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**AMENDED TEXT OF ARTICLES 15, 17 AND 46**  
**OF THE RULES OF THE BOARD OF DIRECTORS OF**  
**26 JANUARY 2016**

**Article 15.- The Board's Committees**

1. Without prejudice to the power of the Board of Directors to designate and permanently delegate whatever powers it considers appropriate to one or several Directors, either individually (Chief Executive Officers) or to several Directors collectively (Executive Committee or Delegated Committee), there will be set up, necessarily, an Audit and Control Committee in accordance with the provisions of Article 43 of the Bylaws, and an Appointments and Remuneration Committee in accordance with the provisions of Article 43 bis of the Bylaws. The functions of these two committees will be exclusively those of information, advice and suggestions about the matters described in the articles below.

The appointment of members of the Audit and Control Committee and of the Appointments and Remuneration Committee will be made by the Board of Directors, and those members must all be non-executive Directors. The members of both Committees will cease in their posts upon their cessation as Directors, or when the Board so decides.

The Secretary of those Committees will be the Secretary of the Board of Directors, and failing that, will be the Deputy Secretary, if any.

2. The Appointments and Remuneration Committee will evaluate the profiles of the people best suited to form part of the various Committees, and will make the corresponding proposals to the Board. The Board will appoint members of Committees after taking into consideration the knowledge, skills and experience of the Directors and the tasks to be performed by each Committee.
3. The Audit and Control Committees and the Appointment and Remuneration Committees will each appoint a Chairman from among their members that are independent Directors, and will meet when convened by that Chairman. The said Committees will prepare an annual plan of action, that will include the main activities of each Committee during the fiscal year, for which they will be accountable to the Board. In any matter not specifically provided for, the rules of operation established by these Regulations with regard to the Board will apply, provided that they are compatible with the nature and function of the Committee.

The conclusions or proposals formulated in the meetings of these Committees will be recorded in minutes which will be available to all the Directors. The Committees will give accounts of their activities in the first plenary session of the Board of Directors after their meetings, responding of the work performed.

4. Additionally, the Board of Directors may establish other internal Committees whose functions will be determined by the Board itself. Their members will be appointed by the Board from among the non-executive Directors, with a majority of independent Directors, taking into account the knowledge, skills and experience of the Directors and the duties of each Committee. The Committees will be chaired by independent Directors.

In the performance of their functions, the Committees may obtain external advice when they deem it necessary.

#### **Article 17.- The Audit and Control Committee**

1. The Board of Directors, in accordance with the provisions of article 43 of the By-Laws, will form an Audit and Control Committee composed of a minimum of three and a maximum of seven non-executive Directors, most of whom will be independent, and one of whom will be appointed by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, who will take account of his or her knowledge and experience of accounting and/or auditing.

Additionally, the Board of Directors will ensure that the members of the Audit and Control Committee, and particularly its Chairperson, have knowledge and experience of accounting, auditing and risk management, and of other fields which may be appropriate in the performance of the Committee's functions as a whole, such as finance, internal control and information technology, although they do not necessarily need to be experts in these latter fields, except as provided above.

In addition, and having due regard to ensuring the promotion of diversity of sex and of geographical origin, the members of the Audit and Control Committee, who will be appointed because they have the necessary dedication to the performance of the functions entrusted to them, will, as a whole, have the technical knowledge which is pertinent to the Company's sector of activity.

The members of the Audit and Control Committee will elect one of their members as Chairperson. That person will be replaced every four years, and may be re-elected after one year has elapsed since their cessation.

2. Without prejudice to other duties which the Board may assign to it, the Audit and Control Committee will have the following responsibilities:

*In relation to the control of financial reporting:*

- a) Reporting at the General Shareholders' Meeting on the questions raised by shareholders about subjects within its area of responsibility, and in particular, about the result of the audit, and explaining how it contributed to the completeness of the financial information and to the role which the Committee performed during this process.
- b) Supervising the process of drawing up the required financial information and its completeness and submission, and making recommendations or proposals to the Board of Directors aimed at safeguarding its integrity, checking compliance with regulations, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
- c) Supervising compliance with legal requirements and the correct application of generally accepted accounting principles, and reporting on the proposals for modification of accounting principles and criteria suggested by Management, and of the risks on and off the balance sheet.
- d) Ensuring that the Board of Directors arranges to submit the accounts to the General Shareholders' Meeting without limitations or qualifications in the audit report and that, in the unlikely event of there being qualifications, that both the Chairperson of the Audit and Control Committee and the auditors clearly explain to the shareholders the nature and extent of those limitations or qualifications.
- e) Reporting to the Board of Directors on the Company's Annual Accounts, and on the financial information which the Company has to publish regularly, and which has to be sent to the bodies that regulate or supervise the markets.

*In relation to the supervision of internal control and of internal auditing:*

- f) Supervising the effectiveness of the Company's internal control systems, and in particular, those for financial reporting and the Company's risks systems, reviewing the appointment and replacement of its managers, and discussing with the accounts auditors or auditing companies the weaknesses of the internal control system, detected during the audit, all of this without compromising its independence. To that end, and where appropriate, recommendations or proposals may be submitted to the Board of Directors in keeping with the corresponding period for follow-up activities.
- g) Supervising the services and activities of the internal Audit unit and, in particular, assuring the independence of the unit handling the internal audit function, which will report functionally to the Committee's Chairperson and will ensure the effectiveness of the reporting and internal control systems; proposing the selection, appointment, re-election and cessation of the head of the internal audit

service; proposing the service's budget; approving its priorities and work programmes, ensuring that it focuses primarily on the main risks to which the Company is exposed; receiving regular reports on its activities; and verifying that the senior managers are acting on the findings and recommendations of its reports.

The head of the unit handling the internal audit function will present an annual work programme to the Committee, inform it of any incidents arising during its implementation and submit a report on its activities at the end of each year.

- h) Setting up and supervising a procedure which allows employees of the Company's group, confidentially and, where possible and deemed appropriate, anonymously, to report irregularities of potential importance, especially financial and accounting irregularities, within the Company or its Group.

*In relation to the supervision of the management and control of risks:*

- i) Supervising the effectiveness of the Company's risk systems, reviewing the appointment and replacement of the managers, and also, when appropriate, submitting recommendations or proposals to the Board of Directors, and the corresponding period for their following-up.
- j) Supervising the risk control and management unit, which will have, among other duties, that of ensuring that the risk control and management systems are functioning correctly, and in particular, that the major risks to which the Company is exposed are correctly identified, managed and quantified; that of actively participating in the preparation of risk strategies and in key decisions about their management; and that of ensuring that the risk control and management systems are mitigating risks effectively within the framework of the policy established by the Board of Directors.

*In relation to the accounts auditor:*

- k) Referring to the Board of Directors the proposals for the selection, appointment, re-election and replacement of the auditor, assuming responsibility for the selection process pursuant to the provisions of the European regulations, as well as for the terms and conditions of the auditor's engagement, and regularly gathering information from the auditor about the Auditing Plan and its implementation, while preserving his or her independence in the exercise of his/her functions.
- l) Establishing appropriate relationships with external auditors or audit firms in order to receive information about those matters which may represent a threat to their independence, so as to have them examined by the Committee, and about any other matters related to the process of auditing the accounts. When appropriate, authorising services other than those prohibited under the terms of the regulations applying to the independence of auditors, and any other

communications envisaged by the legislation on the Auditing of accounts and by the Auditing regulations.

In any event, the Committee will have to receive from the external auditors or auditing firms an annual, written declaration of their independence in relation to the Company and companies directly or indirectly linked to it, and detailed, individual information about additional services provided, of any kind, and about the corresponding fees received from those entities by the said auditors or firms, or by persons or entities connected with them, in accordance with the regulations governing the auditing of accounts. The Committee will ensure that the Company and the external auditor adhere to the current regulations governing the provision of services other than auditing services, the limits on the concentration of the auditor's business, and the other rules about the independence of auditors.

In this regard, the Committee will ensure that the remuneration for the external auditor's work does not adversely affect its quality or independence.

- m) Annually issuing, prior to the issue of the audit report, a report in which an opinion is expressed about whether the independence of the auditors or auditing firms has been compromised. This report, which will be published in the Company's website sufficiently in advance of the Company's Annual General Meeting, will have to include, in any event, a detailed evaluation of the provision of each and every additional service referred to in the preceding paragraph, considered individually and as a whole, apart from the legal audit, in relation to the independence of the accounts auditing and to the regulations governing that auditing.
- n) Ensuring that the Company notifies the CNMV of any change of external auditor as a material event, and that such notification is accompanied by a statement about any disagreements with the outgoing auditor, and the reasons for the same.
- o) Investigating the circumstances of any resignation of an external auditor.
- p) Ensuring that the external auditor attends, annually, the plenary session of the Board of Directors to inform it about the work done and about developments in the Company's risk and accounting situations.
- q) Reporting in advance to the Board of Directors on transactions connected with the creation or acquisition of interests in special-purpose entities, or entities domiciled in countries or territories treated as tax havens, and on obligations, actions, activities and transactions that involve, or could involve, conflicts of interest, particularly in relation to transactions with related parties, and also, in general, on the duties envisaged in chapter IX of the Regulations.

The report, if any, issued by the Audit and Control Committee on transactions of related parties will be published in the Company's website sufficiently in advance of the Annual General Meeting.

- r) Supervising compliance with the rules of corporate governance and with the Company's Internal Codes of Conduct. In particular, the Audit and Control Committee has to:
- (i) Supervise compliance with the Internal Codes of Conduct, including the Internal Rules of Conduct of the Securities Markets, with these Rules and with the Company's rules on governance, and make proposals for its improvement.
  - (ii) Oversee the strategy for communication and relations with shareholders and investors, including small and medium-sized shareholders.
  - (iii) Regularly evaluate the adequacy of the Company's corporate governance system, to confirm that it is fulfilling its purpose of promoting the corporate interest and catering appropriately for the legitimate interests of the other stakeholders.
  - (iv) Evaluate all aspects of the non-financial risks to which the Company is exposed, including operational, technological, legal, social, environmental and political risks and risks to its reputation.
  - (v) Propose to the Board of Directors the Annual Report on Corporate Governance.
  - (vi) Give a prior report to the Board of Directors on any structural or corporate changes which the Company is planning to make, on their economic conditions and accounting impact and, when applicable, on the exchange ratio proposed.
  - (vii) Gather information and, if appropriate, issue a report on disciplinary measures for senior managers of the Company and its Group.
- s) Supervising compliance with the Company's policy on corporate social responsibility. In particular, the Audit and Control Committee will:
- (i) Review the Company's policy on corporate social responsibility, ensuring that it is orientated towards the creation of value.
  - (ii) Monitor corporate social responsibility strategies and practices and assess the degree of compliance in these areas.
  - (iii) Monitor and evaluate the Company's interaction with its stakeholder groups.
  - (iv) Co-ordinate the processes of reporting non-financial information and diversity, in accordance with the applicable regulations and international standards.

- (v) Ensure that the Company's policy on corporate social responsibility includes the principles and commitments which the Company will voluntarily adhere to in its dealings with stakeholder groups, and that it specifies at least:
  - a) The aims of the policy on corporate social responsibility and the supporting instruments to be deployed;
  - b) The corporate strategy with regard to sustainability, the environment and social issues;
  - c) Concrete practices in matters relative to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conduct;
  - d) The methods or systems for monitoring the results of the practices referred to above, the associated risks, and their management;
  - e) The mechanisms for supervising non-financial risk, ethics and business conduct;
  - f) The channels for communicating with stakeholders, and for participation and dialogue;
  - g) Responsible practices in communication which avoid the manipulation of information and protect integrity and honour.

The report issued by the Audit and Control Committee on the Company's policy on corporate social responsibility will be prepared using one of the internationally accepted methods, and will be published in the Company's website sufficiently in advance of the Annual General Meeting.

- t) Prepare for the Board of Directors an Annual Report on the functioning of the Audit and Control Committee over the year. This Report will serve as the basis for an evaluation by the Board of Directors, which will be published in the Company's website sufficiently in advance of the Annual General Meeting.
  - u) Any other duty of reporting or proposing, of a general or specific nature, which is entrusted to it by the Board of Directors.
  - v) Any other responsibility or function assigned to it by Law, by the Bylaws or by these Regulations.
3. The Audit and Control Committee will meet as often as necessary, and whenever called by the Chairperson or requested by two of its members, and in any event at least four times per year. One of these meetings will necessarily be devoted to evaluating efficiency and the degree of compliance with the Company's rules and



procedures for good governance, and to preparing the information which the Board of Directors has to approve and include in its annual public documentation.

4. The Audit and Control Committee will make resolutions and recommendations by the absolute majority of the members present or represented in the meeting.
5. Any member of the management team or personnel of the Company and its Group who is requested to do so will be obliged to attend Committee meetings and provide collaboration and access to any information which he/she may hold. The Committee may order them to attend without the presence of any other director. The Committee may also request the attendance of accounts auditors at its meetings.
6. In order to perform its duties, the Committee will have access to the means and resources that are necessary for independent operation. The needs in resources must be channelled through the Secretary of the Company's Board of Directors.
7. In order to better perform its tasks, the Audit and Control Committee may seek advice from external professionals, in which case the provisions detailed in article 29 of these Regulations will be applicable.

#### **Article 46.- Dealings with auditors**

1. The Board's dealings with the Company's external auditors will be channelled through the Audit and Control Committee.
2. The Board of Directors will refrain from engaging any auditing firm whose projected fees, including all items, exceed five per cent of its total revenues during the previous financial year.
3. The Board of Directors will make public the total fees paid to the auditing firm for services other than auditing.

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