

REPORT PREPARED BY THE BOARD OF DIRECTORS OF “EUSKALTEL, S.A.” ON 28 APRIL 2020 FOR THE PURPOSES OF INFORMING SHAREHOLDERS OF THE AMENDMENTS INCORPORATED INTO ITS REGULATIONS SINCE “EUSKALTEL, S.A.’S” LAST GENERAL MEETING OF SHAREHOLDERS WAS HELD, WITHIN THE FRAMEWORK OF ITEM 8 ON THE AGENDA -FOR INFORMATION PURPOSES ONLY- OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF “EUSKALTEL, S.A.” ANNOUNCED FOR 2 AND 3 JUNE 2021 ON FIRST AND SECOND CALL, RESPECTIVELY.

## 1. Purpose of the report

This report is prepared by the Board of Directors of EUSKALTEL, S.A. (“Euskaltel” or the “Company”) in accordance with article 528 of the consolidated text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July (the “Spanish Companies Act”), as well as article 3.3 of the Board of Director Regulations of the Company referred to herein, which determine the Board of Director’s obligation to report to the Company’s shareholders any amendments incorporated into its Regulations since the last General Meeting was held, in the context of point eight on the agenda -for information purposes only- of Euskaltel’s Annual General Meeting of Shareholders announced for 2 and 3 June 2021 on first and second call, respectively.

At its meeting on 15 December 2020, the Company’s Board of Directors unanimously adopted the resolution to amend certain articles of the Board of Director Regulations to bring the content thereof into line with the Code of Good Governance for listed companies of February 2015 in the terms of its partial review published by the National Securities Market Commission of 26 June 2020.

In addition, to facilitate comparison between the proposed new wording of the articles and the current wording, an Appendix is attached hereto, for information purposes, with a full transcription of Euskaltel’s Board of Director Regulations, set out in two columns, comparing both texts and highlighting the proposed additions and exclusions to the wording.

## 2. Grounds for the amendment of the Board of Director Regulations

As stated above, on 15 December 2020, the Board of Directors of the Company agreed to amend its Regulations in order to align its contents with the contents of the Code of Good Governance for listed companies of February 2015 in the terms of the amendments arising from the renewal of the recommendations of the Code of Good Governance published in June 2020:

- (i) Minor changes were made to the Board of Director Regulations to include the reference to the approval of the non-financial information that must be disclosed (Recommendation 4).

- (ii) Amendment of aspects pertaining to the Board of Directors' relationship with the auditors in the realm of the Reporting Policy and Relations with the Board, in order to ensure that the accounting principles and criteria are applied correctly in the preparation of the annual accounts (Recommendation 8).
  
- (iii) Regulation on the reporting duties of Directors in the event that they are affected by circumstances that may damage the Company's standing and reputation and that the Board has to analyse the situation and adopt measures, as soon as they become known, subject to a report by the appointments committee (Recommendation 22).
  
- (iv) Reinforcement of the transparency criteria relating to the removal of directors before the end of their tenure due to resignation or resolution by the shareholders' meeting through the Annual Corporate Governance Report and at the time of the termination itself, giving the reasons for the resignation and, in the case of non-executive directors, their opinion on the reasons for removal by the shareholders' meeting (Recommendation 24).
  
- (v) Adaptation of the executive committee's membership, if there is one, ensuring there are a minimum of two non-executive directors and at least one of them is independent (Recommendation 37).

### **3. Scope of the amendment to the Board of Director Regulations**

The amendments to the Board of Director Regulations that are subject to this report affect articles 4.2, 4.5.C).c), 12.5, 18.2, 39.2.c) and 43.3.

### **4. Announcement of the amended Board of Director Regulations**

In accordance with article 529 of the Spanish Companies Act, the amended Board of Director Regulations will be notified to the Spanish National Securities Market Commission ("CNMV"), together with a copy of the document which will, however, state that it is pending registration in the Bizkaia Commercial Register.

Once registered, a copy of the document submitted to the CNMV will be sent for public dissemination via the CNMV website ([www.cnmv.es](http://www.cnmv.es)).

Without prejudice to the above, in addition to its transcription in the Appendix hereto, the amended Board of Director Regulations are available to the public on the company's corporate website ([www.euskaltel.cm](http://www.euskaltel.cm)), as part of the documentation pertaining to the Company's Annual General Meeting of Shareholders.

APPENDIX

**EUSKALTEL, S.A.’S BOARD OF DIRECTOR REGULATIONS**

PREVIOUS WORDING	CURRENT WORDING
<b>PRELIMINARY CHAPTER</b>	<b>PRELIMINARY CHAPTER</b>
<b>Article 1. Purpose of the Regulations</b>	<b>Article 1. Purpose of the Regulations</b>
<p>1. These Regulations (the “<b>Regulations</b>”) have been approved by the Board of Directors of Euskaltel, S.A. (the “<b>Company</b>”), reporting to the General Meeting of Shareholders, in accordance with article 528 of the consolidated text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July (the “<b>Spanish Companies Act</b>”). These Regulations contain the guiding principles for the Board of Directors, the basic rules for its organisation and functioning and the standards of conduct of its members, with the aim of achieving greater transparency, efficiency, impulse and control in its administrative and supervisory functions and in representing corporate interests.</p> <p>2. The Regulations develop and complement the regulatory framework applicable to the Board of Directors, established in the prevailing regulations and the Company’s Articles of Association. Generally recognised international good governance recommendations have been taken into consideration in their preparation.</p> <p>3. The guiding principles and the manner in which the governing bodies existing in other Group companies are organised and run will be regulated, where applicable, by their corresponding internal regulations, adapting where necessary to the principles contained in these Regulations.</p>	<p>1. These Regulations (the “<b>Regulations</b>”) have been approved by the Board of Directors of Euskaltel, S.A. (the “<b>Company</b>”), reporting to the General Meeting of Shareholders, in accordance with article 528 of the consolidated text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July (the “<b>Spanish Companies Act</b>”). These Regulations contain the guiding principles for the Board of Directors, the basic rules for its organisation and functioning and the standards of conduct of its members, with the aim of achieving greater transparency, efficiency, impulse and control in its administrative and supervisory functions and in representing corporate interests.</p> <p>2. The Regulations develop and complement the regulatory framework applicable to the Board of Directors, established in the prevailing regulations and the Company’s Articles of Association. Generally recognised international good governance recommendations have been taken into consideration in their preparation.</p> <p>3. The guiding principles and the manner in which the governing bodies existing in other Group companies are organised and run will be regulated, where applicable, by their corresponding internal regulations, adapting where necessary to the principles contained in these Regulations.</p>
<b>Article 2. Scope of application</b>	<b>Article 2. Scope of application</b>
<p>The Regulations are applicable both to the Board of Directors and their delegated bodies –associations or single-member– and their internal committees and the members thereof. The rules of conduct established in these Regulations for the directors of the Company are also applicable to the senior management of the Company, to the extent that they are compatible with their specific nature and the activities they undertake. For the purposes of these Regulations, “senior management” is</p>	<p>The Regulations are applicable both to the Board of Directors and their delegated bodies –associations or single-member– and their internal committees and the members thereof. The rules of conduct established in these Regulations for the directors of the Company are also applicable to the senior management of the Company, to the extent that they are compatible with their specific nature and the activities they undertake. For the purposes of these Regulations, “senior management” is</p>

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<p>understood to be those members of management that report directly to the Board of Directors or the senior executive (Executive Chair, CEO or General Manager, whether or not he/she is a member of the Board), if any, the head of the internal audit department and any other management post recognised as such by the Board of Directors.</p>	<p>understood to be those members of management that report directly to the Board of Directors or the senior executive (Executive Chair, CEO or General Manager, whether or not he/she is a member of the Board), if any, the head of the internal audit department and any other management post recognised as such by the Board of Directors.</p>
<p><b>Article 3. Approval and amendment</b></p>	<p><b>Article 3. Approval and amendment</b></p>
<ol style="list-style-type: none"> <li>1. By majority resolution of the Board members present or represented, the Board of Directors may amend these Regulations on the instigation of the Chair of the Board of Directors or of one third (1/3) of the directors or of the Audit and Control Committee. The proposed amendment must be accompanied by an explanatory report on the grounds and scope of the proposed amendment, as well as a report by the Audit and Control Committee, unless the proposal comes from said Committee.</li> <li>2. The call issued for the meeting of the Board of Directors to rule on the said proposal must be accompanied by the full text of the proposed amendment and its explanatory report.</li> <li>3. The Board of Directors shall report on the amendments to the Regulations agreed at the first General Meeting of Shareholders held.</li> </ol>	<ol style="list-style-type: none"> <li>1. By majority resolution of the Board members present or represented, the Board of Directors may amend these Regulations on the instigation of the Chair of the Board of Directors or of one third (1/3) of the directors or of the Audit and Control Committee. The proposed amendment must be accompanied by an explanatory report on the grounds and scope of the proposed amendment, as well as a report by the Audit and Control Committee, unless the proposal comes from said Committee.</li> <li>2. The call issued for the meeting of the Board of Directors to rule on the said proposal must be accompanied by the full text of the proposed amendment and its explanatory report.</li> <li>3. The Board of Directors shall report on the amendments to the Regulations agreed at the first General Meeting of Shareholders held.</li> </ol>
<p><b>CHAPTER I. FUNCTION OF THE BOARD</b></p>	<p><b>CHAPTER I. FUNCTION OF THE BOARD</b></p>
<p><b>Article 4. Powers of the Board of Directors</b></p>	<p><b>Article 4. Powers of the Board of Directors</b></p>
<ol style="list-style-type: none"> <li>1. The Board of Directors is authorised to adopt resolutions on all matters that are not allocated by law or the statutes to the General Meeting.</li> <li>2. It is central to the Board's mission to approve the Company's strategy and secure the organisation necessary to put it into practice, and to supervise and verify that senior management meets the objectives set and respects the registered activity and corporate interests of the Company.</li> </ol> <p>For these purposes, the entire Board of Directors reserves the authority to approve the Company's general policies and strategies and, in particular, (i) the strategic or business plan and the management and annual budgetary targets; (ii) the investment and financing policy; (iii) the definition of the corporate group structure; (iv)</p>	<ol style="list-style-type: none"> <li>1. The Board of Directors is authorised to adopt resolutions on all matters that are not allocated by law or the statutes to the General Meeting.</li> <li>2. It is central to the Board's mission to approve the Company's strategy and secure the organisation necessary to put it into practice, and to supervise and verify that senior management meets the objectives set and respects the registered activity and corporate interests of the Company.</li> </ol> <p>For these purposes, the entire Board of Directors reserves the authority to approve the Company's general policies and strategies and, in particular, (i) the strategic or business plan and the management and annual budgetary targets; (ii) the investment and financing policy; (iii) the</p>

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<p>the corporate governance policy; (v) the corporate social responsibility policy; (vi) the risk control and management policy, including tax liabilities and management, as well as the regular monitoring of internal information and control systems; (vii) the dividends policy, the own portfolio policy and, particularly, its limits.</p> <p>3. The Board of Directors has the broadest powers to administer and represent the Company. Without prejudice to the above, the Board of Directors may entrust to senior management and to delegated governing bodies the management and day-to-day administration, as well as the dissemination, coordination and general implementation of the Company's policies and guidelines, in order to focus on the definition, supervision and monitoring of the general policies, strategies and guidelines to be followed by the Company and its Group.</p> <p>4. Those powers that are legally or statutorily reserved for the exclusive knowledge of the Board shall not be delegated.</p> <p>5. Without prejudice to any legal powers of delegation or proxy held for the execution of specific agreements entered into, the Board shall directly exercise the following competences and powers by its own initiative or at the proposal of the corresponding internal body:</p> <p>A) In terms of the General Meeting of Shareholders:</p> <p>a) Calling the General Meeting of Shareholders and publishing the corresponding notices.</p> <p>b) Proposing modifications to the Company's articles of association to the General Meeting of Shareholders.</p> <p>c) Proposing to the General Meeting of Shareholders any modifications to the Board Regulations, accompanying the proposal with the corresponding explanatory report.</p> <p>d) Submitting to the General Meeting of</p>	<p>definition of the corporate group structure; <del>(iv) the corporate governance policy;</del> (iv) the <b>environmental, social and corporate governance policies;</b> <del>corporate social responsibility policies;</del> (v) the risk control and management policy, including tax liabilities and management, as well as the regular monitoring of internal information and control systems; (vii) the dividends policy, the own portfolio policy and, particularly, its limits.</p> <p>3. The Board of Directors has the broadest powers to administer and represent the Company. Without prejudice to the above, the Board of Directors may entrust to senior management and to delegated governing bodies the management and day-to-day administration, as well as the dissemination, coordination and general implementation of the Company's policies and guidelines, in order to focus on the definition, supervision and monitoring of the general policies, strategies and guidelines to be followed by the Company and its Group.</p> <p>4. Those powers that are legally or statutorily reserved for the exclusive knowledge of the Board shall not be delegated.</p> <p>5. Without prejudice to any legal powers of delegation or proxy held for the execution of specific agreements entered into, the Board shall directly exercise the following competences and powers by its own initiative or at the proposal of the corresponding internal body:</p> <p>A) In terms of the General Meeting of Shareholders:</p> <p>a) Calling the General Meeting of Shareholders and publishing the corresponding notices.</p> <p>b) Proposing modifications to the Company's articles of association of the Company to the General Meeting of Shareholders.</p> <p>c) Proposing to the General Meeting of Shareholders any modifications to the Board Regulations, accompanying the proposal with the corresponding explanatory report.</p> <p>d) Submitting to the General Meeting of</p>

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<p>Shareholders a proposal to transform the Company into a holding company by means of “subsidiarisation” or by transferring core activities carried out by the Company to subsidiaries, even if full control over these is retained.</p> <p>e) Submitting to the General Meeting of Shareholders proposed acquisitions or disposals of key operating assets, in accordance with the presumption contained in article 160 of the Spanish Companies Act.</p> <p>f) Proposing to the General Meeting of Shareholders the approval of transactions that would be equivalent to winding up the Company.</p> <p>g) Raising proposals to the General Meeting of Shareholders regarding the appointment, ratification or re-appointment of non-independent board members, following a report from the Appointments Committee, or termination of board members.</p> <p>h) Executing the agreements approved by the General Meeting of Shareholders and carrying out any functions entrusted thereto by same.</p> <p>B) In terms of the organisation of the Board of Directors and delegation of powers:</p> <p>a) Approving and modifying this Regulation, following a report from the Audit and Control Committee.</p> <p>b) Defining the structure of general powers to be granted by the Board of Directors or the delegated governing bodies.</p> <p>C) In terms of information to be disclosed by the Company:</p> <p>a) Managing the disclosure of information from the Company to the shareholders, the competent authorities, the markets and the general public in line with equality, transparency and accuracy criteria.</p> <p>b) Drawing up the annual accounts,</p>	<p>Shareholders a proposal to transform the Company into a holding company by means of “subsidiarisation” or by transferring core activities carried out by the Company to subsidiaries, even if full control over these is retained.</p> <p>e) Submitting to the General Meeting of Shareholders proposed acquisitions or disposals of key operating assets, in accordance with the presumption contained in article 160 of the Spanish Companies Act.</p> <p>f) Proposing to the General Meeting of Shareholders the approval of transactions that would be equivalent to winding up the Company.</p> <p>g) Raising proposals to the General Meeting of Shareholders regarding the appointment, ratification or re-appointment of non-independent board members, following a report from the Appointments Committee, or termination of board members.</p> <p>h) Executing the agreements approved by the General Meeting of Shareholders and carrying out any functions entrusted thereto by same.</p> <p>B) In terms of the organisation of the Board of Directors and delegation of powers:</p> <p>a) Approving and modifying this Regulation, following a report from the Audit and Control Committee.</p> <p>b) Defining the structure of general powers to be granted by the Board of Directors or the delegated governing bodies.</p> <p>C) In terms of information to be disclosed by the Company:</p> <p>a) Managing the disclosure of information from the Company to the shareholders, the competent authorities, the markets and the general public in line with equality, transparency and accuracy criteria.</p> <p>b) Drawing up the annual accounts,</p>

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<p>directors' report and proposed distribution of results as well as the consolidated annual accounts and consolidated directors' report, if any, for presentation to the General Meeting of Shareholders.</p> <p>c) Approving the financial information to be regularly disclosed by the Company due to its status as a public company.</p> <p>D) In terms of board members and senior management:</p> <p>a) Appointing and renewing offices within the Board of Directors and the members and internal offices of the Board committees.</p> <p>b) Appointing board members by co-opting.</p> <p>c) Appointing and relieving board members, as well as giving preliminary approval for contracts to be entered into between the Company and the board members to whom executive powers are attributed, detailing remuneration for said executive functions.</p> <p>d) Approving remuneration for each board member, based on proposals from the Remuneration Committee, in accordance with the remuneration policy approved by the General Meeting of Shareholders.</p> <p>e) Approving the definition and modification of the Company's organisation chart, appointing and relieving senior management (as set forth in article 2), and setting the compensation or termination benefits applicable in the event of dismissal.</p> <p>f) Approving the remuneration policy for senior management posts, and the basic conditions of their contracts, based on any proposals made by the CEO and following reports from the Remuneration Committee.</p> <p>g) Regulating, analysing and ruling on any</p>	<p>directors' report and proposed distribution of results as well as the consolidated annual accounts and consolidated directors' report, if any, for presentation to the General Meeting of Shareholders.</p> <p>c) Approving the financial, <b>non-financial and corporate</b> information to be regularly disclosed by the Company due to its status as a public company.</p> <p>D) In terms of board members and senior management:</p> <p>a) Appointing and renewing offices within the Board of Directors and the members and internal offices of the Board committees.</p> <p>b) Appointing board members by co-opting.</p> <p>c) Appointing and relieving board members, as well as giving preliminary approval for contracts to be entered into between the Company and the board members to whom executive powers are attributed, detailing remuneration for said executive functions.</p> <p>d) Approving remuneration for each board member, based on proposals from the Remuneration Committee, in accordance with the remuneration policy approved by the General Meeting of Shareholders.</p> <p>e) Approving the definition and modification of the Company's organisation chart, appointing and relieving senior management (as set forth in article 2), and setting the compensation or termination benefits applicable in the event of dismissal.</p> <p>f) Approving the remuneration policy for senior management posts, and the basic conditions of their contracts, based on any proposals made by the CEO and following reports from the Remuneration Committee.</p> <p>g) Regulating, analysing and ruling on any</p>

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<p>conflicts of interest and transactions linking the Company to its shareholders, board members and senior management staff, or persons connected to them.</p> <p>h) Authorising or waiving obligations deriving from the duty of loyalty, in accordance with prevailing legislation.</p> <p>E) In terms of other duties:</p> <p>a) Formulating the dividends policy and the corresponding proposed agreements to the General Meeting of Shareholders on the distribution of results and other forms of remuneration for shareholders, and agreeing on the payment of interim dividends, if any.</p> <p>b) Acknowledging merger or demerger operations, concentration or global assignment of assets and liabilities affecting any of the Group's key companies.</p> <p>c) Approving investments, divestments or any type of operation that, due to its significant amount or special characteristics, may be strategic or entail special tax liability, unless its approval corresponds to the General Meeting of Shareholders.</p> <p>d) Creating or acquiring shareholdings in special purpose entities or entities domiciled in countries or territories considered to be tax havens, as well as any other similar transaction or operation which, owing to its complexity, could undermine the group's transparency.</p> <p>e) Approving related-party transactions that are defined by prevailing legislation, subject to a report by the Audit and Control Committee.</p> <p>f) Issuing an opinion on all public takeover bids made on securities issued by the Company.</p> <p>g) Executing the Company's own portfolio policy within the framework of the</p>	<p>conflicts of interest and transactions linking the Company to its shareholders, board members and senior management staff, or persons connected to them.</p> <p>h) Authorising or waiving obligations deriving from the duty of loyalty, in accordance with prevailing legislation.</p> <p>E) In terms of other duties:</p> <p>a) Formulating the dividends policy and the corresponding proposed agreements to the General Meeting of Shareholders on the distribution of results and other forms of remuneration for shareholders, and agreeing on the payment of interim dividends, if any.</p> <p>b) Acknowledging merger or demerger operations, concentration or global assignment of assets and liabilities affecting any of the Group's key companies.</p> <p>c) Approving investments, divestments or any type of operation that, due to its significant amount or special characteristics, may be strategic or entail special tax liability, unless its approval corresponds to the General Meeting of Shareholders.</p> <p>d) Creating or acquiring shareholdings in special purpose entities or entities domiciled in countries or territories considered to be tax havens, as well as any other similar transaction or operation which, owing to its complexity, could undermine the group's transparency.</p> <p>e) Approving related-party transactions that are defined by prevailing legislation, subject to a report by the Audit and Control Committee.</p> <p>f) Issuing an opinion on all public takeover bids made on securities issued by the Company.</p> <p>g) Executing the Company's own portfolio policy within the framework of the</p>

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<p>authorisation of the General Meeting of Shareholders.</p> <p>h) Drawing up the Company's Annual Corporate Governance Report and the annual sustainability report, as well as the annual report on the Directors' remuneration policy.</p> <p>i) Ruling on proposals submitted by the Chairperson of the Board of Directors, the CEO or, if applicable the general manager or Board of Directors' committees.</p> <p>j) Issuing an opinion on any other matter that falls under its remit and the Board of Directors itself considers of interest to the Company, or that the Regulations reserve for the entire Board.</p> <p>6. The Board of Directors shall evaluate the following on an annual basis, using the external and internal means it deems suitable in each case:</p> <p>a) Its functioning and the quality of its work.</p> <p>b) The functions of the Chair of the Board of Directors and, if applicable, the senior executive of the Company (as defined in article 2 of these Regulations), based on the report submitted by the Appointments Committee.</p> <p>c) The running of its committees, based on the reports provided by these. For these purposes, the Board of Directors shall organise and coordinate this assessment process with the Chairs of the committees.</p> <p>7. On the matters included in this article, where suitable, the Board of Directors will act in coordination with the governing bodies of the remaining companies in the Group, in the common interest of all.</p>	<p>authorisation of the General Meeting of Shareholders.</p> <p>h) Drawing up the Company's Annual Corporate Governance Report and the annual sustainability report, as well as the annual report on the Directors' remuneration policy.</p> <p>i) Ruling on proposals submitted by the Chairperson of the Board of Directors, the CEO or, if applicable the general manager or Board of Directors' committees.</p> <p>j) Issuing an opinion on any other matter that falls under its remit and the Board of Directors itself considers of interest to the Company, or that the Regulations reserve for the entire Board.</p> <p>6. The Board of Directors shall evaluate the following on an annual basis, using the external and internal means it deems suitable in each case:</p> <p>a) Its functioning and the quality of its work.</p> <p>b) The functions of the Chair of the Board of Directors and, if applicable, the senior executive of the Company (as defined in article 2 of these Regulations), based on the report submitted by the Appointments Committee.</p> <p>c) The running of its committees, based on the reports provided by these. For these purposes, the Board of Directors shall organise and coordinate this assessment process with the Chairs of the committees.</p> <p>7. On the matters included in this article, where suitable, the Board of Directors will act in coordination with the governing bodies of the remaining companies in the Group, in the common interest of all.</p>
<p><b>Article 5. Corporate interests</b></p>	<p><b>Article 5. Corporate interests</b></p>
<p>1. The Board of Directors shall always carry out its functions pursuant to the interests of the Company, i.e. the common interest of all the shareholders of an independent publicly-held company, aiming to fulfil its statutory activity in</p>	<p>1. The Board of Directors shall always carry out its functions pursuant to the interests of the Company, i.e. the common interest of all the shareholders of an independent publicly-held company, aiming to fulfil its statutory activity in</p>

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<p>accordance with prevailing legislation.</p> <p>When undertaking its functions, the Board of Directors shall be guided by the interests of the company and act with unity of purpose and independence of criteria. Furthermore, the Board will take into consideration legitimate public or private interests that affect the performance of the business activity and, particularly, those of the different stakeholders, the communities and regions in which the Company operates and its workforce. In this context, consideration will be given to the sustained maximisation of the Company's economic value and its positive outcome in the long term, as a shared interest of all the shareholders and, therefore, as the guiding criteria at all times for the Board of Director's actions and those of its delegated bodies, internal committees and members.</p>	<p>accordance with prevailing legislation.</p> <p>When undertaking its functions, the Board of Directors shall be guided by the interests of the company and act with unity of purpose and independence of criteria. Furthermore, the Board will take into consideration legitimate public or private interests that affect the performance of the business activity and, particularly, those of the different stakeholders, the communities and regions in which the Company operates and its workforce. In this context, consideration will be given to the sustained maximisation of the Company's economic value and its positive outcome in the long term, as a shared interest of all the shareholders and, therefore, as the guiding criteria at all times for the Board of Director's actions and those of its delegated bodies, internal committees and members.</p>
CHAPTER II. COMPOSITION	CHAPTER II. COMPOSITION
Article 6. Number of directors	Article 6. Number of directors
<ol style="list-style-type: none"> <li>1. In accordance with the Company's Articles of Association, the Board of Directors will be comprised of a minimum of five (5) and a maximum of fifteen (15) directors, who will be appointed and ratified by the General Meeting of Shareholders subject to prevailing legal and statutory conditions.</li> <li>2. The General Meeting of Shareholders is tasked with determining the number of directors, which must be set by express agreement or, indirectly, by filling vacancies or appointing new directors, within the maximum limit established in the previous section.</li> </ol>	<ol style="list-style-type: none"> <li>1. In accordance with the Company's Articles of Association, the Board of Directors will be comprised of a minimum of five (5) and a maximum of fifteen (15) directors, who will be appointed and ratified by the General Meeting of Shareholders subject to prevailing legal and statutory conditions.</li> <li>2. The General Meeting of Shareholders is tasked with determining the number of directors, which must be set by express agreement or, indirectly, by filling vacancies or appointing new directors, within the maximum limit established in the previous section.</li> </ol>
Article 7. Types of directors	Article 7. Types of directors
<ol style="list-style-type: none"> <li>1. When exercising its powers of proposal to the General Meeting of Shareholders and of co-option for the filling of vacancies, the Board of Directors must strive to ensure that, where possible, in the composition of the body, external or non-executive directors represent a majority over executive directors, and that the independent directors represent at least half (1/2) of the total members of the Board of Directors. Moreover, the number of executive directors must be the minimum necessary, taking into account the complexity of the corporate group and the interest held by the executive directors in the</li> </ol>	<ol style="list-style-type: none"> <li>1. When exercising its powers of proposal to the General Meeting of Shareholders and of co-option for the filling of vacancies, the Board of Directors must strive to ensure that, where possible, in the composition of the body, external or non-executive directors represent a majority over executive directors, and that the independent directors represent at least half (1/2) of the total members of the Board of Directors. Moreover, the number of executive directors must be the minimum necessary, taking into account the complexity of the corporate group and the interest held by the executive directors in the</li> </ol>

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<p>Company's capital.</p> <p>2. The definitions of the different types of director are those established in the prevailing standards.</p> <p>3. The Board will strive to ensure that, among external directors, the proportion of proprietary directors to independent directors reflects the corresponding proportion of Company capital represented by proprietary directors and the rest of the capital.</p> <p>4. The Board will avoid any discrimination between the shareholders in accessing the Board of Directors through proprietary directorships.</p> <p>5. The Board of Directors must provide a description of the character of each Board member to the General Meeting of Shareholders that will perform or ratify the appointment, which must be confirmed, or where applicable, reviewed annually in the Annual Corporate Governance Report subsequent to being verified by the Appointments Committee. Should there be any external directors that cannot be considered proprietary or independent directors, the Company shall explain this circumstance and their links with either the Company, its management or its shareholders.</p>	<p>Company's capital.</p> <p>2. The definitions of the different types of director are those established in the prevailing standards.</p> <p>3. The Board will strive to ensure that, among external directors, the proportion of proprietary directors to independent directors reflects the corresponding proportion of Company capital represented by proprietary directors and the rest of the capital.</p> <p>4. The Board will avoid any discrimination between the shareholders in accessing the Board of Directors through proprietary directorships.</p> <p>5. The Board of Directors must provide a description of the character of each Board member to the General Meeting of Shareholders that will perform or ratify the appointment, which must be confirmed, or where applicable, reviewed annually in the Annual Corporate Governance Report subsequent to being verified by the Appointments Committee. Should there be any external directors that cannot be considered proprietary or independent directors, the Company shall explain this circumstance and their links with either the Company, its management or its shareholders.</p>
<p><b>CHAPTER III. APPOINTMENT AND REMOVAL OF DIRECTORS</b></p>	<p><b>CHAPTER III. APPOINTMENT AND REMOVAL OF DIRECTORS</b></p>
<p><b>Article 8. Appointment</b></p>	<p><b>Article 8. Appointment</b></p>
<p>1. Directors will be appointed by the General Meeting of Shareholders pursuant to the provisions of the Law and the Company's Articles of Association and shall be persons who meet the requirements of respectability, suitability, confirmed solvency, competence, experience, qualifications, training, availability and commitment to their duties.</p> <p>In the case of directorships held by legal entities, the private individual representing the entity in exercising the functions of the position of director shall be subject to the same requirements set out in the previous section.</p> <p>2. Proposals for the appointment and reappointment of directors submitted by the Board of Directors for the General Meeting's consideration must be</p>	<p>1. Directors will be appointed by the General Meeting of Shareholders pursuant to the provisions of the Law and the Company's Articles of Association and shall be persons who meet the requirements of respectability, suitability, confirmed solvency, competence, experience, qualifications, training, availability and commitment to their duties.</p> <p>In the case of directorships held by legal entities, the private individual representing the entity in exercising the functions of the position of director shall be subject to the same requirements set out in the previous section.</p> <p>2. Proposals for the appointment and reappointment of directors submitted by the Board of Directors for the General Meeting's consideration must be</p>

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<p>preceded, in accordance with the applicable standards, the Articles of Association and these Regulations, by: (a) the corresponding proposal from the Appointments Committee, in the case of independent directors; or (b) a report from the Appointments Committee, in all other cases; specifically assessing their respectability, suitability, expertise, competence, experience, qualifications, training, availability and commitment to their duties.</p> <p>3. The necessary support will be provided for new directors to acquire sufficient knowledge of the Company and the Group as quickly as possible. Where circumstances require, the Company may also set up refresher programmes for directors.</p>	<p>preceded, in accordance with the applicable standards, the Articles of Association and these Regulations, by: (a) the corresponding proposal from the Appointments Committee, in the case of independent directors; or (b) a report from the Appointments Committee, in all other cases; specifically assessing their respectability, suitability, expertise, competence, experience, qualifications, training, availability and commitment to their duties.</p> <p>3. The necessary support will be provided for new directors to acquire sufficient knowledge of the Company and the Group as quickly as possible. Where circumstances require, the Company may also set up refresher programmes for directors.</p>
<b>Article 9. Incompatibilities</b>	<b>Article 9. Incompatibilities</b>
<p>In addition to the points set out in the Company's Articles of Association, the following may not be appointed as director or, if applicable, representatives of a legal entity holding a directorship:</p> <p>(i) National or foreign companies from the telecommunications or other sectors who are competitors of the Company ("Rival Companies"), or their shareholders, directors or senior executives and people who, if applicable, were put forward by Rival Companies in their capacity as shareholders of the Company.</p> <p>(iii) People who, in the two (2) years prior to their possible appointment, have held senior positions in government that were incompatible with the simultaneous performance of the functions of a director of a private company, in accordance with state or regional legislation.</p> <p>(v) Individuals or legal persons who have any other kind of conflict of interest or are banned in accordance with general regulations, including those who in any way have interests that oppose those of the Company or its group.</p> <p>(vii) Individuals or legal persons that, in addition to being a director of Euskaltel, hold directorships in more than five companies, of which a maximum of three may be listed on national or foreign stock exchanges, may not</p>	<p>In addition to the points set out in the Company's Articles of Association, the following may not be appointed as director or, if applicable, representatives of a legal entity holding a directorship:</p> <p>(ii) National or foreign companies from the telecommunications or other sectors who are competitors of the Company ("Rival Companies"), or their shareholders, directors or senior executives and people who, if applicable, were put forward by Rival Companies in their capacity as shareholders of the Company.</p> <p>(iv) People who, in the two (2) years prior to their possible appointment, have held senior positions in government that were incompatible with the simultaneous performance of the functions of a director of a private company, in accordance with state or regional legislation.</p> <p>(vi) Individuals or legal persons who have any other kind of conflict of interest or are banned in accordance with general regulations, including those who in any way have interests that oppose those of the Company or its group.</p> <p>(viii) Individuals or legal persons that, in addition to being a director of Euskaltel, hold directorships in more than five companies, of which a maximum of three may be listed on national or foreign stock exchanges, may not</p>

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<p>be appointed as directors or, if applicable, as representatives of legal-person directors.</p> <p>For the purposes of this calculation, the following will not be taken into account: (i) the property holding companies of the director or related persons; (ii) holding companies that are merely intended to hold shares, company shareholdings or assets, but have no ongoing business activity; (iii) in terms of proprietary members, those directors who are members through the appointment of the significant shareholder who proposed them as proprietary member of the Company or through any group company, provided that the proprietary member has the material and/or personal means required to give sufficient dedication to the position of director of the Company.</p>	<p>be appointed as directors or, if applicable, as representatives of legal-person directors.</p> <p>For the purposes of this calculation, the following will not be taken into account: (i) the property holding companies of the director or related persons; (ii) holding companies that are merely intended to hold shares, company shareholdings or assets, but have no ongoing business activity; (iii) in terms of proprietary members, those directors who are members through the appointment of the significant shareholder who proposed them as proprietary member of the Company or through any group company, provided that the proprietary member has the material and/or personal means required to give sufficient dedication to the position of director of the Company.</p>
<b>Article 10. Duration of the appointment</b>	<b>Article 10. Duration of the appointment</b>
<ol style="list-style-type: none"> <li>1. Directors shall hold their position for a period of four (4) years, unless the General Meeting of Shareholders agrees on their removal or they resign from office.</li> <li>2. Directors may be re-elected one or more times for terms of four (4) years.</li> </ol>	<ol style="list-style-type: none"> <li>1. Directors shall hold their position for a period of four (4) years, unless the General Meeting of Shareholders agrees on their removal or they resign from office.</li> <li>2. Directors may be re-elected one or more times for terms of four (4) years.</li> </ol>
<b>Article 11. Re-appointment</b>	<b>Article 11. Re-appointment</b>
<ol style="list-style-type: none"> <li>1. Proposals for the re-appointment of directors that the Board of Directors decides to submit to the General Meeting of Shareholders must have undergone a preparation process that will necessarily include a proposal (in the case of independent directors) or a report (in all other cases) issued by the Appointments Committee assessing the quality of work and dedication of the proposed directors during the preceding term of office, as well a specific reference to their respectability, suitability, expertise, competence, availability and commitment to their duties.</li> <li>2. To this end, directors sitting on the Appointments Committee will be assessed by the committee itself, employing the internal and external means deemed fit. The director in question will leave the meeting during deliberations and voting.</li> <li>3. The Chair and, in the event that they are directors, the Secretary and Deputy Secretary of</li> </ol>	<ol style="list-style-type: none"> <li>1. Proposals for the re-appointment of directors that the Board of Directors decides to submit to the General Meeting of Shareholders must have undergone a preparation process that will necessarily include a proposal (in the case of independent directors) or a report (in all other cases) issued by the Appointments Committee assessing the quality of work and dedication of the proposed directors during the preceding term of office, as well a specific reference to their respectability, suitability, expertise, competence, availability and commitment to their duties.</li> <li>2. To this end, directors sitting on the Appointments Committee will be assessed by the committee itself, employing the internal and external means deemed fit. The director in question will leave the meeting during deliberations and voting.</li> <li>3. The Chair and, in the event that they are directors, the Secretary and Deputy Secretary of</li> </ol>

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<p>the Board of Directors, when re-elected members of the Board of Directors by agreement of the General Meeting of Shareholders, will continue to perform the duties they were exercising prior thereto on the Board of Directors, without requiring a new appointment, and without prejudice to the Board of Director's power to revoke said duties.</p>	<p>the Board of Directors, when re-elected members of the Board of Directors by agreement of the General Meeting of Shareholders, will continue to perform the duties they were exercising prior thereto on the Board of Directors, without requiring a new appointment, and without prejudice to the Board of Director's power to revoke said duties.</p>
<p><b>Article 12. Resignation, separation and termination</b></p>	<p><b>Article 12. Resignation, separation and termination</b></p>
<p>1. The directors will leave office at the end of the term for which they were appointed or when the relevant resolution is adopted by the General Meeting of Shareholders by virtue of the powers invested therein.</p> <p>2. Directors must tender their resignation to the Board of Directors and the Board must accept in the following situations:</p> <ul style="list-style-type: none"> <li>(i) When unforeseen situations arise in which they are in breach of any of the incompatibilities or prohibitions laid down in legislation, the Company's Articles of Association or these Board Regulations.</li> <li>(ii) When events or conduct attributable to the director have caused serious harm to the company's assets or reputation, or given rise to a risk of criminal liability for the company.</li> <li>(iii) When the respectability, suitability, expertise, competence, availability or commitment to their duties required in order to serve as a company director is undermined.</li> <li>(iv) When their continuance on the Board of Directors may jeopardise, for any reason, directly, indirectly or through related persons (as defined in these Board Regulations), the loyal and diligent performance of their duties in the company's interests.</li> <li>(v) When the reasons for appointing the director no longer apply and, in particular, in the case of proprietary directors, when the shareholder(s) that proposed, required or determined the director's appointment sells or transfers all or part of their shares,</li> </ul>	<p>1. The directors will leave office at the end of the term for which they were appointed or when the relevant resolution is adopted by the General Meeting of Shareholders by virtue of the powers invested therein.</p> <p>2. Directors must tender their resignation to the Board of Directors and the Board must accept in the following situations:</p> <ul style="list-style-type: none"> <li>(i) When unforeseen situations arise in which they are in breach of any of the incompatibilities or prohibitions laid down in legislation, the Company's Articles of Association or these Board Regulations.</li> <li>(ii) When events or conduct attributable to the director have caused serious harm to the company's assets or reputation, or given rise to a risk of criminal liability for the company.</li> <li>(iii) When the respectability, suitability, expertise, competence, availability or commitment to their duties required in order to serve as a company director is undermined.</li> <li>(iv) When their continuance on the Board of Directors may jeopardise, for any reason, directly, indirectly or through related persons (as defined in these Board Regulations), the loyal and diligent performance of their duties in the company's interests.</li> <li>(v) When the reasons for appointing the director no longer apply and, in particular, in the case of proprietary directors, when the shareholder(s) that proposed, required or determined the director's appointment sells or transfers all or part of their shares,</li> </ul>

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<p>thus losing the status of significant shareholder or holding insufficient shares to justify the appointment.</p> <p>3. In any of the cases stated in section 2 above, the Board of Directors shall require the director to resign from their post and, if applicable, will propose their separation to the General Meeting of Shareholders.</p> <p>4. Moreover, directors must tender their resignation to the Board when they reach 70 years of age, resigning from office in the first Board meeting following the General Meeting of Shareholders that approves the annual accounts for the year in which they reach that age.</p> <p>5. In the event that, due to resignation or other cause, a director leaves his/her post before the end of the term, he/she must explain the reasons in a letter addressed to all the members of the Board and the removal will also be reported in the Annual Corporate Governance Report.</p> <p>6. The Board of Directors may only propose the removal of an independent director before the end of the term of office stipulated in the Articles of Association when the Board considers there is just cause. In particular, just cause will be deemed to exist when the director has failed to observe the duties of office or in any of the ex post facto circumstances described in the definition of an independent director in applicable regulations or, failing this, in good corporate governance regulations applicable to the Company at any given moment.</p>	<p>thus losing the status of significant shareholder or holding insufficient shares to justify the appointment.</p> <p>3. In any of the cases stated in section 2 above, the Board of Directors shall require the director to resign from their post and, if applicable, will propose their separation to the General Meeting of Shareholders.</p> <p>4. Moreover, directors must tender their resignation to the Board when they reach 70 years of age, resigning from office in the first Board meeting following the General Meeting of Shareholders that approves the annual accounts for the year in which they reach that age.</p> <p>5. In the event that, due to resignation or other cause, <b>including by agreement of the Annual General Meeting of Shareholders</b>, a director leaves his/her post before the end of the term, he/she must explain the reasons <b>for their resignation or, in the case of non-executive directors, their understanding of the grounds for termination by the Board</b>, in a letter addressed to all the members of the Board and <b>without prejudice to reporting on this in the Annual Corporate Governance Report, to the extent relevant for investors, the Company will announce the termination as soon as possible, including sufficient reference to the grounds or circumstances provided by the director.</b></p> <p>6. The Board of Directors may only propose the removal of an independent director before the end of the term of office stipulated in the Articles of Association when the Board considers there is just cause. In particular, just cause will be deemed to exist when the director has failed to observe the duties of office or in any of the ex post facto circumstances described in the definition of an independent director in applicable regulations or, failing this, in good corporate governance regulations applicable to the Company at any given moment.</p>
<p><b>Article 13. Duty of abstention</b></p>	<p><b>Article 13. Duty of abstention</b></p>
<p>Directors proposed for appointment, re-appointment, separation or reprimand which must be submitted to the General Meeting of Shareholders shall leave the meeting during the deliberations and voting on the respective agreements.</p>	<p>Directors proposed for appointment, re-appointment, separation or reprimand which must be submitted to the General Meeting of Shareholders shall leave the meeting during the deliberations and voting on the respective agreements.</p>

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<b>CHAPTER IV. STRUCTURE OF THE BOARD OF DIRECTORS</b>	<b>CHAPTER IV. STRUCTURE OF THE BOARD OF DIRECTORS</b>
<b>Article 14. Chair of the Board of Directors</b>	<b>Article 14. Chair of the Board of Directors</b>
<p>The Chair of the Board of Directors will be elected from among the directors, subject to a report from the Appointments Committee, and will be Chair of the Company and all of the bodies of which it forms part, being responsible for executing their resolutions.</p>	<p>The Chair of the Board of Directors will be elected from among the directors, subject to a report from the Appointments Committee, and will be Chair of the Company and all of the bodies of which it forms part, being responsible for executing their resolutions.</p>
<b>Article 15. Powers of the Chair of the Board of Directors</b>	<b>Article 15. Powers of the Chair of the Board of Directors</b>
<p>In addition to the powers defined in the prevailing legislation at any given time and the Company's corporate governance rules, the Chair of the Board of Directors is also authorised to:</p> <ul style="list-style-type: none"> <li>(i) Call and preside over meetings of the Board of Directors and any meetings of the Executive Committee, setting the agenda for the meetings and directing the discussion and deliberations.</li> <li>(ii) Preside over the General Meeting of Shareholders and direct the discussions and deliberations that take place thereat.</li> <li>(iii) Bring to the Board of Directors those proposals that the chair deems appropriate for the successful operation of the company, particularly those corresponding to the operation of the Board of Directors itself and other corporate decision-making bodies.</li> <li>(iv) Promote the work of the Board committees and ensure that they carry out their duties and responsibilities efficiently and with due coordination, with the appropriate organisation for such purposes.</li> <li>(v) Ensure that the directors receive, in advance of meetings, sufficient information to deliberate on the items on the agenda.</li> <li>(vi) Prepare and submit to the Board of Directors a schedule of dates and matters to be considered, stimulating debate and the active participation of the directors during meetings, safeguarding their freedom to take positions.</li> <li>(vii) Organise and coordinate the periodic</li> </ul>	<p>In addition to the powers defined in the prevailing legislation at any given time and the Company's corporate governance rules, the Chair of the Board of Directors is also authorised to:</p> <ul style="list-style-type: none"> <li>(i) Call and preside over meetings of the Board of Directors and any meetings of the Executive Committee, setting the agenda for the meetings and directing the discussion and deliberations.</li> <li>(ii) Preside over the General Meeting of Shareholders and direct the discussions and deliberations that take place thereat.</li> <li>(iii) Bring to the Board of Directors those proposals that the chair deems appropriate for the successful operation of the company, particularly those corresponding to the operation of the Board of Directors itself and other corporate decision-making bodies.</li> <li>(iv) Promote the work of the Board committees and ensure that they carry out their duties and responsibilities efficiently and with due coordination, with the appropriate organisation for such purposes.</li> <li>(v) Ensure that the directors receive, in advance of meetings, sufficient information to deliberate on the items on the agenda.</li> <li>(vi) Prepare and submit to the Board of Directors a schedule of dates and matters to be considered, stimulating debate and the active participation of the directors during meetings, safeguarding their freedom to take positions.</li> <li>(vii) Organise and coordinate the periodic</li> </ul>

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<p>evaluation of the Board as well as any chief executive of the Company (as defined in article 2 of these Regulations), and as the person responsible for the management of the Board and for the effectiveness of its operation, ensure that sufficient time is dedicated to the discussion of strategic issues.</p> <p>(vii) Approve and review refresher programmes for each director when the circumstances warrant.</p>	<p>evaluation of the Board as well as any chief executive of the Company (as defined in article 2 of these Regulations), and as the person responsible for the management of the Board and for the effectiveness of its operation, ensure that sufficient time is dedicated to the discussion of strategic issues.</p> <p>(vii) Approve and review refresher programmes for each director when the circumstances warrant.</p>
<b>Article 16. Deputy Chair of the Board of Directors</b>	<b>Article 16. Deputy Chair of the Board of Directors</b>
<p>The Board of Directors, subject to a report from the Appointments Committee, may elect a Deputy Chair from among its members. The Deputy will temporarily substitute the Chair of the Board of Directors in the event of vacancy, absence, illness or incapacity.</p>	<p>The Board of Directors, subject to a report from the Appointments Committee, may elect a Deputy Chair from among its members. The Deputy will temporarily substitute the Chair of the Board of Directors in the event of vacancy, absence, illness or incapacity.</p>
<b>Article 17. Secretary and Deputy Secretary</b>	<b>Article 17. Secretary and Deputy Secretary</b>
<p>1. The Board of Directors, subject to a report from the Appointments Committee, will appoint a non-executive Secretary and, if applicable, a non-executive Deputy Secretary to substitute the Secretary in the event of vacancy, absence, illness or incapacity. The same procedure will be followed to agree on the separation of the Secretary and, if applicable, the Deputy Secretary.</p> <p>2. In the absence of the Secretary and the Deputy Secretary, their duties will be performed by the director appointed by the Board of Directors from among the attendees at the meeting in question.</p> <p>3. In addition to the functions assigned by prevailing legislation, the Secretary of the Board of Directors will assist the Chair in their tasks and, in particular, must provide for the proper running of the Board, in particular by:</p> <p>(i) Storing and safeguarding corporate documentation, duly recording the sessions in the book of minutes and certifying the agreements and decisions of the governing bodies. He/she must also take note in the minutes of the meetings of the Board of Directors of any unresolved concerns raised by the directors regarding the running of the Company, as well as the concerns voiced by themselves or by the directors on any proposal, at the request of the party</p>	<p>1. The Board of Directors, subject to a report from the Appointments Committee, will appoint a non-executive Secretary and, if applicable, a non-executive Deputy Secretary to substitute the Secretary in the event of vacancy, absence, illness or incapacity. The same procedure will be followed to agree on the separation of the Secretary and, if applicable, the Deputy Secretary.</p> <p>2. In the absence of the Secretary and the Deputy Secretary, their duties will be performed by the director appointed by the Board of Directors from among the attendees at the meeting in question.</p> <p>3. In addition to the functions assigned by prevailing legislation, the Secretary of the Board of Directors will assist the Chair in their tasks and, in particular, must provide for the proper running of the Board, in particular by:</p> <p>(i) Storing and safeguarding corporate documentation, duly recording the sessions in the book of minutes and certifying the agreements and decisions of the governing bodies. He/she must also take note in the minutes of the meetings of the Board of Directors of any unresolved concerns raised by the directors regarding the running of the Company, as well as the concerns voiced by themselves or by the directors on any proposal, at the request of the party</p>

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<p>raising the matter</p> <p>(ii) Ensuring the formal and material legality of the actions of the governing bodies and their adherence to the applicable standards.</p> <p>(iii) Advising the Board of Directors on new initiatives in terms of corporate governance, at national and international level.</p> <p>(iv) Channelling the Company's general relations with the directors with regard to the running of the Board of Directors, in accordance with the instructions of its Chair.</p> <p>(v) Providing the directors with the necessary advice and information, supervising, under the direction of the Chair of the Board of Directors, that the information provided by the Company for the adoption of resolutions by the Board of Directors is made available to the directors with sufficient notice and in the proper format.</p> <p>(vi) Channelling the requests of the directors regarding information and documentation of issues that should be made known to the Board of Directors.</p> <p>(vii) Make available the information that, if applicable, should be posted on the Company's corporate website.</p> <p>(viii) Act as Secretary at the General Meeting of Shareholders.</p> <p>(ix) Under the supervision of the Chair of the Board of Directors, provide the necessary support to the Board committees to enable them to act with due coordination and avail of the proper structure of resources to carry out their activity.</p>	<p>raising the matter</p> <p>(ii) Ensuring the formal and material legality of the actions of the governing bodies and their adherence to the applicable standards.</p> <p>(iii) Advising the Board of Directors on new initiatives in terms of corporate governance, at national and international level.</p> <p>(iv) Channelling the Company's general relations with the directors with regard to the running of the Board of Directors, in accordance with the instructions of its Chair.</p> <p>(v) Providing the directors with the necessary advice and information, supervising, under the direction of the Chair of the Board of Directors, that the information provided by the Company for the adoption of resolutions by the Board of Directors is made available to the directors with sufficient notice and in the proper format.</p> <p>(vi) Channelling the requests of the directors regarding information and documentation of issues that should be made known to the Board of Directors.</p> <p>(vii) Make available the information that, if applicable, should be posted on the Company's corporate website.</p> <p>(viii) Act as Secretary at the General Meeting of Shareholders.</p> <p>(ix) Under the supervision of the Chair of the Board of Directors, provide the necessary support to the Board committees to enable them to act with due coordination and avail of the proper structure of resources to carry out their activity.</p>
<p>4 The Secretary will specifically ensure that the actions of the Board of Directors (i) align with the wording and spirit of the applicable Laws and their Regulations, including those approved by the regulatory bodies; (ii) comply with the Company's Articles of Association and the Regulations of the General Meeting of Shareholders, of the Board of Directors and</p>	<p>4 The Secretary will specifically ensure that the actions of the Board of Directors (i) align with the wording and spirit of the applicable Laws and their Regulations, including those approved by the regulatory bodies; (ii) comply with the Company's Articles of Association and the Regulations of the General Meeting of Shareholders, of the Board of Directors and</p>

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<p>Internal Control on Securities Markets; and (iii) take into account the recommendations on good governance of the Company.</p> <p>5. The Secretary shall, for the purposes of conducting their functions, have access to the minutes of the meetings of the Board committees of which he/she is not acting Secretary.</p>	<p>Internal Control on Securities Markets; and (iii) take into account the recommendations on good governance of the Company.</p> <p>5. The Secretary shall, for the purposes of conducting their functions, have access to the minutes of the meetings of the Board committees of which he/she is not acting Secretary.</p>
<p><b>Article 18. Delegated and advisory bodies</b></p>	<p><b>Article 18. Delegated and advisory bodies</b></p>
<p>1. Without prejudice to the powers that may be conferred to any person, the Board of Directors may set up an Executive Committee, comprised of a minimum of three (3) and a maximum of six (6) members and, furthermore, may appoint a senior executive (as defined in article 2 of these Regulations) at the proposal of the Chair of the Board, and may delegate to them, fully or partially, on a temporary or permanent basis, all powers delegable by Law. The delegation and appointment of the members of the Board of Directors tasked with filling these posts will require for approval, subject to a report by the Appointments Committee, the favourable vote of four fifths (4/5) of the Board of Directors and their delegation and appointment shall not come into effect until it is duly registered in the Commercial Register.</p> <p>2. The Company will strive where possible to ensure that the structure of participation of the different categories of director in the composition of the Executive Committee is similar to that of the Board of Directors. The position of Secretary of the Executive Committee shall be held by the Secretary of the Board of Directors or, if applicable, the Deputy Secretary of the Board of Directors.</p> <p>3. The Chair of the Executive Committee shall report to the Board of Directors on the matters addressed and the agreements adopted at its sessions, recording minutes and sending a copy thereof to all members of the Board of Directors.</p> <p>4. If the Chair of the Board of Directors exercises executive functions, the Board of Directors, with the abstention of the executive directors, shall be required to appoint a coordinating director from among the independent directors, who</p>	<p>1. Without prejudice to the powers that may be conferred to any person, the Board of Directors may set up an Executive Committee, comprised of a minimum of three (3) and a maximum of six (6) members and, furthermore, may appoint a senior executive (as defined in article 2 of these Regulations) at the proposal of the Chair of the Board, and may delegate to them, fully or partially, on a temporary or permanent basis, all powers delegable by Law. The delegation and appointment of the members of the Board of Directors tasked with filling these posts will require for approval, subject to a report by the Appointments Committee, the favourable vote of four fifths (4/5) of the Board of Directors and their delegation and appointment shall not come into effect until it is duly registered in the Commercial Register.</p> <p>2. The Company will strive where possible to ensure <del>that the structure of participation of the different categories of director in the composition of the Executive Committee is similar to that of the Board of Directors</del> <b>that there are at least two non-executive directors on the Executive Committee, at least one of whom shall be independent.</b> The position of Secretary of the Executive Committee shall be held by the Secretary of the Board of Directors or, if applicable, the Deputy Secretary of the Board of Directors.</p> <p>3. The Chair of the Executive Committee shall report to the Board of Directors on the matters addressed and the agreements adopted at its sessions, recording minutes and sending a copy thereof to all members of the Board of Directors.</p> <p>4. If the Chair of the Board of Directors exercises executive functions, the Board of Directors, with the abstention of the executive directors, shall be required to appoint a coordinating director from among the independent directors, who</p>

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<p>would be specifically authorised to:</p> <ul style="list-style-type: none"> <li>(i) Chair the meetings of the Board of Directors in the absence of the chair and the deputy chairs, if any.</li> <li>(ii) Request that the Chair of the Board of Directors call a Board meeting whenever it is deemed necessary and take part, alongside him/her, in the planning of the annual meeting schedule.</li> <li>(iii) Participate in drawing up the agenda of each Board meeting and request inclusion of points on the order of the day of Board meetings already announced.</li> <li>(iv) Coordinate, meet and convey the opinions of the non-executive directors.</li> <li>(v) Direct the periodical assessment of the Chair of the Board of Directors and lead, if applicable, the succession process.</li> <li>(vi) Keep up to date on the concerns of investors and shareholders.</li> </ul> <p>5. Furthermore, an Audit and Control Committee, an Appointments Committee and a Remuneration Committee will be set up, authorised to report, supervise, advise and propose subjects within their remit as specified in articles 64, 65 and 65 ter of the Company's Articles of Association and expanded on in their respective internal regulations.</p> <p>6. In addition, the Board may create other committees with consultancy or advisory functions, without prejudice to any decision-making powers being attributed thereto. The Chair, the Secretary and the remaining members of these committees shall be appointed by the Board of Directors by ordinary majority.</p>	<p>would be specifically authorised to:</p> <ul style="list-style-type: none"> <li>(i) Chair the meetings of the Board of Directors in the absence of the chair and the deputy chairs, if any.</li> <li>(ii) Request that the Chair of the Board of Directors call a Board meeting whenever it is deemed necessary and take part, alongside him/her, in the planning of the annual meeting schedule.</li> <li>(iii) Participate in drawing up the agenda of each Board meeting and request inclusion of points on the order of the day of Board meetings already announced.</li> <li>(iv) Coordinate, meet and convey the opinions of the non-executive directors.</li> <li>(v) Direct the periodical assessment of the Chair of the Board of Directors and lead, if applicable, the succession process.</li> <li>(vi) Keep up to date on the concerns of investors and shareholders.</li> </ul> <p>5. Furthermore, an Audit and Control Committee, an Appointments Committee and a Remuneration Committee will be set up, authorised to report, supervise, advise and propose subjects within their remit as specified in articles 64, 65 and 65 ter of the Company's Articles of Association and expanded on in their respective internal regulations.</p> <p>6. In addition, the Board may create other committees with consultancy or advisory functions, without prejudice to any decision-making powers being attributed thereto. The Chair, the Secretary and the remaining members of these committees shall be appointed by the Board of Directors by ordinary majority.</p>
CHAPTER V. FUNCTIONING	CHAPTER V. FUNCTIONING
Article 19. Form and terms of the meetings	Article 19. Form and terms of the meetings
<p>1. The Board of Directors shall meet as often as appropriate to properly perform its duties and at least six (6) times per year, with at least one meeting held in each calendar quarter. Each director may propose the inclusion of other unplanned items on the agenda provided these requests are drawn up at least three (3) business</p>	<p>1. The Board of Directors shall meet as often as appropriate to properly perform its duties and at least six (6) times per year, with at least one meeting held in each calendar quarter. Each director may propose the inclusion of other unplanned item on the agenda provided these requests are drawn up at least three (3) business</p>

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<p>days prior to the scheduled session.</p> <p>2. The Board of Directors shall also meet at the instigation of the Chair, as often as the latter deems appropriate for the proper operation of the Company and when requested in the terms set forth in section 5 below.</p> <p>3. At least one third of the members of the Board are required to call a meeting, stating the agenda, to be held in the town in which the registered address is located if, on request to the Chair, the meeting has not been called within one month.</p> <p>4. The meeting will be called via notification by fax, email or letter to each of the directors, with at least ten (10) business days' notice of the scheduled date.</p> <p>5. When the Chair deems it warranted due to reasons of urgency, a meeting may be called with three (3) business days' notice, subject to the conditions set forth in the previous paragraph with regard to the manner in which the meeting should be called.</p> <p>6. Moreover, the Meeting of the Board of Directors must be called by the Chair by written request, containing agenda points from at least two (2) directors. If the Board Meeting is not called by the Chair at the request of the aforementioned directors, the Deputy Chair (or any one of the Deputy Chairs, if several) is expressly authorised to call the corresponding meeting of the Board of Directors. This meeting must be scheduled within the ten (10) business days following the receipt of the request to call. It shall not be necessary to formally call a meeting when all directors are gathered together and unanimously agree to hold the meeting.</p>	<p>days prior to the scheduled session.</p> <p>2. The Board of Directors shall also meet at the instigation of the Chair, as often as the latter deems appropriate for the proper operation of the Company and when requested in the terms set forth in section 5 below.</p> <p>3. At least one third of the members of the Board are required to call a meeting, stating the agenda, to be held in the town in which the registered address is located if, on request to the Chair, the meeting has not been called within one month.</p> <p>4. The meeting will be called via notification by fax, email or letter to each of the directors, with at least ten (10) business days' notice of the scheduled date.</p> <p>5. When the Chair deems it warranted due to reasons of urgency, a meeting may be called with three (3) business days' notice, subject to the conditions set forth in the previous paragraph with regard to the manner in which the meeting should be called.</p> <p>6. Moreover, the Meeting of the Board of Directors must be called by the Chair by written request, containing agenda points from at least two (2) directors. If the Board Meeting is not called by the Chair at the request of the aforementioned directors, the Deputy Chair (or any one of the Deputy Chairs, if several) is expressly authorised to call the corresponding meeting of the Board of Directors. This meeting must be scheduled within the ten (10) business days following the receipt of the request to call. It shall not be necessary to formally call a meeting when all directors are gathered together and unanimously agree to hold the meeting.</p>
<p><b>Article 20. Holding meetings of the Board of Directors. Adoption of resolutions in writing and without session.</b></p>	<p><b>Article 20. Holding meetings of the Board of Directors. Adoption of resolutions in writing and without session.</b></p>
<p>1. In general, the meetings of the Board of Directors shall be held at the Company's registered address via in-person attendance of the directors or their representatives.</p> <p>2. Without prejudice to the above, the meetings of the Board of Directors may be held in multiple locations connected via systems enabled for</p>	<p>1. In general, the meetings of the Board of Directors shall be held at the Company's registered address via in-person attendance of the directors or their representatives.</p> <p>2. Without prejudice to the above, the meetings of the Board of Directors may be held in multiple locations connected via systems enabled for</p>

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<p>recognition and identification of the attendees, permanent communication between the parties regardless of their location, and the intervention and issuing of votes in real time. The attendees at all the locations shall be considered, for all purposes pertaining to the Board Meeting, as attendees at one single meeting. The session shall be recorded as held at whichever location has the larger number of directors present and, in the case of an even split, wherever the Chair of the Board is in attendance or, in their absence, whoever chairs the session.</p> <p>3. Votes can be cast by the members of the Board of Directors in writing and without attending the session, provided no member of the Board opposes this. In this case, the directors shall send the Secretary of the Board of Directors, or whomever fulfils their functions, their votes and the comments they wish to record in the minutes, by any means by which they can be received. The agreements adopted by means of this process shall be recorded in the minutes in accordance with the requirements of the prevailing legislation.</p>	<p>recognition and identification of the attendees, permanent communication between the parties regardless of their location, and the intervention and issuing of votes in real time. The attendees at all the locations shall be considered, for all purposes pertaining to the Board Meeting, as attendees at one single meeting. The session shall be recorded as held at whichever location has the larger number of directors present and, in the case of an even split, wherever the Chair of the Board is in attendance or, in their absence, whoever chairs the session.</p> <p>3. Votes can be cast by the members of the Board of Directors in writing and without attending the session, provided no member of the Board opposes this. In this case, the directors shall send the Secretary of the Board of Directors, or whomever fulfils their functions, their votes and the comments they wish to record in the minutes, by any means by which they can be received. The agreements adopted by means of this process shall be recorded in the minutes in accordance with the requirements of the prevailing legislation.</p>
<p><b>Article 21. Quorum and ordinary voting majority</b></p>	<p><b>Article 21. Quorum and ordinary voting majority</b></p>
<p>A Board Meeting will be validly assembled when attended by half (1/2) plus one (1) of its members, in person or by representation.</p> <p>Resolutions relating to an issue that is not deemed a Relevant Decision of the Board of Directors (as defined above) shall be adopted by favourable vote of the absolute majority of the directors present or represented, with the Chair having the casting vote in the event of a tied vote.</p>	<p>A Board Meeting will be validly assembled when attended by half (1/2) plus one (1) of its members, in person or by representation.</p> <p>Resolutions relating to an issue that is not deemed a Relevant Decision of the Board of Directors (as defined above) shall be adopted by favourable vote of the absolute majority of the directors present or represented, with the Chair having the casting vote in the event of a tied vote.</p>
<p><b>Article 22. Quorum and voting majority for Relevant Decisions of the Board of Directors</b></p>	<p><b>Article 22. Quorum and voting majority for Relevant Decisions of the Board of Directors</b></p>
<p>A Board Meeting will be validly assembled to make Relevant Decisions when attended by four fifths of its members (4/5), in person or through representatives.</p> <p>Resolutions on a matter that is a Relevant Decision of the Board of Directors (as defined hereinafter) will be adopted through the favourable vote of at least four fifths of its members (4/5) present or represented.</p>	<p>A Board Meeting will be validly assembled to make Relevant Decisions when attended by four fifths of its members (4/5), in person or through representatives.</p> <p>Resolutions on a matter that is a Relevant Decision of the Board of Directors (as defined hereinafter) will be adopted through the favourable vote of at least four fifths of its members (4/5) present or represented.</p>

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<p><b>Article 23. Relevant Decisions of the Board of Directors</b></p>	<p><b>Article 23. Relevant Decisions of the Board of Directors</b></p>
<p>For the purposes of the aforementioned article, the following shall be deemed Relevant Decisions of the Board of Directors, which cannot be delegated to a delegated director and/or a delegated committee and must be decided upon by the Board of Directors:</p> <ol style="list-style-type: none"> <li>1. Closure of any work centre the company may have at any time in the Basque Country, unless such closure is duly documented based on reasons of business efficiency.</li> <li>2. Proposal to the General Meeting of Shareholders of any decision the purpose or effect of which is to not continue effectively administering and managing the company in the Basque Country or in any other autonomous region in which a subsidiary or investee of the company is effectively administered or managed. For these purposes, the clarifications set forth in section 2 of article 37.3 shall apply.</li> <li>3. Proposal to the General Meeting of a change of the “Euskaltel” brand for the company’s activities in the Basque Country.</li> <li>4. Decision regarding the direction of the company’s vote in its capacity as partner or shareholder (and of its representatives on administrative bodies) in any of the subsidiaries or investees in relation to any resolution which, for the purposes of this section, may be deemed Relevant Decisions of the Board of Directors.</li> <li>5. Resolutions implementing actions delegated by the General Meeting in connection with the above-mentioned matters.</li> </ol>	<p>For the purposes of the aforementioned article, the following shall be deemed Relevant Decisions of the Board of Directors, which cannot be delegated to a delegated director and/or a delegated committee and must be decided upon by the Board of Directors:</p> <ol style="list-style-type: none"> <li>1. Closure of any work centre the company may have at any time in the Basque Country, unless such closure is duly documented based on reasons of business efficiency.</li> <li>2. Proposal to the General Meeting of Shareholders of any decision the purpose or effect of which is to not continue effectively administering and managing the company in the Basque Country or in any other autonomous region in which a subsidiary or investee of the company is effectively administered or managed. For these purposes, the clarifications set forth in section 2 of article 37.3 shall apply.</li> <li>3. Proposal to the General Meeting of a change of the “Euskaltel” brand for the company’s activities in the Basque Country.</li> <li>4. Decision regarding the direction of the company’s vote in its capacity as partner or shareholder (and of its representatives on administrative bodies) in any of the subsidiaries or investees in relation to any resolution which, for the purposes of this section, may be deemed Relevant Decisions of the Board of Directors.</li> <li>5. Resolutions implementing actions delegated by the General Meeting in connection with the above-mentioned matters.</li> </ol>
<p><b>Article 24. Granting representation and voting authorisation</b></p>	<p><b>Article 24. Granting representation and voting authorisation</b></p>
<p>Each director may confer his/her representation and vote to another director, provided this is notified to the Chair in writing. This written proxy must be specific to each meeting.</p>	<p>Each director may confer his/her representation and vote to another director, provided this is notified to the Chair in writing. This written proxy must be specific to each meeting.</p>
<p><b>Article 25. Session procedures</b></p>	<p><b>Article 25. Session procedures</b></p>
<ol style="list-style-type: none"> <li>1. Directors shall make every possible effort to attend the sessions of the Board of Directors and, when they cannot attend in person, they shall delegate their representation to another</li> </ol>	<ol style="list-style-type: none"> <li>1. Directors shall make every possible effort to attend the sessions of the Board of Directors and, when they cannot attend in person, they shall delegate their representation to another</li> </ol>

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<p>director, instructing them accordingly. Directors may not delegate to representatives on matters in relation to which there is any conflict of interest. Authorised representation is granted on an individual basis for each meeting of the Board of Directors and may be notified by any of the means set forth in article 19 above pertaining to the calling of meetings.</p> <p>2. The Chair of the Board of Directors, who is in charge of its effective functioning, shall prompt and organise the discussions and active participation of the directors during the sessions, safeguarding their freedom to express opinions and make decisions.</p> <p>3. The Chair of the Board of Directors may, furthermore, when the circumstances deem necessary, adopt the necessary measures to guarantee the confidentiality of the deliberations and agreements adopted during the course of the Board sessions.</p> <p>4. The Chair may invite to the Board sessions any persons who may contribute to enhancing the information available to the directors.</p> <p>5. In the event of a tied vote, the Chair of the Board of Directors will have the casting vote.</p>	<p>director, instructing them accordingly. Directors may not delegate to representatives on matters in relation to which there is any conflict of interest. Authorised representation is granted on an individual basis for each meeting of the Board of Directors and may be notified by any of the means set forth in article 19 above pertaining to the calling of meetings.</p> <p>2. The Chair of the Board of Directors, who is in charge of its effective functioning, shall prompt and organise the discussions and active participation of the directors during the sessions, safeguarding their freedom to express opinions and make decisions.</p> <p>3. The Chair of the Board of Directors may, furthermore, when the circumstances deem necessary, adopt the necessary measures to guarantee the confidentiality of the deliberations and agreements adopted during the course of the Board sessions.</p> <p>4. The Chair may invite to the Board sessions any persons who may contribute to enhancing the information available to the directors.</p> <p>5. In the event of a tied vote, the Chair of the Board of Directors will have the casting vote.</p>
<b>Article 26. Annual assessment</b>	<b>Article 26. Annual assessment</b>
<p>1. On an annual basis, the Board of Directors will assess (i) its functioning and the quality of its work, (ii) the performance of the Chair of the Board and the CEO, if any, in their functions, based on the report furnished by the Appointments Committee, (iii) the functioning of its Committees, based on their reports, (iv) the performance and contribution of each director, paying special attention to the heads of the different Board committees. For these purposes, the Board of Directors shall organise and coordinate this assessment process with the Chairs of the Committees.</p> <p>The results of the annual assessment shall be duly noted in the minutes of the session or attached as an appendix thereto.</p> <p>2. In the event that the Chair of the Board of Directors exercises executive functions, their assessment will be directed by the coordinating director specifically authorised as per article 18.4</p>	<p>1. On an annual basis, the Board of Directors will assess (i) its functioning and the quality of its work, (ii) the performance of the Chair of the Board and the CEO, if any, in their functions, based on the report furnished by the Appointments Committee, (iii) the functioning of its Committees, based on their reports, (iv) the performance and contribution of each director, paying special attention to the heads of the different Board committees. For these purposes, the Board of Directors shall organise and coordinate this assessment process with the Chairs of the Committees.</p> <p>The results of the annual assessment shall be duly noted in the minutes of the session or attached as an appendix thereto.</p> <p>2. In the event that the Chair of the Board of Directors exercises executive functions, their assessment will be directed by the coordinating director specifically authorised as per article 18.4</p>

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<p>above.</p> <p>3. Based on the results of the annual assessment, the Board of Directors shall propose a plan of action to correct any weaknesses detected.</p>	<p>above.</p> <p>3. Based on the results of the annual assessment, the Board of Directors shall propose a plan of action to correct any weaknesses detected.</p>
<p><b>CHAPTER VI. REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS</b></p>	<p><b>CHAPTER VI. REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS</b></p>
<p><b>Article 27. Director remuneration</b></p>	<p><b>Article 27. Director remuneration</b></p>
<p>1. The directors are eligible to receive the remuneration stipulated in the Company's Articles of Association.</p> <p>2. Within the limits set out in the Company's Articles of Association, the Board of Directors shall endeavour to ensure that director remuneration is reasonably commensurate with the prominence of the Company, the financial situation thereof at any particular time, the market standards used at companies of a similar size or activity, and takes into account their dedication to the Company. The remuneration system established should be focused on promoting the long-term profitability and sustainability of the Company and include the safeguards required to avoid the excessive assumption of risk and unfavourable results.</p> <p>3. The Board of Directors shall also ensure that the amount of external directors' remuneration is such that it provides incentives to their dedication but does not compromise their independence.</p> <p>4. The Board of Directors will draw up an annual report on the remuneration of directors in the terms established by the applicable regulations.</p> <p>This report shall be made available to the shareholders on occasion of the call to the Annual General Meeting and shall be submitted to a consultative vote as a separate item on the agenda.</p>	<p>1. The directors are eligible to receive the remuneration stipulated in the Company's Articles of Association.</p> <p>2. Within the limits set out in the Company's Articles of Association, the Board of Directors shall endeavour to ensure that director remuneration is reasonably commensurate with the prominence of the Company, the financial situation thereof at any particular time, the market standards used at companies of a similar size or activity, and takes into account their dedication to the Company. The remuneration system established should be focused on promoting the long-term profitability and sustainability of the Company and include the safeguards required to avoid the excessive assumption of risk and unfavourable results.</p> <p>3. The Board of Directors shall also ensure that the amount of external directors' remuneration is such that it provides incentives to their dedication but does not compromise their independence.</p> <p>4. The Board of Directors will draw up an annual report on the remuneration of directors in the terms established by the applicable regulations.</p> <p>This report shall be made available to the shareholders on occasion of the call to the Annual General Meeting and shall be submitted to a consultative vote as a separate item on the agenda.</p>
<p><b>CHAPTER VII. DIRECTOR INFORMATION</b></p>	<p><b>CHAPTER VII. DIRECTOR INFORMATION</b></p>
<p><b>Article 28. Powers of information and inspection</b></p>	<p><b>Article 28. Powers of information and inspection</b></p>
<p>1. In the performance of his/her role, directors are granted the broadest powers to gather information on any aspect of the Company, to</p>	<p>1. In the performance of his/her role, directors are granted the broadest powers to gather information on any aspect of the Company, to</p>

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<p>examine its books, records, documents and other background information on corporate transactions, to inspect all its facilities and to communicate with senior management of the Company.</p> <p>2. The aforementioned faculties shall be channelled through the Secretary of the Board of Directors, who shall report to the Chair of the Board of Directors and the appropriate interlocutor within the Company.</p> <p>3. The Secretary shall notify directors of the confidential nature of the information requested and received and of their duty of confidentiality in accordance with the conditions set forth in these Regulations.</p>	<p>examine its books, records, documents and other background information on corporate transactions, to inspect all its facilities and to communicate with senior management of the Company.</p> <p>2. The aforementioned faculties shall be channelled through the Secretary of the Board of Directors, who shall report to the Chair of the Board of Directors and the appropriate interlocutor within the Company.</p> <p>3. The Secretary shall notify directors of the confidential nature of the information requested and received and of their duty of confidentiality in accordance with the conditions set forth in these Regulations.</p>
<p><b>Article 29. Expert assistance</b></p>	<p><b>Article 29. Expert assistance</b></p>
<p>1. In order to obtain assistance in exercising their functions, any director may request the commissioning of legal, accounting, technical, financial, commercial or other expert advisory services, chargeable to the Company.</p> <p>The advisory services commissioned must pertain to specific problems of a certain significance and complexity arising in the course of their role.</p> <p>2. The request to commission such services shall be channelled through the Secretary of the Board of Directors, who will put it forward for prior authorisation of the Board of Directors. Such requests may be denied when there are justified grounds, including the following:</p> <p>(i) It is not necessary for the thorough performance of the functions entrusted to the directors.</p> <p>(ii) The cost thereof is not deemed reasonable in light of the relevance of the issue and the Company's assets and revenues.</p> <p>(iii) The technical assistance being requested could be adequately provided by the Company's experts and technicians.</p> <p>(iv) It may pose a confidentiality risk for the information furnished to the expert.</p>	<p>1. In order to obtain assistance in exercising their functions, any director may request the commissioning of legal, accounting, technical, financial, commercial or other expert advisory services, chargeable to the Company.</p> <p>The advisory services commissioned must pertain to specific problems of a certain significance and complexity arising in the course of their role.</p> <p>2. The request to commission such services shall be channelled through the Secretary of the Board of Directors, who will put it forward for prior authorisation of the Board of Directors. Such requests may be denied when there are justified grounds, including the following:</p> <p>(i) It is not necessary for the thorough performance of the functions entrusted to the directors.</p> <p>(ii) The cost thereof is not deemed reasonable in light of the relevance of the issue and the Company's assets and revenues.</p> <p>(iii) The technical assistance being requested could be adequately provided by the Company's experts and technicians.</p> <p>(iv) It may pose a confidentiality risk for the information furnished to the expert.</p>

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CHAPTER VIII. DIRECTOR DUTIES	CHAPTER VIII. DIRECTOR DUTIES
Article 30. General obligations	Article 30. General obligations
<p>1. Directors shall perform their functions with the diligence of a respectable businessperson and loyal representative, taking into consideration the nature of their position and the functions entrusted to them. They shall act at all times in good faith and in the interests of the company, striving to safeguard and protect the joint interests of the shareholders, to whom they owe their mandate and are accountable.</p> <p>2. Without prejudice to any other obligations under Law, directors are obligated, in particular, to:</p> <ul style="list-style-type: none"> <li>(i) Adequately prepare the meetings of the Board of Directors and those of the committees they sit on, diligently informing themselves of the Company's progress and the matters to be addressed at those meetings.</li> <li>(ii) Attend the meetings of the bodies and committees of which they are members and participate actively in the deliberations in a manner in which their criteria effectively contributes to decision making. In the event that they are unable, on justified grounds, to attend the sessions to which they have been called, they must instruct the director that will represent them accordingly.</li> <li>(iii) Contribute (to a greater extent, for independent directors) their vision, concepts, criteria and innovative measures for the optimum development and evolution of the Company's business.</li> <li>(iv) Perform their functions under the principle of personal responsibility with freedom of criteria or judgement and independence with respect to instructions and links to third parties.</li> <li>(v) Carry out any specific undertaking they are tasked with by the Board of Directors, its Chair or, if applicable, the CEO, which reasonably falls within their remit.</li> <li>(vi) Research and report to the Board of Directors on any irregularity they have</li> </ul>	<p>1. Directors shall perform their functions with the diligence of a respectable businessperson and loyal representative, taking into consideration the nature of their position and the functions entrusted to them. They shall act at all times in good faith and in the interests of the company, striving to safeguard and protect the joint interests of the shareholders, to whom they owe their mandate and are accountable.</p> <p>2. Without prejudice to any other obligations under Law, directors are obligated, in particular, to:</p> <ul style="list-style-type: none"> <li>(i) Adequately prepare the meetings of the Board of Directors and those of the committees they sit on, diligently informing themselves of the Company's progress and the matters to be addressed at those meetings.</li> <li>(ii) Attend the meetings of the bodies and committees of which they are members and participate actively in the deliberations in a manner in which their criteria effectively contributes to decision making. In the event that they are unable, on justified grounds, to attend the sessions to which they have been called, they must instruct the director that will represent them accordingly.</li> <li>(iii) Contribute (to a greater extent, for independent directors) their vision, concepts, criteria and innovative measures for the optimum development and evolution of the Company's business.</li> <li>(iv) Perform their functions under the principle of personal responsibility with freedom of criteria or judgement and independence with respect to instructions and links to third parties.</li> <li>(v) Carry out any specific undertaking they are tasked with by the Board of Directors, its Chair or, if applicable, the CEO, which reasonably falls within their remit.</li> <li>(vi) Research and report to the Board of Directors on any irregularity they have</li> </ul>

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<p>become aware of in the management of the Company and monitor any situation of risk.</p> <p>(vii) Propose to call an extraordinary session of the Board of Directors, or include new items on the agenda of the next scheduled session, in order for the Board to deliberate on any issues it deems necessary to address.</p> <p>(viii) Oppose any agreements that are against the Law, the Company’s Articles of Association or corporate interests and request that their opposition be recorded in the minutes on these grounds when deemed necessary to safeguard corporate interests. Independent directors and other directors who are not affected by potential conflicts of interest should, in particular, clearly express their opposition when decisions are made that could be detrimental to the shareholders not represented on the Board of Directors.</p> <p>In the event that the Board of Directors takes material or reiterated decisions about which a director has expressed serious reservations, he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in their letter of resignation.</p> <p>The points made in this section are applicable to the Secretary of the Board, regardless of whether they hold the position of director or not.</p> <p>2. In all cases, directors must dedicate to their functions the time and efforts necessary to effectively perform their role and, consequently, directors must report to the Appointments Committee on their remaining professional obligations, in case they may interfere with the dedication demanded.</p>	<p>become aware of in the management of the Company and monitor any situation of risk.</p> <p>(vii) Propose to call an extraordinary session of the Board of Directors, or include new items on the agenda of the next scheduled session, in order for the Board to deliberate on any issues it deems necessary to address.</p> <p>(viii) Oppose any agreements that are against the Law, the Company’s Articles of Association or corporate interests and request that their opposition be recorded in the minutes on these grounds when deemed necessary to safeguard corporate interests. Independent directors and other directors who are not affected by potential conflicts of interest should, in particular, clearly express their opposition when decisions are made that could be detrimental to the shareholders not represented on the Board of Directors.</p> <p>In the event that the Board of Directors takes material or reiterated decisions about which a director has expressed serious reservations, he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in their letter of resignation.</p> <p>The points made in this section are applicable to the Secretary of the Board, regardless of whether they hold the position of director or not.</p> <p>2. In all cases, directors must dedicate to their functions the time and efforts necessary to effectively perform their role and, consequently, directors must report to the Appointments Committee on their remaining professional obligations, in case they may interfere with the dedication demanded.</p>
<p><b>Article 31. Duty of confidentiality</b></p>	<p><b>Article 31. Duty of confidentiality</b></p>
<p>1. Directors will keep secret all deliberations and resolutions of the Board of Directors and the committees of which they are members and, in general, shall refrain from disclosing the details, data, reports or background information to which they have been granted access by virtue of their position, and from using these to their own benefit, that of the shareholder who may have proposed or effected their appointment, or any</p>	<p>1. Directors will keep secret all deliberations and resolutions of the Board of Directors and the committees of which they are members and, in general, shall refrain from disclosing the details, data, reports or background information to which they have been granted access by virtue of their position, and from using these to their own benefit, that of the shareholder who may have proposed or effected their appointment, or any</p>

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<p>other third party, without prejudice to the obligations of transparency and reporting required by applicable legislation.</p> <p>2. The obligation regulated in the previous section shall not prevent the communication of confidential information to third parties in the exercising of functions specific to the director or a specific delegation conferred by the Board of Directors or by the corresponding committee, provided that the duty of discretion of the recipient is adequately guaranteed, under the responsibility of the director, in the terms established by Law.</p> <p>3. The director's confidentiality obligation shall remain even when he/she no longer holds the position of director.</p>	<p>other third party, without prejudice to the obligations of transparency and reporting required by applicable legislation.</p> <p>2. The obligation regulated in the previous section shall not prevent the communication of confidential information to third parties in the exercising of functions specific to the director or a specific delegation conferred by the Board of Directors or by the corresponding committee, provided that the duty of discretion of the recipient is adequately guaranteed, under the responsibility of the director, in the terms established by Law.</p> <p>3. The director's confidentiality obligation shall remain even when he/she no longer holds the position of director.</p>
<b>Article 32. Duty of non-competition</b>	<b>Article 32. Duty of non-competition</b>
<p>1. Directors must abstain from performing activities, independently or as employees, that enter into an effective current competition with the Company or that, in any way, put them into permanent conflict with the Company's interests.</p> <p>2. The obligation not to compete with the Company can only be waived in the event that it cannot be expected to damage the Company in any way or that the foreseeable benefits offset any damages that may be expected. This waiver shall be granted by separate, express agreement of the General Meeting of Shareholders.</p> <p>3. In any event, at the request of any shareholder, the General Meeting of Shareholders shall issue a resolution on the termination of the director performing competing activities when the risk of damage for the Company has become significant.</p>	<p>1. Directors must abstain from performing activities, independently or as employees, that enter into an effective current competition with the Company or that, in any way, put them into permanent conflict with the Company's interests.</p> <p>2. The obligation not to compete with the Company can only be waived in the event that it cannot be expected to damage the Company in any way or that the foreseeable benefits offset any damages that may be expected. This waiver shall be granted by separate, express agreement of the General Meeting of Shareholders.</p> <p>3. In any event, at the request of any shareholder, the General Meeting of Shareholders shall issue a resolution on the termination of the director performing competing activities when the risk of damage for the Company has become significant.</p>
<b>Article 33. Conflicts of interest</b>	<b>Article 33. Conflicts of interest</b>
<p>1. A conflict of interest will be deemed to exist in situations in which the interests of the company or its group companies and the director's personal interests come into direct or indirect conflict. The director will have a personal interest when the matter affects the director or a related person or, in the case of a proprietary director, the shareholder(s) that proposed or appointed the director or persons related directly or indirectly thereto.</p>	<p>1. A conflict of interest will be deemed to exist in situations in which the interests of the company or its group companies and the director's personal interests come into direct or indirect conflict. The director will have a personal interest when the matter affects the director or a related person or, in the case of a proprietary director, the shareholder(s) that proposed or appointed the director or persons related directly or indirectly thereto.</p>

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<p>2. For the purposes of these Regulations, these are understood to be:</p> <p>(i) Persons related to an individual director:</p> <p>a) The spouse or equivalent partner thereof.</p> <p>b) The ascendants, descendants and siblings of the director or their spouse (or equivalent partner).</p> <p>c) The spouses of the ascendants, descendants and siblings of the director.</p> <p>d) The companies or entities in which the director or any of the persons related thereto, personally or through an intermediary, is in any of the situations listed in article 42 of the Spanish Code of Commerce.</p> <p>e) The companies or entities in which the director or any of the persons related thereto, personally or through an intermediary, holds an administrative or management post or post for which they receive emoluments for any reason.</p> <p>f) In the case of proprietary directors, additionally, the shareholders at whose proposal they were appointed.</p> <p>(ii) Persons related to a legal entity director:</p> <p>a) Shareholders who are, with respect to the legal entity director, in any of the situations set forth in article 42 of the Spanish Code of Commerce.</p> <p>b) Companies forming part of the same group, as this term is defined in article 42 of the Spanish Code of Commerce, or their shareholders.</p> <p>c) The private individual representing the directors, in law or in fact, the liquidators and the proxies holding the general authorisation of the legal entity director.</p> <p>d) The persons considered to be related to the representative of the legal entity</p>	<p>2. For the purposes of these Regulations, these are understood to be:</p> <p>(i) Persons related to an individual director:</p> <p>a) The spouse or equivalent partner thereof.</p> <p>b) The ascendants, descendants and siblings of the director or their spouse (or equivalent partner).</p> <p>c) The spouses of the ascendants, descendants and siblings of the director.</p> <p>d) The companies or entities in which the director or any of the persons related thereto, personally or through an intermediary, is in any of the situations listed in article 42 of the Spanish Code of Commerce.</p> <p>e) The companies or entities in which the director or any of the persons related thereto, personally or through an intermediary, holds an administrative or management post or post for which they receive emoluments for any reason.</p> <p>f) In the case of proprietary directors, additionally, the shareholders at whose proposal they were appointed.</p> <p>(ii) Persons related to a legal entity director:</p> <p>a) Shareholders who are, with respect to the legal entity director, in any of the situations set forth in article 42 of the Spanish Code of Commerce.</p> <p>b) Companies forming part of the same group, as this term is defined in article 42 of the Spanish Code of Commerce, or their shareholders.</p> <p>c) The private individual representing the directors, in law or in fact, the liquidators and the proxies holding the general authorisation of the legal entity director.</p> <p>d) The persons considered to be related to the representative of the legal entity</p>

PREVIOUS WORDING	CURRENT WORDING
<p>director in accordance with the stipulations of section 2. (i) of this article in relation to individual directors.</p> <p>3. Without prejudice to the other provisions of these Regulations, situations of conflict of interest are governed by the following rules:</p> <p>(i) Notification: the director must notify the Board of Directors, through the Chair or Secretary of the Board, of any conflict of interest applicable to the director.</p> <p>(ii) Abstention: the director must leave the meeting during deliberation and voting on matters in which he/she has a conflict of interest. The director in question must be discounted from the number of members in attendance for the purposes of the quorum and majorities.</p> <p>(iii) Transparency: the company will inform the shareholders of any conflict of interest affecting the directors during the year in question of which it becomes aware through the director's notification or by any other means.</p> <p>4. Notwithstanding the above, in cases in which the conflict of interest is or may reasonably appear to be such that there is a structural and permanent conflict between the director and the company or its group companies, the director will be deemed unsuitable, or to have become unsuitable, to hold office for the purposes set forth in these Regulations.</p>	<p>director in accordance with the stipulations of section 2. (i) of this article in relation to individual directors.</p> <p>3. Without prejudice to the other provisions of these Regulations, situations of conflict of interest are governed by the following rules:</p> <p>(i) Notification: the director must notify the Board of Directors, through the Chair or Secretary of the Board, of any conflict of interest applicable to the director.</p> <p>(ii) Abstention: the director must leave the meeting during deliberation and voting on matters in which he/she has a conflict of interest. The director in question must be discounted from the number of members in attendance for the purposes of the quorum and majorities.</p> <p>(iii) Transparency: the company will inform the shareholders of any conflict of interest affecting the directors during the year in question of which it becomes aware through the director's notification or by any other means.</p> <p>4. Notwithstanding the above, in cases in which the conflict of interest is or may reasonably appear to be such that there is a structural and permanent conflict between the director and the company or its group companies, the director will be deemed unsuitable, or to have become unsuitable, to hold office for the purposes set forth in these Regulations.</p>
<p><b>Article 34. Use of company assets</b></p>	<p><b>Article 34. Use of company assets</b></p>
<p>1. Directors may not make use of the company's assets, including confidential information, nor take advantage of their position to obtain a financial benefit unless they have paid suitable consideration for a standardised service.</p> <p>2. The director's obligation to pay the consideration may be exempted in exceptional cases, but in this case the economic advantage shall be treated as indirect compensation and must be authorised by the Board of Directors.</p>	<p>1. Directors may not make use of the company's assets, including confidential information, nor take advantage of their position to obtain a financial benefit unless they have paid suitable consideration for a standardised service.</p> <p>2. The director's obligation to pay the consideration may be exempted in exceptional cases, but in this case the economic advantage shall be treated as indirect compensation and must be authorised by the Board of Directors.</p>

PREVIOUS WORDING	CURRENT WORDING
<p><b>Article 35. Non-public information</b></p>	<p><b>Article 35. Non-public information</b></p>
<p>Directors shall observe the standards of conduct established in the securities market regulations and, in particular, those set forth in the Company's Internal Code of Conduct on Securities Markets in relation to the treatment of privileged and relevant information.</p>	<p>Directors shall observe the standards of conduct established in the securities market regulations and, in particular, those set forth in the Company's Internal Code of Conduct on Securities Markets in relation to the treatment of privileged and relevant information.</p>
<p><b>Article 36. Business opportunities</b></p>	<p><b>Article 36. Business opportunities</b></p>
<p>1. Directors may not take advantage, for their own benefit or that of any related party, of any Company business opportunity, unless the investment or transaction had been previously offered to the Company and the Company opted out without influence of the director and provided the Board of Directors approves the director going ahead with the operation, subject to a report from the Appointments Committee.</p> <p>2. For these purposes, a business opportunity is understood to be any possibility of carrying out an investment or commercial transaction that has arisen or been revealed during the course of the director's tasks, or by use of Company resources and information, or under circumstances in which it can be reasonably assumed that the third-party offering was actually intended for the Company.</p> <p>3. Moreover, directors must refrain from using the Company name and referring to their position as director of the Company in order to carry out transactions on their own behalf or on behalf of related parties.</p>	<p>1. Directors may not take advantage, for their own benefit or that of any related party, of any Company business opportunity, unless the investment or transaction had been previously offered to the Company and the Company opted out without influence of the director and provided the Board of Directors approves the director going ahead with the operation, subject to a report from the Appointments Committee.</p> <p>2. For these purposes, a business opportunity is understood to be any possibility of carrying out an investment or commercial transaction that has arisen or been revealed during the course of the director's tasks, or by use of Company resources and information, or under circumstances in which it can be reasonably assumed that the third-party offering was actually intended for the Company.</p> <p>3. Moreover, directors must refrain from using the Company name and referring to their position as director of the Company in order to carry out transactions on their own behalf or on behalf of related parties.</p>
<p><b>Article 37. Indirect transactions</b></p>	<p><b>Article 37. Indirect transactions</b></p>
<p>Directors shall be in breach of their duty of loyalty to the Company if they knowingly allow or withhold knowledge of transactions carried out by related parties that have not been subjected to the conditions and controls laid out in the previous articles.</p>	<p>Directors shall be in breach of their duty of loyalty to the Company if they knowingly allow or withhold knowledge of transactions carried out by related parties that have not been subjected to the conditions and controls laid out in the previous articles.</p>
<p><b>Article 38. Company transactions with directors and shareholders</b></p>	<p><b>Article 38. Company transactions with directors and shareholders</b></p>
<p>1. Any transaction performed by the Company or its group companies with the directors, with shareholders owning an interest that is equal to or above the interest regarded as significant under securities market legislation applicable at any given time, or that have proposed the</p>	<p>1. Any transaction performed by the Company or its group companies with the directors, with shareholders owning an interest that is equal to or above the interest regarded as significant under securities market legislation applicable at any given time, or that have proposed the</p>

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<p>appointment of any of the Company's directors, or with the respective related persons, will be submitted to the Board of Directors for authorisation, once the Audit and Control Committee has issued a favourable report.</p> <p>2. The Board of Directors and the Audit and Control Committee must ensure that transactions carried out between the company or group companies and the Directors, the shareholders referred to in the previous section or respective related persons are carried out under market conditions and respecting the principle of equal treatment of shareholders who are in an identical situation.</p> <p>3. In the case of transactions carried out during the normal course of business which are habitual or recurring, it will be sufficient to obtain a general prior authorisation for the line of transactions and their conditions of execution from the Board of Directors, subject to a favourable report from the Audit and Control Committee.</p> <p>4. However, the Board of Directors' authorisation will not be deemed necessary in relation to transactions that meet the following three conditions simultaneously: (i) they are carried out under contracts with standardised conditions and are applied to a large number of customers across the board; (ii) they are conducted at prices or rates established on a generalised basis by the party acting as supplier of the goods or services in question; and (iii) they do not amount to more than one percent (1%) of the Company's annual revenue, based on the audited annual accounts of the last year end prior to the transaction date.</p> <p>5. The authorisation must be submitted for approval by the General Meeting when it refers to a transaction with a director valued at over ten percent (10%) of the company's assets.</p> <p>6. The Company shall report transactions referred to in this article in the cases and with the scope defined by Law. Similarly, the Company shall include in the notes to the annual accounts information on the transactions carried out by the Company or the Group companies with the directors and their representatives when they are unrelated to the Company's ordinary trading or are not performed under normal market conditions.</p>	<p>appointment of any of the Company's directors, or with the respective related persons, will be submitted to the Board of Directors for authorisation, once the Audit and Control Committee has issued a favourable report.</p> <p>2. The Board of Directors and the Audit and Control Committee must ensure that transactions carried out between the company or group companies and the Directors, the shareholders referred to in the previous section or respective related persons are carried out under market conditions and respecting the principle of equal treatment of shareholders who are in an identical situation.</p> <p>3. In the case of transactions carried out during the normal course of business which are habitual or recurring, it will be sufficient to obtain a general prior authorisation for the line of transactions and their conditions of execution from the Board of Directors, subject to a favourable report from the Audit and Control Committee.</p> <p>4. However, the Board of Directors' authorisation will not be deemed necessary in relation to transactions that meet the following three conditions simultaneously: (i) they are carried out under contracts with standardised conditions and are applied to a large number of customers across the board; (ii) they are conducted at prices or rates established on a generalised basis by the party acting as supplier of the goods or services in question; and (iii) they do not amount to more than one percent (1%) of the Company's annual revenue, based on the audited annual accounts of the last year end prior to the transaction date.</p> <p>5. The authorisation must be submitted for approval by the General Meeting when it refers to a transaction with a director valued at over ten percent (10%) of the company's assets.</p> <p>6. The Company shall report transactions referred to in this article in the cases and with the scope defined by Law. Similarly, the Company shall include in the notes to the annual accounts information on the transactions carried out by the Company or the Group companies with the directors and their representatives when they are unrelated to the Company's ordinary trading or are not performed under normal market conditions.</p>

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<p><b>Article 39. Reporting duties</b></p>	<p><b>Article 39. Reporting duties</b></p>
<p>1. Directors must inform the Company of any shares it holds therein directly or indirectly through related parties, in accordance with the Company's Internal Code of Conduct on Securities Markets.</p> <p>2. Directors must notify the Company of any investment or interest held (through agreements or instruments of any kind, such as certificates of deposit, derivatives, etc.) in the share capital of any company with the same, similar or ancillary activity to that of the Company, and the positions or functions they hold or carry out therein. Similarly, if directors perform, privately or on behalf of other parties, any type of activity ancillary to that of the Company's registered purpose, this must be notified to the Company.</p> <p>Directors must also notify the Company of:</p> <p>a) Any posts they hold and the activity they carry out in other companies or entities, as well as any other professional obligations. In particular, before accepting any position as director or a management post in another company or entity (with the exception of positions the director is called to undertake in Group companies or other companies in which they represent Group interests), the director must inform the Appointments Committee.</p> <p>b) Any significant change in their professional situation affecting the nature or condition by virtue of which they were appointed director.</p> <p>c) Any legal, administrative or other proceedings instigated against them that could have a serious adverse impact on the Company's reputation in view of their significance or characteristics. In particular, all directors must inform the Company, by contacting the Chair, in the event that they are prosecuted, or legal proceedings are filed against them for any of the offences listed in article 213 of the Spanish Companies Act. In this case, the Board of Directors will examine the case as soon as possible and based on the specific circumstances, will determine whether or</p>	<p>1. Directors must inform the Company of any shares it holds therein directly or indirectly through related parties, in accordance with the Company's Internal Code of Conduct on Securities Markets.</p> <p>2. Directors must notify the Company of any investment or interest held (through agreements or instruments of any kind, such as certificates of deposit, derivatives, etc.) in the share capital of any company with the same, similar or ancillary activity to that of the Company, and the positions or functions they hold or carry out therein. Similarly, if directors perform, privately or on behalf of other parties, any type of activity ancillary to that of the Company's registered purpose, this must be notified to the Company.</p> <p>Directors must also notify the Company of:</p> <p>a) Any posts they hold and the activity they carry out in other companies or entities, as well as any other professional obligations. In particular, before accepting any position as director or a management post in another company or entity (with the exception of positions the director is called to undertake in Group companies or other companies in which they represent Group interests), the director must inform the Appointments Committee.</p> <p>b) Any significant change in their professional situation affecting the nature or condition by virtue of which they were appointed director.</p> <p>c) Any legal, administrative or other proceedings instigated against them that could have a serious adverse impact on the Company's reputation in view of their significance or characteristics. In particular, all directors must inform <b>the Board of Directors of any criminal case in which they are being investigated, as well as any subsequent prosecutions</b> <del>the Company, by contacting the Chair, in the event that they are prosecuted or legal proceedings are filed against them for any of the offences listed in article 213 of the Spanish Companies Act.</del> In this case, the Board of Directors, <b>having been informed or become aware of the</b></p>

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<p>not the director should remain in their post.</p> <p>d) In general, any event or situation that could be deemed relevant to their performance as director of the Company.</p> <p>3. Directors must provide the Company with an email address in order that the meetings of the Board of Directors may be called via this channel if deemed appropriate and the corresponding information may be forwarded, if applicable.</p>	<p><b>case</b>, will examine <b>it</b> as soon as possible and, based on the specific circumstances, <b>after obtaining a report from the Appointments Committee</b>, will decide <del>whether or not the director should remain in his/her post,</del> <b>whether or not to take any steps, such as initiating an internal investigation, requesting the director’s resignation or proposing the removal of the director.</b> Information will also be included in the Annual Corporate Governance Report, unless there are special circumstances justifying non-disclosure, which must be set forth in the minutes, all without affecting the information that the company must disclose, if appropriate, when the relevant measures are implemented.</p> <p>d) In general, any event or situation that could be deemed relevant to their performance as director of the Company.</p> <p>3. Directors must provide the Company with an email address in order that the meetings of the Board of Directors may be called via this channel if deemed appropriate and the corresponding information may be forwarded, if applicable.</p>
<p><b>Article 40. Extension of obligations</b></p>	<p><b>Article 40. Extension of obligations</b></p>
<p>The obligations referred to in this section of the Regulations regarding relations with Company directors shall also be understood to apply with respect to their possible relations with Group companies.</p> <p>Similarly, the obligations referred to in this section of the Regulations shall be required of the individuals representing the legal entity directors.</p>	<p>The obligations referred to in this section of the Regulations regarding relations with Company directors shall also be understood to apply with respect to their possible relations with Group companies.</p> <p>Similarly, the obligations referred to in this section of the Regulations shall be required of the individuals representing the legal entity directors.</p>
<p><b>CHAPTER IX. REPORTING POLICY AND BOARD RELATIONS</b></p>	<p><b>CHAPTER IX. REPORTING POLICY AND BOARD RELATIONS</b></p>
<p><b>Article 41. Website</b></p>	<p><b>Article 41. Website</b></p>
<p>1. The Company will maintain the corporate website to address the shareholders’ right to information and to disseminate relevant information required by securities market legislation, which will include the documents and information set forth in the applicable regulations, including information and documentation pertaining to the announcement of Annual General Meetings of</p>	<p>1. The Company will maintain the corporate website to address the shareholders’ right to information and to disseminate relevant information required by securities market legislation, which will include the documents and information set forth in the applicable regulations, including information and documentation pertaining to the announcement of Annual General Meetings of</p>

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<p>Shareholders and any other documentation and information the Board of Directors considers appropriate to disclose to shareholders via this platform.</p> <p>2. The Board of Directors must make available the information to be posted on the Company's corporate website in accordance with the obligations required by the applicable standards and is responsible for keeping these updated in the terms set forth by prevailing legislation.</p>	<p>Shareholders and any other documentation and information the Board of Directors considers appropriate to disclose to shareholders via this platform.</p> <p>2. The Board of Directors must make available the information to be posted on the Company's corporate website in accordance with the obligations required by the applicable standards and is responsible for keeping these updated in the terms set forth by prevailing legislation.</p>
<p><b>Article 42. Relations with shareholders</b></p>	<p><b>Article 42. Relations with shareholders</b></p>
<p>1. The Company will define and promote a policy of communication and contacts with the shareholders, institutional investors and voting advisors that is fully compliant with the rules against market abuse and provides similar treatment to shareholders who are in the same position.</p> <p>The Company will make this policy public via its website, including information on how it has been implemented and identifying the contact persons responsible.</p> <p>2. The Board of Directors shall arrange the appropriate channels to hear any proposals made by shareholders in relation to the Company's management.</p> <p>3. By means of any of its directors and in collaboration with the members of senior management deemed suitable, the Board may organise briefings about the progress of the Company and its group for shareholders resident in the most important financial centres in Spain and abroad.</p> <p>4. The Board of Directors will also establish suitable means of regularly exchanging information with the Company's institutional investors. Under no circumstances will relations between the Board of Directors and the institutional shareholders entail the disclosure of any information thereto that could place these investors in a situation of privilege or advantage with respect to the other shareholders.</p> <p>5. The Directors shall be regularly informed of any movements among shareholders and the opinion of significant shareholders, investors and rating agencies about the Company and the group.</p>	<p>1. The Company will define and promote a policy of communication and contacts with the shareholders, institutional investors and voting advisors that is fully compliant with the rules against market abuse and provides similar treatment to shareholders who are in the same position.</p> <p>The Company will make this policy public via its website, including information on how it has been implemented and identifying the contact persons responsible.</p> <p>2. The Board of Directors shall arrange the appropriate channels to hear any proposals made by shareholders in relation to the Company's management.</p> <p>3. By means of any of its directors and in collaboration with the members of senior management deemed suitable, the Board may organise briefings about the progress of the Company and its group for shareholders resident in the most important financial centres in Spain and abroad.</p> <p>4. The Board of Directors will also establish suitable means of regularly exchanging information with the Company's institutional investors. Under no circumstances will relations between the Board of Directors and the institutional shareholders entail the disclosure of any information thereto that could place these investors in a situation of privilege or advantage with respect to the other shareholders.</p> <p>5. The Directors shall be regularly informed of any movements among shareholders and the opinion of significant shareholders, investors and rating agencies about the Company and the group.</p>

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<p>6. Public requests for delegation of votes by the Board of Directors or any of its members should confirm whether the representative will vote for or against a motion in the event that the shareholder does not give instructions.</p> <p>7. The Board will encourage the informed participation of shareholders at general meetings and will adopt as many measures as necessary to ensure that the General Meeting of Shareholders effectively exercises its powers, as set out in the legislation and the Company's articles of association.</p> <p>The Board of Directors will specifically adopt the measures below:</p> <p>(i) Prior to the General Meeting of Shareholders, the Board of Directors will strive to make available all the information required by current regulations and all information that is not obligatory, but which might be of interest and can be reasonably provided.</p> <p>(ii) The Board will address, with the utmost diligence, any information requests made by shareholders prior to the General Meeting of Shareholders.</p> <p>(iii) The Board will address, with equal diligence, the questions posed by shareholders during the course of the General Meeting of Shareholders.</p>	<p>6. Public requests for delegation of votes by the Board of Directors or any of its members should confirm whether the representative will vote for or against a motion in the event that the shareholder does not give instructions.</p> <p>7. The Board will encourage the informed participation of shareholders at general meetings and will adopt as many measures as necessary to ensure that the General Meeting of Shareholders effectively exercises its powers, as set out in the legislation and the Company's articles of association.</p> <p>The Board of Directors will specifically adopt the measures below:</p> <p>(i) Prior to the General Meeting of Shareholders, the Board of Directors will strive to make available all the information required by current regulations and all information that is not obligatory, but which might be of interest and can be reasonably provided.</p> <p>(ii) The Board will address, with the utmost diligence, any information requests made by shareholders prior to the General Meeting of Shareholders.</p> <p>(iii) The Board will address, with equal diligence, the questions posed by shareholders during the course of the General Meeting of Shareholders.</p>
<p><b>Article 43. Relations with the auditors</b></p>	<p><b>Article 43. Relations with the auditors</b></p>
<p>1. The Audit and Control Committee is responsible for proposing to the Board for submission to the General Meeting the appointment (stating the contractual terms and scope of professional mandate), renewal and revocation of the auditor of the company's annual accounts, as well as for overseeing compliance with the auditing services agreement.</p> <p>2. The Audit and Control Committee will refrain from proposing to the Board of Directors, which will in turn refrain from submitting to the General Meeting of Shareholders, the appointment as the company's auditor of any audit firm that shows any incompatibility under audit legislation, as well as firms in respect of which the fees payable by the company for all</p>	<p>1. The Audit and Control Committee is responsible for proposing to the Board for submission to the General Meeting the appointment (stating the contractual terms and scope of professional mandate), renewal and revocation of the auditor of the company's annual accounts, as well as for overseeing compliance with the auditing services agreement.</p> <p>2. The Audit and Control Committee will refrain from proposing to the Board of Directors, which will in turn refrain from submitting to the General Meeting of Shareholders, the appointment as the company's auditor of any audit firm that shows any incompatibility under audit legislation, as well as firms in respect of which the fees payable by the company for all</p>

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<p>items are above five percent (5%) of total revenue for the previous year.</p> <p>3. The Board of Directors will strive to draw up the final annual accounts in a manner that does not give rise to reservations or qualifications by the auditor. In exceptional cases in which these exist, both the Chair of the Audit and Control Committee and the external auditors shall clearly explain to the shareholders the contents of such reservations or qualifications. Notwithstanding, when the Board considers that it should maintain its criteria, it will publicly explain the contents and scope of the discrepancy.</p>	<p>items are above five percent (5%) of total revenue for the previous year.</p> <p>3. The Board of Directors will strive to draw up the final annual accounts in <del>a manner that does not give rise to reservations or qualifications by the auditor</del> <b>accordance with accounting regulations</b>. In exceptional cases in which <b>the auditor has included a qualification in the audit report</b>, the Chair of the Audit and Control Committee should clearly explain <b>to the General Meeting of Shareholders the Audit and Control Committee's opinion on its content and scope, providing shareholders, at the time the General Meeting is announced, with a summary of that opinion, together with the Board of Director's other proposals and reports.</b> <del>to the shareholders the contents of such reservations or qualifications. Notwithstanding, when the Board considers that it should maintain its criteria, it will publicly explain the contents and scope of the discrepancy.</del></p>
<p><b>Article 44. Relations with the Company's senior management</b></p>	<p><b>Article 44. Relations with the Company's senior management</b></p>
<p>Relations between the Board of Directors and the Company's senior management, as set forth in these Regulations, must be channelled through the Chair of the Board of Directors or the chief executive (as defined in article 2 herein), if any, and, in the absence of these, the Secretary of the Board of Directors.</p>	<p>Relations between the Board of Directors and the Company's senior management, as set forth in these Regulations, must be channelled through the Chair of the Board of Directors or the chief executive (as defined in article 2 herein), if any, and, in the absence of these, the Secretary of the Board of Directors.</p>
<p><b>CHAPTER X. COMPLIANCE, DISSEMINATION AND INTERPRETATION</b></p>	<p><b>CHAPTER X. COMPLIANCE, DISSEMINATION AND INTERPRETATION</b></p>
<p><b>Article 45. Compliance and dissemination</b></p>	<p><b>Article 45. Compliance and dissemination</b></p>
<p>1. The members of the Company's Board of Directors and senior management, to the extent that pertains to them, are required to ascertain, comply with and enforce these Regulations.</p> <p>2. The Secretary of the Board of Directors will furnish a copy of these Regulations to all of the above upon acceptance of their respective appointments or recruitment, whichever applies, and each party must provide the Secretary with a signed statement declaring they are aware of and accept the contents of these Regulations,</p>	<p>1. The members of the Company's Board of Directors and senior management, to the extent that pertains to them, are required to ascertain, comply with and enforce these Regulations.</p> <p>2. The Secretary of the Board of Directors will furnish a copy of these Regulations to all of the above upon acceptance of their respective appointments or recruitment, whichever applies, and each party must provide the Secretary with a signed statement declaring they are aware of and accept the contents of these Regulations,</p>

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<p>undertaking to meet any obligations required of them by virtue thereof.</p> <p>3. Without prejudice to compliance with the obligations established by the regulations applicable at any time, the Company's Board of Directors shall take the necessary measures for the Regulations to be suitably circulated among the shareholders and the investing public in general.</p>	<p>undertaking to meet any obligations required of them by virtue thereof.</p> <p>3. Without prejudice to compliance with the obligations established by the regulations applicable at any time, the Company's Board of Directors shall take the necessary measures for the Regulations to be suitably circulated among the shareholders and the investing public in general.</p>
<b>Article 46. Interpretation</b>	<b>Article 46. Interpretation</b>
<p>1. These Regulations shall be interpreted in accordance with the applicable provisions of the Law and the Articles of Association and with the good corporate governance recommendations of listed companies approved or issued by the Spanish authorities and those prevailing in the neighbouring countries, or by the special commissions or work groups established under the mandate of these authorities.</p> <p>2. Any doubt or discrepancy in relation to the interpretation of these Regulations shall be resolved by majority at the Meeting of the Board of Directors and, in its absence, by the Chair.</p>	<p>1. These Regulations shall be interpreted in accordance with the applicable provisions of the Law and the Articles of Association and with the good corporate governance recommendations of listed companies approved or issued by the Spanish authorities and those prevailing in the neighbouring countries, or by the special commissions or work groups established under the mandate of these authorities.</p> <p>2. Any doubt or discrepancy in relation to the interpretation of these Regulations shall be resolved by majority at the Meeting of the Board of Directors and, in its absence, by the Chair.</p>
<b>Article 47. Calculation of deadlines</b>	<b>Article 47. Calculation of deadlines</b>
<p>For the purposes of these Regulations, all days in the calendar year, excluding Saturdays, Sundays and any bank holidays applicable in the city of Bilbao, shall be deemed working days.</p>	<p>For the purposes of these Regulations, all days in the calendar year, excluding Saturdays, Sundays and any bank holidays applicable in the city of Bilbao, shall be deemed working days.</p>

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This report is issued by unanimous agreement of the members of the Board of Directors of Euskaltel, S.A. on 28 April 2021.