



**REGULATIONS OF THE BOARD OF DIRECTORS OF LABIANA HEALTH,  
S.A.**

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## REGULATIONS OF THE BOARD OF DIRECTORS OF LABIANA HEALTH, S.A.

### SECTION I. PRELIMINARY

#### 1. PURPOSE OF THE REGULATION AND DURATION

1. The purpose of these regulations (the "**Regulations**") is to determine the principles of action of the Board of Directors of Labiana Health, S.A. (the "**Company**"), as well as the basic rules for its organisation and operation and the rules of conduct of its members.
2. This Regulation will have an indefinite duration, and therefore, it will apply to all Board of Directors meetings called from the moment it enters into force. This Regulation will come into force on the date on which the shares of the Company are incorporated into the negotiation in the BME Growth segment of BME MTF Equity ("**BME Growth**").

#### 2. INTERPRETATION

1. These Regulations completes the regulatory regime applicable to the Board of Directors established in current regulations and the Company's Articles of Association. They will be interpreted in accordance with applicable legal and statutory rules and the principles and recommendations of corporate governance of companies with shares incorporated into negotiation in BME Growth approved or issued by Spanish authorities valid at any given time or by special committees or workgroups established by virtue of the mandate of the mentioned authorities, mainly taking into account its spirit and purpose, as well as the interests of the Company.
2. The Board of Directors is responsible for resolving any doubts that may arise from applying and interpreting this Regulation according to the general criteria of interpretation of the legal regulations and the Company Articles of Association.

#### 3. APPROVAL AND MODIFICATION

1. These Regulations have been approved by the Board of Directors, with a report sent to the General Meeting and at the proposal of the President of the Board, within the scope of the self-organisation powers established in article 245.2 of the consolidated text of the *Ley de Sociedades de Capital* (Spanish Corporation Law), approved by Royal Legislative Decree 1/2010, of 2 July (the "**LSC**").
2. These Regulations can only be modified at the request of the president of the Board of Directors, one-third of the board members or the audit committee, which in any case must accompany their proposal for modification with a justification report and a report drawn up by the audit committee, except if the proposal has originated from this committee.
3. The text of the proposal and the justification report of its authors should be attached to the call for a board meeting to deliberate on this issue. This meeting must be called with at least 24 hours' notice.

4. For modification of the Regulations to be valid, the agreement must be accepted by the overall majority of the members of the Board of Directors, either present personally or represented in the meeting.
5. This Regulation should be updated whenever necessary to adapt its contents to current legislation.

## **SECTION II FUNCTION OF THE BOARD**

### **4. COMPETENCIES OF THE BOARD**

1. The Board of Directors has competence over all issues not attributed by the Articles of Association or the General Shareholders' Meeting.
2. The Board of Directors, which has wide-ranging powers to manage, direct, administrate and represent the Company, as a rule, will delegate ordinary management of the Company to delegated administrative bodies and the management team, establishing the contents, limits and modalities of the delegation, and will concentrate its activity in the general function of supervision and consideration of particularly important issues for the Company.
3. In addition to the powers which, according to current legislation, are considered non-delegable, all powers that are legally or statutorily reserved for the direct knowledge of the Board of Directors and others necessary for the responsible exercise of the general function of supervision are also non-delegable.

### **5. CORPORATE INTEREST**

1. The Board of Directors will perform its functions as a whole and with independent criteria, giving the same treatment to all shareholders in identical conditions and being guided by the interest of the Company, understood as achieving a profitable and long-term sustainable business that promotes its continuity and maximisation of the economic value of the Company.
2. The Board of Directors, notwithstanding the protection of business judgement, will ensure the conciliation of the interest of the Company and the legitimate interest of stakeholders that could be affected, respecting regulations, complying with obligations and contracts in good faith, respecting uses and good practices in the sectors and territories where it operates and observing any additional principles of social responsibility that it has voluntarily accepted.

## **SECTION III COMPOSITION OF THE BOARD**

## **6. QUANTITATIVE COMPOSITION**

1. The Board of Directors will be formed by no less than three or no more than twelve members, to be determined by the General Shareholders' Meeting.
2. The Board will propose the number of board members they deem most appropriate to the General Shareholders' Meeting, according to the circumstances of the Company and within the statutory limits, as the most suitable for representation and effective operation of the body at any given time.

## **7. QUALITATIVE COMPOSITION**

1. The Board of Directors, exercising their power to propose to the General Shareholders' meeting and co-opting for covering vacancies, will ensure that external and independent board members constitute a broad majority of the Board of Directors and that the number of executive board members is the minimum necessary, taking into account the complexity of the company group and the percentage of participation of executive board members in the company share capital. The Board of Directors will also try to ensure that the percentage of external board members over the total of non-executive board members is not greater than the proportion existing between the share capital represented by said board members and the rest of the capital.
2. The definitions of the different categories of board members will be as established in legislation, or in its absence, by the recommendations of good corporate governance.

## **SECTION IV. STRUCTURE OF THE BOARD OF DIRECTORS**

### **8. THE PRESIDENT**

1. The board members will choose the president of the Board of Directors, with a prior report from the appointments and remuneration committee.
2. The President has the ordinary power to call and preside over the Board of Directors, establish the agenda of the meetings, oversee the General Shareholders' Meeting, and ensure that board members receive sufficient information in advance to be able to deliberate on the points of the agenda, direct the debates and stimulate discussion and active participation.
3. The President, being responsible for the effective operation of the Board of Directors, as well as exercising all the legal and statutory functions assigned, (i) Will prepare and submit to the Board of Directors a programme of dates and issues to be dealt with. (ii) Will be responsible for the management of the Board and the effectiveness of its operation. (iv) Will make sure that strategic issues are allocated enough time for discussion. (v) Will agree on and review programmes for updating knowledge for each board member when circumstances require.

## **9. THE SECRETARY AND THE LEGAL COUNSELLOR OF THE BOARD OF DIRECTORS**

1. At the proposal of the President, the Board of Directors will choose a secretary and, if applicable, one or several deputy secretaries, who may be board members or could be people from outside the Board of Directors with skills to carry out the tasks this position involves. If the secretary of the Board of Directors is not a Board member, they will be able to speak but will not have voting rights. In any case, to safeguard the secretary's independence, impartiality and professionalism, appointment and dismissal will be approved by the Board of Directors, with a prior report by the appointments and remuneration committee.
2. The secretary will help the president with the work and must provide for the proper operation of the board, being especially dedicated to offering board members the necessary advice and information, assisting the president, so that board members receive the information required for their work, sufficiently in advance and in an adequate format, preserving the corporate documentation, duly recording the sessions in the minutes books and bearing witness to the agreements of the entity. The secretary must also record in the minutes of the Board of Directors meetings any concerns expressed by board members on the situation of the Company that were not resolved by the Board of Directors, as well as concerns of the Secretary or board members about any proposal, at the request of the person who stated them.
3. The secretary will especially ensure that the actions of the Board of Directors (i) Are compliant with the Law and regulations. (ii) Are compliant with the company's articles of association and the General Shareholders' Meetings' regulations and internal stock market rules of behaviour. (iii) Take into account the recommendations on good governance applicable to the Company.

## **10. DELEGATED AND CONSULTATIVE BODIES**

1. Notwithstanding the powers that can be conferred to any person, the Board of Directors may, if the articles of association do not rule otherwise, appoint a permanent executive committee from its members, determining the people that are to comprise this committee, and may also appoint one or more managing directors, being able to delegate in them, either total or partially, temporarily or permanently, all the powers that are cannot be delegated according to the Law, the Company's articles of association or this Board of Directors' regulation. The permanent delegation of any power of the Board of Directors in the executive committee or in a managing director and the appointment of members of the Board of Directors to occupy these positions will require a favourable vote of two-thirds of the members of the Board of Directors to be valid and will not come into force until they are registered in the Mercantile Registry.
2. An audit committee and an appointments and remuneration committee will also be constituted with the powers of information, supervision, advice and proposal regarding matters of their competence specified in these Regulations.
3. Moreover, the Board may constitute other committees with advisory capacities, although they may be exceptionally given powers of decision. The Board of Directors will appoint the president, the secretary and the other members of these committees by a simple majority.

4. The committees that may be constituted by the Board of Directors will be governed by these Regulations and, if applicable, their respective internal regulations.

## **11. AUDIT COMMITTEE. COMPOSITION, COMPETENCE AND OPERATION**

1. The Board of Directors will constitute an audit committee, an internal informative and consultative body, with no executive functions, with powers of information, advice and proposal within their scope of action as indicated in this article. The audit committee will be composed of at least three and a maximum of five board members appointed by the Board of Directors. All audit committee members will be external or non-executive board members; most of the audit committee members will be independent and will be chosen for their knowledge and experience in accounting, auditing or risk management.
2. The Board of Directors will choose the president from the members of the audit committee, which will be an independent board member and who will hold the position for no longer than four years or their mandates as a member of the audit committee, although they can be re-elected one year after they have left the position. A secretary will also be appointed. To be appointed president or vice president, it will be necessary for the person appointed to be a member of the committee, which is not the case for the secretary, in which case they will be able to speak but will have no voting rights.
3. The Board of Directors will appoint the secretary and deputy secretary of the audit committee. In this case, it will not be necessary for them to be members of the Board of Directors. The positions of secretary and deputy secretary of the audit committee may be given to the secretary and deputy secretary of the Board or someone else.
4. Notwithstanding any other tasks they may be entrusted with at any given time by the Board of Directors, the audit committee will have the following basic tasks:
  - (i) To inform the General Shareholders' Meeting about issues presented by the shareholders in areas of their competence and, in particular, on the result of the audit, explaining how it has contributed to the integrity of the financial information and the function of the audit committee in the process.
  - (ii) To supervise the efficacy of the internal control of the Company and the Group, the internal audit and the risk management system, and discuss significant weaknesses of the internal control system detected in the development of the audit with the accounts auditor, all without compromising its independence. If substantial weaknesses are identified, recommendations or proposals must be submitted to the administrative entity, and the corresponding deadline for monitoring will be established.
  - (iii) To supervise the creation and presentation of the necessary financial information and presenting recommendations or proposals to the Board of Directors to safeguard their integrity.
  - (iv) To propose to the board of Directors, for submission to the General Shareholders' Meeting, recruitment, appointment, re-election or replacement of accounts' auditors, according to the regulations, as well as hiring conditions and regularly



obtaining information about the auditing plan and its execution from this person, preserving their independence in the performance of their work.

- (v) To establish the right relationship with accounts auditors to receive information about questions that could compromise their independence, for examination by the audit committee, and any others related to the process of development of the accounts auditing and, when applicable, authorisation of the services different from those forbidden, in the terms contemplated in regulations, as well as other communications contemplated in accounts auditing legislation and other auditing regulations. In any case, the audit committee should receive from the accounts auditors every year a written confirmation of their independence from the Company and entities linked to it, either direct or indirectly, as well as detailed and personalised information on additional services of any type that have been supplied and the corresponding fees received from these entities by the external auditor or people or entities linked to it, in compliance with the provisions of accounts auditing legislation.
- (vi) To annually issue, before the accounts audit, a report expressing an opinion on the independence of the account's auditors or auditing companies and if it is compromised. This report must, in any case, decide on the provision of additional services referred to in the previous paragraph, individually and jointly, different from the legal audit and related to the independence regime or the auditing regulations.
- (vii) To inform the Board of Directors in advance about all legal, statutory and regulatory matters, particularly: (i) Financial information that the Company should regularly make public. (ii) The creation or acquisition of participation in special purpose entities or entities registered in countries or territories considered fiscal havens. (iii) Operations with related parties.
- (viii) Regarding IT systems and internal control and auditing: (a) Supervise the process of creating and the integrity of the financial information about the Company and, if applicable, the group, reviewing compliance with regulatory requirements, the correct delimitation of the perimeter of consolidation and the proper application of accounting criteria. (b) Ensure the independence of the internal audit, propose the selection, appointment, re-election and dismissal of the internal audit director, propose the budget of this management, approve its orientation and work plans, receive regular information on their activities and verify that the management personnel take into account the conclusions and recommendations of their reports. (c) Establish and supervise a mechanism that enables employees to confidentially or anonymously report irregularities of possible significance, especially financial and accounting, that they detect in the Company.
- (ix) With regard to the external auditor: (a) In case of resignation, examine the circumstances that could have caused it. (b) Ensure that the remuneration does not compromise quality or independence. (c) Supervise that the Company reports the change of auditor as a relevant fact and, if applicable, accompanies it with a statement on the eventual existence of disagreements with the auditor that is leaving and the content of the audit. (d) Ensure that the external auditor meets annually with the Board of Directors to inform of the work

carried out and the evolution of the Company's situation. (e) Ensure that the Company and the external auditor respect the regulations on the provision of services different to auditing, the limits to the auditor's business concentration and, in general, other regulations on auditor independence.

- (x) Supervise compliance with the codes of conduct, rules of corporate governance and compliance with Company regulations, as well as updating its content.
  - (xi) Ensure compliance with the corporate social responsibility policy and evaluate the relationship processes with different stakeholders.
5. The audit committee will meet at least every quarter to review the regular financial information that must be sent to the stock market authorities. Moreover, they will meet at the request of any member, the internal audit director or the partner responsible for the Company accounts, and whenever called by the president, which must be done whenever the Board of Directors or its president request the issuing of a report or the adoption of proposals and, in any case, whenever it is convenient for the proper performance of its duties.
  6. The audit committee will be validly constituted with the concurrence, physical or represented, of the majority of its members, and its agreements will be adopted by an overall majority of the participants. In case of a tie, the president of the audit committee will have the casting vote.
  7. The committee must record the minutes of its meetings, of which a copy will be sent to all members of the Board of Directors and the secretary of the Board.
  8. The audit committee will draw up an annual report on its operation, highlighting the principal incidents that occurred, if any, with regard to its regular duties. Moreover, when the audit committee deems fit, the report will include proposals for improving the Company's rules of governance.
  9. To better carry out its duties, the audit committee may call any employee or manager of the Company before the committee and get advice from external experts when deemed necessary for optimal performance of its functions.
  10. Except if the LSC, the corporate articles of association or this Regulation were to establish otherwise, the rules of organisation and operation of the Board of Directors will apply to the Audit Committee.

## **12. APPOINTMENTS AND REMUNERATION COMMITTEE. COMPOSITION, COMPETENCE AND OPERATION**

1. The Board of Directors will constitute a permanent appointments and remuneration committee, an informative and consultative internal entity, without executive functions, with general powers of proposal and reporting regarding appointments, dismissals and remuneration, within the legally established terms. For these purposes, the appointments and remuneration committee will collect any reports from third parties deemed necessary or convenient to carry out its tasks.

2. The appointments and remuneration committee will have a minimum of 3 and a maximum of 5 board members, appointed by the Board of Directors at the proposal of the president of the Board of Directors. They must be non-executive board members, two of which, at least, should be independent board members.
3. The appointments and remuneration committee will also appoint its president from the independent board members belonging to the committee. The position of secretary of the appointments and remuneration committee may be occupied by one of the committee members or by the secretary of the Board of Directors.
4. The positions of secretary and deputy secretary of the appointments and remuneration committee will be appointed by the Board of Directors. The positions of secretary and deputy secretary of the appointments and remuneration committee will go to the secretary and deputy secretary of the board or committee members. The mandate of members of the appointments and remuneration committee will not be longer than that of their mandate as board members, notwithstanding the possibility of being re-elected indefinitely if they are given this mandate as board members.
5. Notwithstanding any other tasks they may be entrusted with at any given time by the Board of Directors, the appointments and remuneration committee will have the following basic tasks:
  - (i) To evaluate the competencies, knowledge and experience necessary to be on the Board of Directors. For this purpose, it will define the functions and aptitudes required for the candidates to cover each vacancy and evaluate the time and dedication necessary to carry out their work effectively.
  - (ii) To establish an objective of representation for the least represented gender in the Board of Directors and draw up guidelines for achieving this goal.
  - (iii) To submit to the Board of Directors proposals for appointments of independent board members for their appointment by co-opting or submission to the decision of the General Shareholder's Meeting, as well as proposals for the re-election or dismissal of said board members by the General Shareholder's Meeting.
  - (iv) To inform of proposals for appointments of the rest of the board members for their appointment by co-opting or submission to the decision of the General Shareholder's Meeting, as well as proposals for re-election or dismissal of said board members by the General Shareholder's Meeting.
  - (v) To inform of proposals of appointments and dismissals of management personnel and the basic conditions of their contracts.
  - (vi) To examine and organise the succession of the president of the Board of Directors and the CEO of the Company and, when applicable, to formulate proposals to the Board of Directors for the succession to be orderly and planned.
  - (vii) To regularly review and make proposals to the Board of Directors regarding the board member remuneration policy, as well as fixed and variable remuneration or any other remuneration or compensation to be received by management personnel or any other top executive, including shares remuneration schemes

and their application, the basic conditions of their contracts (if they exist), as well as guaranteeing that their individual remuneration is proportional to what other board members and management personnel are paid.

6. The appointments and remuneration committee will meet, ordinarily, at least twice a year. Moreover, they will meet at the request of any member and whenever called by the president, which must be done whenever the Board of Directors or its president request the issuing of a report or the adoption of proposals and, in any case, whenever it is convenient for the proper performance of its duties.
7. The appointments and remuneration committee will be validly constituted with the concurrence, physical or represented, of the majority of its members, and its agreements will be adopted by an overall majority of the participants. In case of a tie, the president of the appointments and remuneration committee will have the casting vote.
8. The committee must record the minutes of its meetings, of which a copy will be sent to all members of the Board of Directors.
9. The committee must consult with the president and the CEO of the Company, especially regarding issues about executive board members and management personnel.
10. For optimum fulfilment of their tasks, the appointments and remuneration committee may request advice from external experts when deemed necessary for the proper performance of their work, ensuring that eventual conflicts of interest do not harm the independence of the external advice provided to the appointments and remuneration committee.

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

### **13. MEETINGS OF THE BOARD OF DIRECTORS**

1. The Board of Directors will meet at least once every quarter; it will also meet whenever:
  - (i) Requested by one-third of the board members in writing addressed to the president.
  - (ii) When the president or representative decide to do so.
2. Board members amounting to at least one-third of the members of the Board may call a meeting, indicating the Agenda, to take place in the Corporate head office if, having requested that the President call a meeting, the call for the said meeting has not been made after one month has passed, for no justified cause. The call will be made via postal mail, email or any other method that allows acknowledgement of receipt, addressed to every board member and containing the day, time and venue of the meeting.
3. The call for Board of Directors' meetings will be made by the secretary of the Board of Directors or a representative of the same, with the authorisation of the president, by any means (including electronic) that enables all members of the Board of Directors in the

Company files to receive it. The call will be made at least 24 hours before the meeting and will always include the agenda of the session and relevant information duly prepared and summarised.

4. The session's agenda will clearly indicate the points on which the Board of Directors must make decisions or agreements, so the board members can study them or collect the information they need for these actions in advance. If exceptionally, in urgent cases, the president wishes to submit for approval of the Board of Directors' decisions or agreements that are not on the agenda, it will be necessary to obtain the prior express consent of the majority of the board members present, which will be duly recorded in the minutes.
5. The president of the Board of Directors may call extraordinary Board meetings if, in their opinion, they are justified. In these cases, the provisions of 24 hours' notice and the other requirements expressed in the previous paragraph are not applicable. Nevertheless, the documentation that, if applicable, should be provided to the board members will be delivered sufficiently in advance, except if the Board of Directors had been called exceptionally or for urgent reasons.
6. At the beginning of each year, the Board will draw up a calendar of the ordinary sessions to be held during the year.
7. The Board of Directors will hold the sessions in the corporate domicile, except if indicated otherwise in the call.
8. Board of Directors meetings will be held with the members attending in person. However, if necessary, the Board of Directors meetings may be held in several locations connected by systems that enable the identification of the attendants, permanent communication between them regardless of where they are, as well as intervention and voting, all in real-time (including videoconference or telepresence or any other similar systems). A board member attending a meeting of the Board of Directors through any of these systems will be considered the same as having attended in person.
9. Attendants to any of the meeting places will be considered, for all intents and purposes, as participants in a single meeting. The session is deemed to have taken place in the location of the greatest number of board members and, in case of a tie, the location of the president of the Board of Directors or, if absent, the chair of the meeting.

#### **14. DEVELOPMENT OF THE SESSIONS**

1. The Board of Directors will be validly constituted if at least half of the board members are present or represented, notwithstanding the provisions set out in later paragraphs regarding issues that require an enhanced majority for the agreement to be adopted. The Board of Directors will be validly constituted, without need for a call, if all the board members are present or represented and unanimously decide to hold a meeting.
2. Board members will do everything possible to attend the Board of Directors' meetings; nevertheless, they may delegate their voice and vote in each of the Board of Directors' meetings in favour of another board member, doing so in writing and signed by the delegating board member and submitted to the president or representative of the same. In the case of a legal entity board member, their physical representative may

delegate their voice and vote to a third party in their organisation, such as a shareholder, administrator, worker or service provider. Non-attendance of board members to Board of Directors meetings will be quantified in the annual corporate governance report if the Company is obliged to prepare this document.

3. The president will organize and stimulate debate, ensuring and promoting active participation of all board members during Board of Directors meetings, safeguarding their free positioning and expression of opinion.
4. Except if the Law or the articles of association were to establish other majorities specifically, agreements will be adopted by an overall majority of participants. In particular, the appointment and dismissal of the CEO, as well as prior approval of the contracts that are going to be formalised between the Company and executive board members, will require the favourable vote of at least two-thirds of the board members, with the abstention, if applicable, of the affected board member. In case of a tie, the president will have the casting vote.
5. Minutes will be recorded of the Board of Directors meetings, which will be signed by at least the president (or vice president, if applicable) and secretary or deputy secretary, and they will be transcribed or filed as established by law in a special Board of Directors minutes book.
6. The Board of Directors will approve the minutes at the end of the meeting or in a later meeting.

## **SECTION VI. APPOINTMENT AND DISMISSAL OF BOARD MEMBERS**

### **15. APPOINTMENT AND RE-ELECTION OF BOARD MEMBERS**

1. Board members will be appointed by the General Meeting of Shareholders or the Board of Directors, by co-opting.
2. The new board members must acquire sufficient knowledge about the Company and its corporate governance rules quickly.
3. The Board of Directors will ensure that the choice of candidates falls on people of acknowledged solvency, competence and experience, being especially rigorous regarding candidates to cover independent board member positions.
4. Before proposing the re-election of board members to the General Shareholders' Meeting, the Board of Directors will evaluate the quality of the work of the board members proposed and their dedication to the position in the previous mandate. The subjects in question will abstain from the evaluation.

### **16. DURATION OF THE POSITION**

1. Board members will maintain their position for six years, after which they may be re-elected one or more times for periods of the same maximum duration.

2. Appointment of board members will expire when, once the deadline has passed, the next General Shareholders' Meeting has been held or the legally established time for holding the General Shareholders' Meeting that should decide on the approval of the previous year's accounts.
3. Board members appointed by co-opting will hold their position until the first meeting of the General Shareholders' Meeting held after their appointment, leaving the position if the mentioned General Shareholders' Meeting does not ratify their appointment.
4. If a vacancy arises when the General Meeting has been called, and before it is held, the board may appoint a board member until the next General meeting is held, as stipulated in the LSC.

#### **17. DISMISSAL OF BOARD MEMBERS**

1. Board members will leave their office after the time for which they have been appointed has expired or when the General Shareholders' Meeting decides to dismiss them, using the legal or statutory powers conferred.
2. Board members must place their post at the disposal of the Board of Directors and formalise, if the Board deems appropriate, the corresponding resignation in the following cases:
  - (i) If they leave the executive posts, their appointment as board members was associated with.
  - (ii) If they are involved in any case of incompatibility or legal or statutory prohibition.
  - (iii) If they have been seriously reprimanded by the Board of Directors for breaching their obligations as board members.
  - (iv) If their membership of the board could endanger or harm the interests, credit or reputation of the Company, or when the reasons for which they were appointed disappear, including, without limitation, when there are significant changes in their professional situation or the conditioned by virtue of which they had been appointed as board members.
  - (v) If they are prosecuted for an alleged criminal act or are subject to disciplinary proceedings for serious or very serious misconduct, conducted by the supervisory authorities.
  - (vi) In the case of external board members: (i) When the shareholder they represent sells all their shares or reduces them significantly. (ii) In the corresponding number, if said shareholder reduces the share participation to a level that requires the reduction of external board members.
  - (vii) If they are a part of more than four administrative entities of other listed companies or admitted to negotiation in multilateral negotiation systems that do not belong to the Company group.

- (viii) When due to events attributable to the board member, they were to cause serious harm to the assets or reputation of the Company.
- 3. Board members affected by proposals of appointment, re-election or dismissal will abstain from intervening in the deliberations and voting referring to them.
- 4. All votes of the Board of Directors on appointment, re-election or dismissal of board members will be secret, notwithstanding the right of any board member to have their vote recorded.

## **SECTION VII. BOARD MEMBER INFORMATION**

### **18. POWERS OF INFORMATION AND INSPECTION**

- 1. Board members must diligently acquire information on the progress of the Company. For this purpose, they may request information about any issue in the competency of the Board of Directors and examine the books, records, documents and other documentation. The right of information includes subsidiary companies and participated companies whenever possible.
- 2. A request for information must be addressed to the secretary of the Board of Directors, who will pass it on to the president of the Board of Directors and the appropriate interlocutor in the Company.
- 3. The secretary will notify the board member of the confidentiality of the information requested and received as set out in this Regulation.
- 4. The president may refuse to supply the information if they consider: (i) It is unnecessary for the proper performance of the work entrusted to the board member or (ii) That its cost is unreasonable in given the importance of the problem and the assets and revenues of the Company.

### **19. AID OF EXPERTS AND KNOWLEDGE UPDATING PROGRAMMES**

- 1. To be helped in their work, all board members may obtain the necessary advice from the Company for their tasks. For this purpose, the Company will arbitrate the required channels, which may include external advice paid by the Company in special circumstances.

The request must be related to specific problems of certain importance and complexity that arise due to their work.

- 2. The president of the Board of Directors must be informed of the decision to hire external advisors paid by the Company, and the Board of Directors can veto this if any of the following is accredited:
  - (i) That it is unnecessary for the proper performance of the work the external board members are entrusted with.
  - (ii) That its cost is unreasonable given the importance of the problem and the assets and revenues of the Company.



- (iii) That the technical assistance requested can be adequately supplied by experts and technicians within the Company.
3. The Company will also offer knowledge update programmes for board members when required, in addition to the knowledge board members are required to have for their work.

## **SECTION VIII. REMUNERATION FOR THE BOARD OF DIRECTORS**

### **20. REMUNERATION OF BOARD MEMBERS**

Board members will be entitled to receive remuneration in the terms established by the Company articles of association in each case.

## **SECTION IX. BOARD MEMBER DUTIES**

### **21. GENERAL OBLIGATIONS OF BOARD MEMBERS**

1. In their work, board members will act with the diligence of an organised businessperson and loyal representative, taking into account their position and the functions they are entrusted with. Their action will be solely guided by good faith and the interests of the company, ensuring the best defence and protection of the interests of the shareholders as a whole, from whom they have received their powers and to whom they are accountable. In particular, board members are obliged to:
- (i) Be informed and prepare the meetings of the Board of Directors adequately and, if applicable, those of the delegated bodies they belong to.
  - (ii) To attend the Board of Directors' meetings and participate actively in the deliberations so that their criteria effectively contribute to the decision-making.  

If unable to attend the meeting they are called to, for a justified reason, they should instruct the board member that will represent them.
  - (iii) Provide (the independent board members to a lesser degree ) their strategic vision, as well as concepts, criteria and innovative measures for the optimum development and evolution of the Company business.
  - (iv) Perform their work under the principle of personal responsibility, with freedom of criteria or judgement and independence from instructions and links to third parties.
  - (v) Carry out any specific task they are entrusted by the Board of Directors or any of its delegated or consultive bodies and which is reasonably within their commitments.

- (vi) Promote the investigation of any irregularity in the management of the Company observed and immediately inform the Board of Directors and monitor any risk situation.
- (vii) Urge people with the power to call meetings, to call an extraordinary meeting of the Board of Directors or include the issues deemed necessary in the agenda of the first meeting to be held.
- (viii) Oppose any agreements that are in breach of the Law, the articles of association or the interests of the Company and request that their position is included in the minutes when deemed to be in the interest of the Company. Independent board members and other board members not affected by a potential conflict of interest should, especially, clearly express their opposition in the case of decisions that could be harmful to shareholders not represented in the Board of Directors.

If the Board of Directors were to adopt significant or repeated decisions about which a board member had expressed serious reservations, the board member will come to the necessary conclusions, and if they decide to resign, the reasons will be explained in the letter of resignation.

The provision of this section will apply to the secretary and, if applicable, the deputy secretary of the Board, even if they are not Board members.

- 2. In any case, board members must dedicate the necessary time and effort to their work to perform it effectively, and consequently, board members must inform the appointments and remuneration committee about their other professional obligations in case these were to interfere with their required dedication.

## **22. BOARD MEMBERS' DUTY OF CONFIDENTIALITY**

- 1. Board members will maintain the secrecy of deliberations of the Board of Directors and the delegated bodies they are a part of, and, in general, they will not disclose information they have obtained in their work.
- 2. This obligation of confidentiality will persist even after resigning from the position, being obliged to maintain the secrecy of confidential information, data, reports or files they know of as a result of their work, which must not be disclosed to third parties or disclosed in any way that could damage the interest of the company. Cases in which the Law permits the communication or disclosure of information to third parties or are required to be sent to supervisory authorities are exempt from the provisions of the paragraph above, in which cases, the transfer of information must comply with the Law.

## **23. NON-COMPETITION OBLIGATION**

- 1. Board members will abstain from activities on their own account or working for others that involve effective competition, either current or potential, with the Company or which, in any way create a permanent conflict of interest with the Company.
- 2. The non-competition obligation with regard to the Company can only be waived if there is no expected harm for the Company or if it is expected, it is considered to be

compensated by the benefits provided by the dispensation. The dispensation will be granted by express agreement and separated from the general meeting.

3. In any case, at the request of any shareholder, the general meeting will resolve the dismissal of a board member carrying out competitive activities when the risk for the Company is seen as relevant.

## **24. CONFLICTS OF INTEREST**

1. It will be considered that there is a conflict of interest in situations that clash directly or indirectly with the interests of the Company or the companies in the group and the personal interest of the board member. There will be a personal interest of the board member when the issue affects this person or a related person or, in the case of an independent board member, the shareholder or shareholders that proposed or carried out the appointment or people related directly or indirectly to them.
2. For the purposes of this Regulation, the following will be understood:
  - (i) People linked to a natural person board member:
    - a) The board member's spouse or other people with an analogous relationship.
    - b) Ascendants, descendants and brothers and sisters of the board member or the board member's spouse (or another person with an analogous relationship).
    - c) Spouses (or people with an analogous relationship) of the board member's ascendants and brothers and sisters.
    - d) Companies or entities in which the board member or any related person, either directly or by an interposed, are in any of the situations contemplated in article 42 of the Code of Commerce.
    - e) If independent board members, additionally, the shareholders at whose proposal they had been appointed.
  - (ii) People linked to a legal person board member:
    - a) Partners that are, with regard to the legal person board member, in any of the situations contemplated in article 42 of the Code of Commerce.
    - b) Companies that belong to the same group, as defined in article 42 of the Code of Commerce, and their partners.
    - c) The physical representative, the administrators de iure or de facto, the liquidators and the attorneys-in-fact of the legal person board member.
    - d) People who with regard to the representative of the legal person board member are considered linked people according to section 2.(i) of this article for physical board members.

3. Board members must inform the Board of Directors of the existence of conflicts of interest, either direct or indirect, and abstain from intervening as a representative of the Company in the operation the conflict refers to, with the exceptions established by Law. The Company will also inform, if appropriate according to the Law, of any conflict of interest that board members have been in (or people linked to them) during the year in question and which is revealed by the affected party or any other means. Conflict of interest situations incurred by board members will be reported in the Company's Annual Accounts.

#### **25. USE OF CORPORATE ASSETS**

A board member cannot use Company assets, including confidential information, or their position in the company to obtain profits unless there is appropriate compensation.

#### **26. NON-PUBLIC INFORMATION**

Board members must abide by the rules of conduct established in the stock market regulations, especially those indicated in the Company's internal behaviour regulations for stock markets with regard to handling privileged information.

#### **27. BUSINESS OPPORTUNITIES**

1. According to the terms established in these Regulations, Board members are not allowed to take advantage of the Company's business opportunities for their own benefit or that of a linked person unless it has been previously offered to the Company and the Company desists taking advantage of it.
2. For the purposes of the paragraph above, a business opportunity is understood as any possibility of carrying out an investment or commercial operation that has arisen or has been discovered in connection with the work carried out as a Board member or by the use of information from the Company, or under circumstances that make it reasonable to deduct that an offer of a third party was in fact for the Company.

#### **28. INDIRECT OPERATIONS**

Board members are in breach of duties of loyalty to the Company if they knowingly allow or do not disclose the existence of operations carried out by linked people indicated in these Regulations that have not been subject to the conditions and controls established in previous paragraphs.

#### **29. BOARD MEMBERS' DUTY OF NOTIFICATION**

1. Board members must inform the Company of actions carried out directly or indirectly by the board member through linked people indicated in these Regulations, in compliance with the Company's internal rules of conduct in the stock markets.
2. Board members must also inform the Company if any positions they occupy in administrative bodies of other companies quoted or admitted to negotiation in multilateral negotiation systems and, in general, of facts, circumstances or situations that could be relevant for their actions as an administrator of the Company as established in these Regulations. For these purposes, Company board members cannot

be a part of more than four administrative entities of other listed companies or admitted to negotiation in multilateral negotiation systems that do not belong to the Company group.

3. Moreover, all board members must inform the Company of any situations that could damage the Company's credit and reputation, particularly to inform the Board of criminal proceedings in which they appear as accused or investigated, as well as the subsequent procedural events.

If a board member were prosecuted or placed under trial for any of the offences indicated in company legislation, the Board of Directors will examine the case as soon as possible and, in view of the specific circumstances, will decide if the board member should remain in their position or not. If the Company is obliged to present an annual corporate governance report, the circumstances mentioned above will be recorded in a reasoned manner.

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