

**This document in English is provided for informational purposes only. In the event of a discrepancy between the content of the English version and the original Spanish version the latter will prevail.**

**REGULATIONS  
OF THE BOARD OF DIRECTORS OF  
EDP RENOVÁVEIS, S.A.**



## TABLE OF CONTENTS

|                                                                             |           |
|-----------------------------------------------------------------------------|-----------|
| <b>INTRODUCTION .....</b>                                                   | <b>3</b>  |
| Article 1.-Object and Purpose .....                                         | 3         |
| Article 2.- Interpretation .....                                            | 3         |
| Article 3.-Hierarchy .....                                                  | 3         |
| Article 4.-Scope of Application .....                                       | 3         |
| Article 5.- Modification .....                                              | 3         |
| Article 6.- Distribution.....                                               | 4         |
| <b>TITLE I. STRUCTURE AND OBJECT OF THE BOARD OF DIRECTORS ....</b>         | <b>4</b>  |
| Article 7.- Company Administration.....                                     | 4         |
| Article 8.- Principles of Action .....                                      | 4         |
| Article 9.- Powers of the Board of Directors .....                          | 4         |
| Article 10.- Committees of the Board of Directors .....                     | 9         |
| <b>TITLE II. COMPOSITION OF THE BOARD .....</b>                             | <b>9</b>  |
| Article 11.- Number of Directors.....                                       | 9         |
| Article 12.- Independent Directors .....                                    | 10        |
| <b>TITLE III. APPOINTMENT AND REMOVAL OF DIRECTORS .....</b>                | <b>10</b> |
| Article 13.- Appointment and Re-election of Directors .....                 | 10        |
| Article 14.-Term of Office .....                                            | 11        |
| Article 15.- Incompatibilities .....                                        | 11        |
| Article 16.- Resignation and Removal of Directors .....                     | 11        |
| Article 17.- Abstention Obligation.....                                     | 12        |
| <b>TITLE IV. OFFICERS OF THE BOARD OF DIRECTORS .....</b>                   | <b>12</b> |
| Article 18.- The Chairman of the Board of Directors .....                   | 12        |
| Article 19.- The Deputy Chairman.....                                       | 13        |
| Article 20.- The Secretary and Assistant Secretary of the Board .....       | 13        |
| Article 21.- The Chief Executive Officers .....                             | 14        |
| <b>TITLE V. OPERATION OF THE BOARD .....</b>                                | <b>14</b> |
| Article 22.- Meetings of the Board of Directors .....                       | 14        |
| <b>TITLE VI. REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS.....</b> | <b>16</b> |
| Article 23.- Remuneration of Directors .....                                | 16        |

|                                                                 |           |
|-----------------------------------------------------------------|-----------|
| <b>TITLE VII. RIGHTS AND RESPONSIBILITIES OF THE BOARD.....</b> | <b>16</b> |
| Article 24.- Information Rights and Responsibilities .....      | 16        |
| Article 25.- Expert Assistance .....                            | 17        |
| Article 26.- Basic Obligations of the Board.....                | 17        |
| Article 27.- Secrecy Obligation.....                            | 18        |
| Article 28.- Loyalty Obligations .....                          | 18        |
| Article 29.-Non-Public Information .....                        | 19        |
| Article 30.-Responsibility of the Directors .....               | 19        |

## **INTRODUCTION**

### **Article 1.-Object and Purpose**

The purpose of these regulations is to regulate the basic operation and actions of the Board of Directors of EDP Renováveis, S.A. (hereinafter “EDP Renováveis” or the “Company”) and to establish the norms of conduct of its members so as to ensure the greatest transparency and efficiency in the functions of representation inherent to the Board.

### **Article 2.- Interpretation**

These Regulations shall be interpreted in accordance with the laws and Articles of Association applicable to them and in keeping with their spirit and purpose. The Board of Directors shall settle any doubts regarding the interpretation of these Regulations as they arise.

### **Article 3.-Hierarchy**

In the event of a discrepancy between the contents of these Regulations and the legal rules and Articles of Association applicable to the Company, the latter shall prevail over the Regulations.

### **Article 4.-Scope of Application**

These Regulations apply to the Board of Directors, as government body and to its members. The persons to whom these Regulations apply are obligated to understand them, comply with them and enforce them.

### **Article 5.- Modification**

1. These Regulations may only be modified by the Board of Directors at the proposal of the Chairman or one-third of the Board members.
2. Proposed modifications must be accompanied by a justifying report.
3. The proposed modification and the justifying report must be attached to the announcement of the Board meeting at which the modification will be debated and it must be included on the meeting agenda.
4. An absolute majority of the directors present or represented at the meeting must vote in favour of the change in order for it to be validly passed.

## **Article 6.- Distribution**

These Regulations and the possible modifications must be reported to the General Meeting of Shareholders and filed with the Commercial Register. They must also be published as stipulated by the applicable rules, thus guaranteeing that they are distributed to shareholders and the investing public in general.

## **TITLE I. STRUCTURE OF THE ADMINISTRATION AND OBJECT OF THE BOARD OF DIRECTORS**

### **Article 7.- Company Administration**

The administration of the Company is entrusted to the Board of Directors. Pursuant to the terms of the Company's Articles of Association, the Board of Directors may set up delegated bodies such as an Executive Committee or Chief Executive Officers and may create other committees such as an Audit and Control Committee or an Appointments and Remunerations Committee, among others.

### **Article 8.- Principles of Action**

The Board of Directors shall perform its functions independently and in line with the Company's interests. In this regard, the Board of Directors shall guarantee the Company's long-term viability and maximise its value, weighing the legitimate plural interests, public or private, that come to bear on the Company's business activities.

The Board of Directors shall treat all Company shareholders equally based on the company's interest, this being understood as the common interest of all shareholders, which shall not preclude the consideration of other legitimate interests, particularly workers' interests. The Board of Directors shall ensure that in its relations with other interested parties the Company abides by the laws and rules, fulfils its contractual obligations and respects the customs and practices of the sectors and territories where the Company does business.

### **Article 9.- Powers of the Board of Directors**

1. The Board of Directors is vested with broad-ranging powers of administration, management and governance of the Company, without limitation, except for the powers specifically assigned to General Meetings in the Articles of Association or other applicable rules. In this regard, the Board is specifically empowered to:
  - a. Acquire personal property, real estate, rights, actions and participations for the Company under any onerous or lucrative title.

- b. Dispose of, mortgage or encumber the Company's property, real estate, rights, shares and participations and cancel mortgages and other en rem rights.
- c. Negotiate and enter into loans and credit operations as deemed necessary.
- d. Negotiate and formalise acts and contracts with private individuals and public entities.
- e. Take civil and criminal actions involving the Company, representing the Company before functionaries, authorities, corporations; governmental, administrative, economic-administrative, contentious-administrative and judicial tribunals; labour courts and labour sections of the supreme courts and of the high courts of justice of autonomous communities, without limitation, including the Court of Justice of the European Communities and in general before the public administration at all levels; intervening in, promoting, monitoring and concluding cases, trials and proceedings; consenting to rulings; filing appeals, including cassation appeals and other extraordinary appeals; desisting and agreeing, reaching settlement, compromising in arbitration proceedings, issuing notices and summonses and granting powers of attorney to solicitors and other proxies, with the powers deemed necessary in each case, including general powers for legal proceedings and special powers as necessary; revoking such powers.
- f. Convening the General Meeting of Shareholders and submitting the proposals to the shareholders for their consideration.
- g. Directing the Company's operations and the organisation of its work and operations, staying abreast of the Company's business and operations, investing funds, making extraordinary amortisations of its obligations and doing all that it deemed necessary for the best achievement of the Company's objectives.
- h. Appointing and removing directors and other technical and administrative personnel; stipulating their responsibilities and remuneration.
- i. Agree to change the Company's location within the same municipal area.

- j. Create legal entities as stipulated under the law, assigning and investing in them all kinds of goods and rights and entering into concentration and cooperation agreements, associations, groups, joint ventures, community property and agree to their modification, transformation and dissolution.
  - k. All other powers specifically attributed to the Board in the Articles of Association or by law, this enumeration being merely indicative but in no way restrictive.
2. In order to guarantee that the common interests of the Company and those of its subsidiaries and group companies are properly served, the Board of Directors shall act at all times in coordination with those companies.
3. The following matters shall not be delegated by the Board of Directors:
- a. Election of the Chairman of the Board of Directors.
  - b. Appointment of the Directors by co-option.
  - c. The supervision of the effective functioning of any committees that it may have incorporated and of the performance of any delegated bodies or managers it may have designated. The determination of the company's general policies and strategies.
  - d. The authorization or waiver of the obligations arising from the Directors duty of loyalty.
  - e. Its own organization and functioning.
  - f. The formulation of the annual accounts and its submission to the General Shareholders' Meeting.
  - g. The preparation of any type of report required from the board by law, when the underlying transaction to which the report refers cannot be delegated.
  - h. The appointment and removal of the delegated directors ("Consejeros Delegados") of the company, as well as the determination of their contract conditions.

- i. The appointment or removal of the members of the management team, as well as the determination of their basic contract conditions, including remuneration.
- j. Decisions relating to directors' remuneration, within the statutory framework and, if such is the case, within the remuneration policy approved by the General Shareholders' Meeting.
- k. Calling the General Shareholders' Meeting and preparing the agenda and proposed resolutions.
- l. The policy relating to own shares.
- m. Any powers that the General Shareholders' Meeting has vested to the board of directors, unless the board has explicitly authorized that they may be sub- delegated.
- n. The approval of the strategic or business plan, annual management objectives and budget, investment and financing policies, social sustainability policy and the dividends policy.
- o. The determination of the risk control and management policy, including those related to tax matters, and the supervision of the internal information and control systems.
- p. The determination of the company's corporate governance policy as well as the one applicable to the group of which the company is the parent entity; its organization and functioning and, in particular, the approval and amendment of its own regulations.
- q. The approval of the financial information that the company must disclose periodically.
- r. The definition of the structure of the group of companies of which the company is the parent entity.
- s. The approval of all type of investments and transactions that due to their high amount or special nature are considered as strategic or that may imply a financial risk, unless their approval falls under the General Shareholders' Meeting. For the purposes of this paragraph, the following transactions shall be considered as included:
  - i. The purchase and sale of assets, rights or shareholdings by EDPR, included in the business plan approved by the Board of Directors (the Business Plan), whenever their [A] (i) book value, or (ii) market value assessed in terms of equity value, or (iii) the transaction price, or (iv) the initial investment value, is over one hundred and fifty million Euros (150.000.000€)<sup>1</sup> (at present value), or [B] initial investment value consumes the total amount foreseen Business Plan for these type of

transactions, whenever their (i) book value, or (ii) its market value assessed in terms of equity value, or (iii) the transaction price, or (iv) the initial investment value, is over seventy-five million Euros (75.000.000€) (at present value).

- ii. Agreements regarding (i) bank loans and (ii) credit facilities in an amount above two hundred and fifty million Euros (250.000.000€), provided that, as a result of such agreements, EDPR's overall indebtedness exceeds the amount set forth in the approved annual budget.
- iii. Total or partial opening or closure of establishments, as well as extensions or reductions of its activity, provided that, according to a reasonable estimate of the executive directors, they result in a change in the turnover or in the assets of the Company of over seventy-five million Euros (75.000.000€).
- iv. Other operations and relevant transactions, and in particular, those excluded from the scope of the Business Plan whenever their (i) book value or (ii) market value assessed in terms of equity value, or (iii) the transaction price, or (iv) the initial investment value is above seventy-five million Euros (75.000.000€)<sup>2</sup> (at present value).
- v. Any operations not directly related to the energy sector which amount is above twenty million Euros (20.000.000€).
- vi. Setting up or terminating strategic partnerships or any other forms of enduring cooperation, in an amount above twenty million Euros (20.000.000€)<sup>3</sup>.
- t. The approval of the creation or acquisition of shares in special purpose entities or registered in countries or territories considered tax havens, as well as any other transaction or operation of a similar nature that, due to its complexity, may undermine the transparency of the company and its group.
- u. The approval of Related Party Transactions, unless:
  - i. its approval corresponds to the Shareholder's Meeting;
  - ii. or transactions (i) between companies of the same group and that are performed in the ordinary management of the company and under market conditions, or (ii) closed under standardized conditions and wholesale applied to a high number of clients, and at prices or tariffs generally established by the supplier of the good or service, the amount of which does not exceed the 0,5% of the net annual company turnover ; which will be approved by the Audit, Control and Related Party Transactions Committee

---

<sup>1</sup> For the purposes of this provision, the amounts of the respective financial guarantees shall be considered in aggregate.

<sup>2</sup> For the purposes of this provision, the amounts of the respective financial guarantees shall be considered in aggregate.

<sup>3</sup> For the purposes of this provision, partnerships or other forms of cooperation which do not have a strategic and lasting character, namely regarding cases where such partnerships are limited to specific transactions in predominantly commercial and operational matters or which relate to the Company's core activities.

- v. The determination of the company's fiscal strategy.
  - w. The supervision of the elaboration and submission process of the financial information and the management report, that will include as the case may be the required non-financial information; and the submission of the recommendations or proposals presented to the Board aimed to protect its integrity.
4. In cases of exceptional urgency to adopt any decision under article 9.3.s above, upon a duly reasoned written request addressed to Chairman of the Board of Directors, the Consejero Delegado may request the use of an expedited mechanism to obtain the approval, simultaneously enclosing all the documentation that will support the decision of the Board of Directors.

For each individual operation, a Term Sheet framing the specific matter, shall be submitted, so that the Chairman of the Board of Directors may alternatively:

- a. Submit it to the members of the Board of Directors, who shall have three business days counted from the receipt of the communication to issue their opinion on the matter; if such term is passed without a reply from the Board member, such member shall be deemed to have issued a favourable opinion in respect of it. The resolution adopted pursuant to the terms of this expedited mechanism for the approval in urgent matters shall be communicated to the Consejero Delegado as soon as possible, and it should be recorded in the following Board meeting. The matter shall only be subject to reanalysis in case any member of the Board so requests it;
  - b. Schedule the discussion of the matter to the following Board meeting, such request being accompanied by the resolution's supporting documents, including the term sheet;
  - c. Request additional clarifications.
5. Notwithstanding the above, in case of duly justified urgency situations, or when considered convenient in an interim period between meetings of the Board of Directors, the decisions related to matters included under section 3 of this article may be adopted by the delegated bodies or individuals, and will be ratified at the first Board meeting to be held after the adoption of the decision.

## **Article 10.- Committees of the Board of Directors**

1. The Board of Directors may set up and permanently maintain an Audit and Control Committee and an Appointments and Remuneration Committee. Furthermore, the Board of Directors may, at its discretion, set up an Executive Committee or other committees, and stipulate their composition, powers and

rules of operation. The Chairman, Secretary and other members of such committees and commissions shall be appointed by the Board of Directors.

2. The Board of Directors shall be informed by the Chairman of each one of the committees created of the committee's activities and the resolutions adopted. The Board of Directors, in view of the above, may make the suggestions and recommendations it deems appropriate.
3. Each committee shall be governed by the specific rules approved by the Board of Directors. Secondly, the committees shall be governed by the rules of operation established for the Board of Directors in these Regulations to the extent that they are compatible with the nature and functions of each committee.

## **TITLE II. COMPOSITION OF THE BOARD**

### **Article 11.- Number of Directors**

1. The Board of Directors shall be composed of a minimum of five (5) and a maximum of seventeen (17) directors who shall be appointed by the General Meeting of Shareholders subject to the laws and the Articles of Association in force.
2. The number of directors shall be determined by the General Meeting of Shareholders. Based on the Company's particular circumstances and bearing in mind the minimum and maximum indicated in the previous section, the Board of Directors may propose to the General Meeting the number of directors that is most suitable at any given time to ensure the smooth operation of the Board of Directors.

### **Article 12.- Independent Directors**

1. Independent Directors are those who can perform their functions without being conditioned by their relations with the Company, its significant shareholders or directors and who meet the legal requirements for being considered independent.
2. At least 25% of the members of the Board of Directors must be independent directors.

## **TITLE III. APPOINTMENT AND REMOVAL OF DIRECTORS**

### **Article 13.- Appointment and Re-election of Directors**

1. The members of the Board of Directors shall be appointed or re-elected by the General Meeting of Shareholders as provided for in the Articles of Association and the applicable laws.

2. The members of the Board will be elected by vote. To this end, the shareholders who voluntarily form a group whose share capital is equal to or greater than that which would be obtained by dividing the share capital by the number of directors on the Board shall be entitled to designate a proportional number of directors. If this proportional representation power is used, the shares thus grouped together may not participate in the vote for the remaining members of the Board.
3. Both the proposed appointments and the re-election of directors submitted by the Board to the General Meeting of Shareholders must come from the Board itself.
4. In any event, the Board of Directors shall strive at all times to ensure that the persons proposed for appointment as directors shall be persons of recognised solvency, competence and experience.

#### **Article 14.-Term of Office**

1. The director's term of office shall be three (3) years and may be re-elected one or more times.
2. If a vacancy were to occur on the Board during a director's term of office, the Board shall designate a shareholder to fill the vacancy temporarily until the next General Meeting of Shareholders.

#### **Article 15.- Incompatibilities**

1. The following persons may not be Company directors:
  - a. Anyone who is a director or has any relationship with a competing company of EDP RENOVÁVEIS, S.A., as well as those who have any family relationship with the latter. To this end, it shall be assumed in any case that a company is a rival of EDP RENOVÁVEIS, S.A. when, directly or indirectly, it is involved in the production of electrical fluid derived from renewable sources; and also when the competing company or any of the companies in its Group and the Directors, employees, lawyers, advisors or representatives of any of the latter have interests opposing those of EDP RENOVÁVEIS, S.A. Under no circumstances shall companies belonging to the same Group as EDP RENOVÁVEIS, S.A., including abroad, be regarded as competitors.
  - b. Anyone else prohibited from doing so by a situation of legal or statutory incompatibility or prohibition.
2. Accumulation of functions:
  - a. The Executive members of the Board of Directors may not exercise executive functions in more than two companies outside EDP Group.

- b. The exercise of that functions referred in the section above will be subject to prior assessment of the Appointments and Remunerations Committee and the approval by the Board of Directors.

#### **Article 16.- Resignation and Removal of Directors**

1. The Directors will step down from their posts when their terms of office expire, if the General Meeting of Shareholders so decides or when they resign.
2. A director who finds him/herself in any of the situations described below shall notify the Board of Directors, announce his/her resignations and make his/her seat on the Board available to the Board:
  - a. When the Director in question is prohibited from holding the office due to a legally- or statutorily-established prohibition or incompatibility
  - b. When the Director in question has caused serious damage to the Company.
  - c. When the Director in question disobeys or fails to comply with the rules of law or the Articles of Association.
3. When a Director is found to be in any of the situations referred to in the previous paragraph, the Board shall propose that the Director be removed following a report by the Appointments and Remunerations Committee.

#### **Article 17.- Abstention Obligation**

The Directors who are proposed for appointment, re-election or removal from the Board shall abstain from voting on those proposals.

### **TITLE IV. OFFICERS OF THE BOARD OF DIRECTORS**

#### **Article 18.- The Chairman of the Board of Directors**

1. If the General Meeting does not do so, the Board shall designate a board member to act as the Chairman for the entire term of that board member's term at the time of appointment.
2. The Board may vest the Chairman with executive powers.
3. The Chairman of the Board is also the Chairman of the Company and as such is fully empowered to sign on the Company's behalf, to execute the resolutions of the General Meeting, the Board of Directors and the Executive Committee.
4. Without prejudice to the powers vested in the Chairman pursuant to the Articles

of Association and the laws in force, the Chairman shall also have the following powers:

- a. The power to convene and preside over the meetings of the Board of Directors, setting the meeting agenda and overseeing the discussions and deliberations.
- b. The power to act as the Company's representative before public bodies and before sectorial or employers' groups.

#### **Article 19.- The Deputy Chairman**

1. The Board, on the Chairman's recommendation, may designate a Deputy Chairman from among its members. The Deputy Chairman shall stand in for the Chairman when the latter is absent.
2. The Board may vest the Deputy Chairman with executive powers.

#### **Article 20.- The Secretary and Assistant Secretary of the Board**

1. If the General Meeting does not do so, the Board shall appoint a Secretary and may appoint an Assistant Secretary, neither of whom must necessarily be board members but both of whom must be lawyers.
2. The Board of Directors shall propose the appointment and removal of the Secretary and Assistant Secretary.
3. On an exceptional basis and when there is no Secretary or Assistant Secretary present, the youngest board member shall perform the Secretary's functions.
4. In addition to those assigned in the Articles of Association and the law, the functions of the Secretary and Assistant Secretary shall include:
  - a. Assisting the Chairman in the performance of his functions.
  - b. Advising and informing the Board and its members and overseeing the Board's operations.
  - c. Keeping track of the Company's documentation.
  - d. Duly reflecting in the sessions of the Board in the minutes book and certifying the Board's resolutions.
  - e. Supervising the legal and material formality of the actions of the Board to ensure that they comply with the Articles of Association and with these Regulations.
  - f. Monitoring and verifying compliance with the instructions of regulatory

bodies and ensuring that their recommendations are taken into consideration.

- g. Acting as Secretary of the Executive Committee.
- h. Acting as Secretary of the Audit and Control Committee
- i. Acting as Secretary of the Appointments and Remuneration Committee
- j. Acting as Secretary of the General Meeting of Shareholders.

#### **Article 21.- The Chief Executive Officers**

1. The Board of Directors may appoint one or more Chief Executive Officers. Chief Executive Officers must be proposed by the Chairman or two-thirds of the Board members to be appointed. The Chief Executive Officers must necessarily be members of the Board and must receive the favourable vote of two-thirds of the Board members in order to be appointed.
2. Board shall vest in each Chief Executive Officer the powers it deems appropriate, as long as they are powers that can be delegated under the law and the Articles of Association.

### **TITLE V. OPERATION OF THE BOARD**

#### **Article 22.- Meetings of the Board of Directors**

1. The Board of Directors shall meet at least once per quarter. The aforementioned minimum notwithstanding, the Chairman, on his own or at the request of three (3) Directors, shall convene the Board as often as necessary to serve the Company's interests. On an exceptional basis, the Chairman may decide not to hold a Board meeting when, in the Chairman's opinion, there are justified reasons for doing so.
2. The sessions shall be convened by the Chairman, who may ask the Secretary to handle the material execution of the announcement. The formal announcement of the ordinary meetings may be sent by post, fax, telegram or email and must be signed by the Chairman or by the Secretary or Assistant Secretary by order of the Chairman. The announcement shall be sent at least 7 days before the scheduled meeting date. The announcement shall include the meeting agenda, albeit tentative, along with all written information and documentation that is available. The Chairman, however, may submit other matters to the Board of Directors for its consideration, regardless of whether or not they are included on the meeting agenda. On an exceptional basis and as required by the circumstances, the Chairman may convene the Board without respecting the

advance notice or other legal requirements indicated in this article.

3. At the end of each fiscal year, the Chairman may propose to the Board a calendar of meetings for the next fiscal year.
4. The Board meetings shall be validly convened when one half-plus one of the Directors are in attendance. The Directors must attend the Board meetings personally. If unable to do so on an exceptional basis, they shall designate another Board member in writing to represent them, in compliance with the provisions of section 10 of this Article. The Chairman shall confirm the validity of the written proxies. The above notwithstanding, the Board of Directors shall be understood as validly convened without the need for an announcement, if all of the Board members are present or represented and they unanimously agreed to hold a universal meeting and to address the proposed agenda items.
5. On the Chairman's recommendation, the Board may invite executive staff members of the Company to attend Board meetings when their intervention is required.
6. The Chairman will organise and moderate the debates during the Board meetings and will ensure that all Directors are allowed to participate.
7. Unless otherwise established in the Articles of Association or in these Regulations, the Board's resolutions will be passed by absolute majority of those in attendance, with each Director present or represented casting one vote and Chairman casting the deciding vote in the event of a tie.
8. The meetings of the Board of Directors shall be held at the Company's registered offices or another location in Spain or abroad as indicated in the announcement. If necessary, Board meetings may be held using telematic means such as multiconferencing or videoconferencing provided that such means guarantee the privacy of the communications and the recognition and identification of the attendees and that they allow attendees to participate and cast their votes. All in real time. Remote attendance is equivalent to physical attendance at the Board meeting, which shall be understood to be taking place in the location stipulated in the formal announcement or in the place where a majority of the Board members are located; if their physical location is split evenly, it will be the place where the Chairman or the person standing in for him is located.
9. On an exceptional basis and only if none of the Directors is opposed, resolutions may be passed in writing without holding a meeting. Resolutions may be adopted in this way by fax, post, email, or any other channel that guarantees authenticity.
10. A Director may be represented at Board meetings by another Board member. The proxy must be granted in writing and addressed to the Chairman. A Non-Executive Board member can only be represented by other Non-Executive Board member.

## **TITLE VI. REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

### **Article 23.- Remuneration of Directors**

1. The remuneration paid to Directors shall consist of (i) a fixed portion to be determined annually by the General Meeting for the Board as a whole and (ii) allowances for attending the Board meetings.
2. In addition, it is specifically agreed that the Directors may be receive remuneration in the form of Company stock, stock options or other securities that entitle the holder to obtain stocks or remuneration systems referenced to share value. The application of such remuneration systems shall require a resolution of the General Meeting of Shareholder as provided for in the legal terms and conditions applicable to such systems.
3. The total amount of the remuneration paid by the Company to all Board members for the items described in the preceding paragraphs may not exceed the amount established by the General Meeting of Shareholders.
4. The amounts determined by the General Meeting shall remain unchanged until modified by a new resolution of the General Meeting.
5. The exact amount payable to each Director, the frequency of payment and other details shall be determined by the Board of Directors on the recommendation of the Appointments and Remuneration Committee, which is vested with broad powers in this regard, provided that these details have not been settled by the General Meeting of Shareholders.

## **TITLE VII. RIGHTS AND RESPONSIBILITIES OF THE BOARD**

### **Article 24.- Information Rights and Responsibilities**

1. In the performance of their duties, Directors have the obligation to require and the right to gather from the Company all the necessary information in order to fulfill the responsibilities of their position.
2. To this end, the Directors are vested with broad-ranging powers to obtain information on any aspect of the Company, to examine its books, records, documents and other background information on the Company's transactions.
3. To avoid disturbances of the Company's operations, information requests shall be channelled through the Chairman or the Secretary of the Board of Directors.
4. To facilitate the Directors' work, the Company will strive to ensure that the Directors' gain rapid and sufficient knowledge of all aspects of the Company.

## **Article 25.- Expert Assistance**

1. To aid them in the performance of their functions, Directors may request that legal, accounting, technical, financial and commercial advisers or other experts be engaged at the company's expense. These experts must be engaged to deal with specific problems of a certain relevance and complexity faced by the Directors in the performance of their duties.
2. Requests to engage experts shall be channelled through the Chairman or the Secretary of the Board of Directors, who shall in turn submit it to the Board for approval.

## **Article 26.- Basic Obligations of the Board**

1. Each Director shall perform his/her duties faithfully with the due diligence of an orderly businessman and loyal representative.
2. Directors shall keep the Company's resolutions, confidential information and deliberations in strict confidence even after leaving office.
3. Directors shall likewise be obligated to:
  - a. Inform themselves and prepare for the meetings of the Board and the Committees to which they have been appointed.
  - b. Attend the meetings of the bodies and committees of which they are members and participate actively in the deliberations so that their opinions contribute effectively to the decision-making process.
  - c. Perform any tasks specifically assigned to them by the Board of Directors and which can reasonably be considered to fall within the scope of their responsibilities.
  - d. Investigate, report to the Board and try to avoid any irregularities in the administration of the Company and risk situations of which they become aware.
  - e. Request an extraordinary meeting of the Board or the inclusion of new items on the agenda of the next meeting to be held in order to deliberate on such matters.
  - f. Oppose resolutions that run contrary to the Articles of Association, the law, these Regulations or the Company's best interest in general, requesting a record of such opposition in the minutes.

## **Article 27.- Secrecy Obligation**

1. Even after they have stepped down, Directors are obligated to keep all confidential information confidential and to maintain the secrecy of all information, data, reports and records to which they have had access as a consequence of their position and to refrain from disclosing such information to third parties when such disclosure could be harmful to the Company's interests. The secrecy obligation does not apply in those cases where the law allows disclosure to third parties or when the Directors are required by supervisory authorities to disclose the information, in which case the disclosure shall comply with the terms of the law.
2. When the Director is a legal entity, the secrecy obligation lies with its representative, notwithstanding the obligation to keep the legal entity informed.

## **Article 28.- Loyalty Obligations**

1. Directors may not use the name of the Company or use their positions as Directors to carry out transactions on their own or on behalf of persons related to them.
2. Directors may not, for their own benefit or that of persons related to them, make investments or take part in transactions involving the Company's assets which they have learned about as a result of their position as Directors which such transactions were offered to the Company or the Company has an interest in them, as long as they have not been rejected by the Company influenced by the Directors in question.
3. The Directors must notify the Board of Directors of any potential conflict of interest, whether direct or indirect, with the Company's interests. In the event of a conflict of interest, the affected Director shall abstain from participating in the transaction to which the conflict refers.
4. Directors may not use the Company's assets or use their position in the Company to their own advantage without paying an appropriate consideration.
5. Directors shall abstain from voting on matters in which they or persons associated with them have a direct or indirect interest.
6. No Director may participate, whether directly or indirectly, in professional or commercial transactions or operations with the Company or with any Group companies when such transactions fall outside of the Company's ordinary operations or are not carried out under market conditions, unless the Board of Directors is notified in advance and the transaction is approved by two-thirds of the Board members. In this regard, the Board may gather as much information from its committees as is deemed necessary to support its decision.

7. Directors shall report their participation or that of persons related to them in the capital of companies whose business objectives are identical, analogous or complementary to the Company's, the offices they hold and the functions they perform for such companies and their participation in activities that are identical, analogous or complementary to the Company's business activities, either directly or for a third party.
8. Directors shall notify the Board as quickly as possible of any circumstances affecting them which could harm the Company's credit or reputation.

#### **Article 29.-Non-Public Information**

Directors may not use non-public Company information for private purposes except under the following conditions:

- a. The information is not used in connection with the purchase or sale of financial instruments or securities when the information refers directly or indirectly to the issuer of those instruments or securities.
- b. The information does give the Director an advantage over third parties.
- c. The use of the information does not harm the Company in any way.
- d. The Company does not have an exclusive legal right to the information which the Director wishes to use.

#### **Article 30.-Responsibility of the Directors**

Directors are liable to the Company, to the shareholders and to the Company's creditors for the damages caused by acts or omissions that contravene the law or the Articles of Association or those which constitute a breach of the obligations inherent to the performance of their duties under the legally-established terms and conditions.