitting to the Board of Directors, and the Board in turn shall refrain from submitting to the General Meeting of shareholders, any proposal to appoint as the Company's auditor any audit firm that is disqualified under audit regulations, or any firm for which the fees to be paid by the Company, on all accounts, are more than five percent of the firm's total revenues for the last financial year.
3. The Board of Directors shall endeavour to formulate the financial statements in such a way that there is no scope for reservations or qualifications to the auditor's opinion. In the exceptional circumstances in which the auditor's opinion is qualified, both the Chairman of the Audit and Control Committee and the external auditors shall clearly explain to the shareholders the substance of these reservations or qualifications. However, where the Board considers that it must stand by its opinion, it shall publicly explain the nature and scope of its disagreement with the auditors.
4. The Board of Directors will inform publicly and in the means provided in applicable laws, of the remuneration of the auditor, breakdown by items and of other services rendered by the auditor or any person or entity linked to the auditor.

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

Article 40. Relations with the Company's managerial employees

Relations between the Board of Directors and the managerial employees of the Company, as provided in these Regulations, shall be channelled through the Chairman of the Board of Directors or the CEO, if there is one.