

**CORPORACIÓN ACCIONA ENERGÍAS
RENOVABLES, S.A.**

**REGULATION OF THE BOARD OF
DIRECTORS**

26 May 2021

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**REGULATION OF THE BOARD OF DIRECTORS
OF CORPORACIÓN ACCIONA ENERGÍAS RENOVABLES, S.A.**

TITLE I
PURPOSE, SCOPE, INTERPRETATION AND AMENDMENT

Article 1. Purpose.

1. The purpose of this Regulation of the Board of Directors (the “**Regulation**”) is to establish the principles governing the activity of the Board of Directors of Corporación Acciona Energías Renovables, S.A. (“**CAER**” or the “**Company**”), the organisation and operation of the Board of Directors and the standards of conduct of its members.
2. The goal of the Regulation is to ensure the greatest transparency, effectiveness and correctness in the Company’s corporate governance and ensure the decision-making process and structure of the decisions made are in the corporate interest.
3. This Regulation will enter into force on the date when the Company’s shares are admitted to trading on the Spanish stock exchanges. Its term is indefinite.

Article 2. Bodies and persons subject to this Regulation.

1. The Board of Directors, its delegate bodies and internal committees, as well as their members, are subject to this Regulation. Moreover, the standards of conduct established in this Regulation will also be applicable to the Company’s management team to the extent that they are compatible with its specific nature and the activities it carries out. For the purpose of this Regulation, “management team”, “senior manager” or “executive manager” shall be understood to mean managers who report directly to the Board of Directors or the chief executive officer, if applicable, and in any case to the Company’s head of internal audit, if constituted. This classification is for informational purposes only and should in no case be taken as an interpretation or valuation with respect to the concept of senior management established in labour law in force.
2. The directors shall be subject to the Regulation by virtue of accepting their office; and as a result they assume a personal responsibility to the Company to comply with and ensure compliance with the provisions of the Regulation.
3. The references to “affiliates”, “group companies”, “subsidiaries”, companies “over which CAER exercises a significant influence” cover:
 - a) “group affiliates”: companies that form part of the group of which CAER is the parent company, including: subsidiaries or those in which it has a significant influence;
 - b) “subsidiaries”: companies in which CAER has a capacity to exercise effective control pursuant to article 42 of the Code of Commerce.
 - c) companies “on which it exercises a significant influence”: associate companies not included in the above definition, in which CAER has a significant capacity to influence the management, or are joint businesses, i.e. joint agreements that give the right to net assets arising from the agreement.

Article 3. Interpretation and amendment.

1. This Regulation shall be interpreted in accordance with the laws and regulations CAER is subject to at any time: the Bylaws in force at any time; the principles and recommendations on the corporate governance of publicly listed companies in the Good Governance Code and any others that may be considered generally accepted in the future; and the rules included in the Internal Code of Conduct of CAER and of its group of companies on matters related to the stock markets.
2. Any doubts arising from the application of this Regulation will be resolved by the Board of Directors.
3. Proposals to amend the Regulation of the Board of Directors may be put forward by the Chairperson, three directors or the Audit and Sustainability Committee, and must be approved by the Board of Directors.

4. Proposals that do not come from the Audit and Sustainability Committee will be addressed to it through its Chairperson and be accompanied by a justificatory report prepared by the person submitting the proposal.
5. The Audit and Sustainability Committee must issue a report on the proposed amendment before it is considered by the Board of Directors.
6. In the notice calling the Board of Directors meeting that is to decide on the amendment of the Regulation, this item must be expressly included on the agenda, which will also include the text of the proposed amendment, the report by the Audit and Sustainability Committee, and when the initiative has not been initiated by the Audit and Sustainability Committee, a justificatory report from its authors.
7. This Regulation must be updated whenever necessary to adapt its content to the legal provisions applicable at any time.

Article 4. Publication.

1. The directors and management team are obliged to know, comply and ensure compliance with this Regulation. To this end, the Secretary of the Board of Directors shall provide all of them with a copy of it when they accept their respective appointments, or their recruitment becomes effective, as the case may be. They must then deliver to the Secretary a signed statement declaring that they know and accept the content of this Regulation, undertaking to comply with any obligations required as a result.
2. The Board of Directors shall inform the General Shareholders' Meeting about this Regulation and adopt the necessary measures to ensure that its content is made known to the shareholders and investors in general.
3. The Regulation has been entered in the Commercial Registry and posted on CAER's website, where it can be accessed online. It will also be notified to the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*, "CNMV") for inclusion in its public records.

TITLE II **BOARD MISSION AND FUNCTIONS**

Article 5. Mission of the Board of Directors.

1. The Mission of CAER's Board of Directors is to carry out its functions with a single joint purpose and independent criteria, giving the same treatment to all the shareholders in the same position, and guided by corporate interest, which is understood to be the achievement of a profitable and sustainable business in the long term, which promotes its continuity and the maximisation of the Company's economic value to the benefit of its shareholders.
2. The search for corporate interest must at the same time respect laws and regulations, with a behaviour based on good faith, ethics and respect for customs and commonly accepted good practices. The aim must be to reconcile the Company's own corporate interest with the legitimate interests of its employees, suppliers and customers, as well as other stakeholders who may be affected; as well as the impact of the Company's activities on the community as a whole and on the environment, respecting laws in force, complying in good faith with its obligations and contracts, and respecting the customs and good practices of the territories in which it operates, and observing any additional principles of social accountability that it may have accepted voluntarily.

Article 6. General supervisory functions.

1. The Board of Directors is the highest-level decision-making body of CAER. It is entrusted by law and the Bylaws with the Company's management, administration and representation. The only matters excluded from its decision-making capacity and action representing CAER are those reserved for the purview of the General Shareholders' Meeting.
2. The Board of Directors will exercise its non-delegable powers established by law, those established in the Bylaws and in this Regulation. Its function is also focused on the supervision and control of the management team, the executive Chairperson, chief executive officer and the executive committee.

3. The Company's internal organisation, management and business decisions and the actions of representations before third parties will be delegated by the Board of Directors to its Chairperson, or one or more Executive Directors and, where appropriate, in the Executive Committee and in one or more of its Vice-chairpersons. All these may in turn delegate their competences and powers to the executive managers and committees who make up the management structure of CAER and its group (including the directors who perform executive functions). The Board of Directors may also appoint and assign competences and powers directly to the management structure.
With respect to the affiliates and subsidiaries, the functions of the Board of Directors of CAER as parent or controlling company will be exercised according to law through the respective bodies of the affiliates and subsidiaries.
4. Any powers that are reserved by law or the Bylaws to the Board of Directors or any others necessary for a responsible performance of the general function of supervision may not be delegated.
5. The supervisory function of the Board of Directors consists in the Board of Directors reserving the power to set mandatory guidelines for the management team at any time; it may rule on decisions of particular importance or transcendence; and it assumes exclusive competence with respect to the corporate restructuring decisions in which CAER participates.
6. The control function of the Board of Directors consists in the Board of Directors monitoring the businesses and their economic and financial situation, and requiring compliance with the laws and internal control rules, and selecting and assessing CAER's senior managers.
7. As a result, powers reserved for the Board of Directors to ensure a better and more diligent performance of its general supervisory and control function of the managers are listed below, without prejudice to any others expressly provided for by law and in this Regulation:

a) CAER's policies and strategies, in particular:

- i. The Company's general policies and strategies.
- ii. Annual approval and supervision of the strategic or business plan, as well as the annual management and budget objectives.
- iii. Investment and financing policy.
- iv. Definition of the structure of the group of companies.
- v. Corporate governance policy.
- vi. Sustainability policies and the corporate social responsibility policy.
- vii. Remuneration policy and assessment of the performance of CAER's executive managers.
- viii. Risk management and control policy, including management of tax risks, ensuring the existence and correct application of the Financial Information Internal Control Systems, with the support of the Internal Audit function.
- ix. Dividends and treasury shares policy, and in particular, its limits, within the framework determined by the General Shareholders' Meeting at any time.
- x. Determination of the Company's tax strategy.

b) The following decisions:

- i. The appointment and removal of chief executive officers, or those who have been assigned executive functions in any other way, as well as prior approval of the contracts to be entered into between the Company and these directors and severance agreements.
- ii. Approval, where appropriate, of a specific and verifiable policy for the composition of the Board, to ensure that the proposed appointments or re-elections are based on a prior analysis of the needs of the Board of Directors, and favour diversity of knowledge, experience, age, gender or expertise.
- iii. The appointment and renewal of the internal officers of the Board of Directors and of the members and internal posts on its committees, following a report from the Appointments and Remunerations Committee.

- iv. At the proposal of the Company's chief executive officer and following a report from the Appointments and Remunerations Committee, the appointment and possible removal of the members of CAER's management team, as well as the establishment of the basic conditions of their contracts, including remuneration and approval of severance agreements and compensation clauses.
- v. The remuneration of directors, following a proposal by the Appointments and Remunerations Committee; and in the case of executive directors, the additional remuneration for their executive functions and other conditions that must be respected by their contracts within the framework of the Bylaws and in accordance with the remuneration policy for directors approved by the General Shareholders' Meeting.
- vi. Financial and non-financial information that CAER must make public periodically due to its status as a publicly listed company; and, in general, the general policy of communication with shareholders, markets, institutional investors, proxy advisors and other stakeholders, including the procedures for reporting economic, financial, non-financial and corporate information through its website, the media and any other channels it considers appropriate.
- vii. Investments and transactions of any type which, due to their high value or special characteristics, are strategic in nature or involve a special tax risk, unless their approval corresponds to the General Shareholders' Meeting.
- viii. The creation or acquisition of equity holdings in special-purpose entities or entities domiciled in countries or territories which are considered tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could diminish the transparency of the group.
- ix. Any transactions that CAER engages in with directors, significant shareholders or shareholders represented on the Board (other than of the controlling company), or with Related Persons, as set out in this Regulation, for which the General Shareholders' Meeting does not have to be informed or give its approval.
- x. Transactions entered into by the Company with its parent company or other companies in the group subject to a conflict of interest if, under the law, they are attributed to the Board of Directors. The above is understood without prejudice to any delegations that the administrative body may make for approval of these transactions in accordance with laws in force at any time.
- xi. The authorisation or provision of the obligations of the directors' duty of loyalty whose knowledge and approval does not correspond to the General Shareholders' Meeting under the law.
- xii. Supervision of the process of preparing and presenting the financial information and the management report, which will include, when appropriate, non-financial information that the Company is obliged to make public periodically.
- xiii. The drafting of the annual accounts, management report and the proposed application of the Company's earnings, as well as the consolidated accounts and management report for their presentation to the General Shareholders' Meeting.
- xiv. The drafting of any class of information required by law from the Board of Directors, provided that the transaction referred to by the report may not be delegated.
- xv. Drafting of the annual corporate governance report and the annual report on the remuneration of the Company's directors, as well as the statement of non-financial information.
- xvi. Issuing the notice calling the General Shareholders' Meeting, and publishing the related announcements, preparation of the agenda and the proposed resolutions.
- xvii. The decision on any public tender offer for shares issued by the Company.
- xviii. The assessment once a year of the performance of the Board of Directors and its committees, and the issue of an action plan that corrects any deficiencies detected.

- xix. Supervision of the effective operation of the committees set up and the action of delegated bodies and managers who have been appointed.
 - xx. Approval and amendment of this Regulation.
 - xxi. Any powers that the General Shareholders' Meeting may have delegated to the Board of Directors, unless the latter has expressly authorised their sub-delegation and this right has been exercised.
 - xxii. Any other issue that the Regulation of the Board of Directors reserves for the determination of the full Board.
- c) Sustainability and corporate social responsibility policies; the environmental and social sustainability rules, principles and policies of CAER and its group, of which the corporate social responsibility policy forms part, will include the principles or commitments assumed by the company with respect to its different stakeholders and will identify at least the following:
- i. The principles, commitments, objectives and strategy with respect to shareholders, employees, clients, suppliers, social matters, the environment, diversity, fiscal responsibility, respect for human rights and prevention of corruption and other illegal conduct.
 - ii. The methods or systems for monitoring compliance with the policies, associated risks and their management.
 - iii. The supervisory mechanisms of non-financial risks, including the risk related to ethics and business conduct.
 - iv. The channels of communication, participation and dialogue with stakeholders.
 - v. Responsible communication practices that prevent the manipulation of information and protect integrity and honour.

The Company will publish the Sustainability Report every year and submit it for approval, as the case may be, by the General Shareholders' Meeting. The report will include non-financial information, the sustainability policies on environmental and social matters and the issues related to corporate social responsibility.

- 8. In no case may the Board delegate the powers that are considered not delegable under applicable law at any time. In the case of urgent and justified circumstances, the decisions corresponding to the above issues may be adopted by the delegated bodies or persons, which must be ratified by the Board of Directors at the first meeting held after adopting this decision.
- 9. With respect to affiliates that may form part of the Company's group, and within the limits provided for by law, the Board of Directors may establish the bases for efficient and appropriate coordination between the Company and the companies making up the group. In this case, the Board of Directors shall respect the autonomy of the administrative and management bodies of the companies making up the group, taking into account the interests of the Company and those of the aforementioned group companies.

TITLE III **COMPOSITION OF THE BOARD OF DIRECTORS**

Article 7. Number of directors.

- 1. The number of directors must be that determined by the General Shareholders' Meeting, either expressly or implicitly, when appointing directors, within the limits set by the Bylaws.
- 2. The Board of Directors itself considers that the ideal number of directors for its best operational functionality as a joint decision-making body is five to fifteen.
- 3. The precise number of directors proposed by the Board of Directors to the General Shareholders' Meeting will be that which, depending on the shareholder structure, the businesses of CAER and of its

group and the other circumstances in place at any time, may be considered most appropriate for the representation of shareholders and for the most effective operation of the body.

Article 8. Qualitative composition.

1. In the exercise of its powers to propose appointments of directors to the General Shareholders' Meeting and fill vacancies by co-option, the Board of Directors will aim to ensure that the composition of its members is such that external or non-executive directors constitute a clear majority over executive directors, and that among the former there is a reasonable number of independent directors. It will also aim to ensure that the number of independent directors represent at least a third of total directors; that the number of executive directors is the minimum necessary; and that the percentage of proprietary directors of the total non-executive directors is not greater than the proportion between the Company's share capital represented by these directors and the rest of the share capital.
2. The provisions of the above paragraph do not affect the sovereignty of the General Shareholders' Meeting, nor reduce the effectiveness of the proportional system, which will be mandatory in the case of a reverse stock split in accordance with the provisions of the Spanish Companies Law (*Ley de Sociedades de Capital*).
3. The definitions of the different categories of directors will be those established under laws in force, or where not available, under the recommendations for good corporate governance applicable to the Company at any time.
4. The nature of each director must be explained by the Board of Directors to the General Shareholders' Meeting, which must implement or ratify its appointment, or review it annually in the annual corporate governance report, on prior verification by the Appointments and Remunerations Committee. If any external director may not be considered proprietary or independent, the Company must explain this and the director's relation either to the Company or its directors, or to its shareholders.

Article 9. Appointment of directors.

1. Directors shall be appointed by the General Shareholders' Meeting, except in the case of appointment by the Board of Directors by co-option to cover vacancies, or designation by shareholders exercising their right to proportional representation.
2. The proposed appointments or re-elections of directors that are proposed by the Board of Directors to the General Shareholders' Meeting, as well as the provisional appointment by co-option, will be approved by the Board at the proposal of the Appointments and Remunerations Committee, in the case of independent directors, and following a report by the Appointments and Remunerations Committee, in the case of the other directors.
3. The Board of Directors shall establish a policy aimed at favouring an appropriate composition of the Board itself that: (i) is specific and verifiable; (ii) ensures that the proposed appointments or re-elections are based on a prior analysis of the competencies required by the Board of Directors; and (iii) favours the diversity of knowledge, experience, age, gender and professional qualifications and expertise. The Board of Directors must supervise that the Company's diversity measures can ensure that the Company has a significant number of female senior managers, with the aim that this policy is geared to achieve the target of not fewer than 30% of female directors on the Board of Directors and with the goal of representing at least 40% of the members of the Board.
The result of the prior assessment of competencies required by the Board of Directors referred to in the previous paragraph will be included in the justificatory report of the Appointments and Remunerations Committee published when calling the General Shareholders' Meeting, to which the ratification, appointment or re-election of each director is submitted.
4. The Board of Directors will procure that the election of candidates falls on persons of recognised solvency, competency and experience, and must be extremely rigorous with respect to the candidates who are to fill the post of independent director.
5. To the extent applicable, the members of the Board of Directors will be subject to national and regional laws in force at any time on incompatibility and prohibitions on holding the office of director.

Article 10. Re-election of directors.

1. The proposed re-elections of directors that the Board of Directors submits to the General Shareholders' Meeting will require a prior proposal (in the case of independent directors) or report (with respect to the other directors) from the Appointments and Remunerations Committee. In its recommendation, the Appointments and Remunerations Committee will assess the quality of work and dedication to the post during the mandate of the directors and their capacity to continue to discharge their duties in a satisfactory fashion.
2. The Board of Directors will aim to ensure that the independent directors who are re-elected do not remain assigned to the same committee, unless the tasks being carried out or other reasons make their continuity in the same committee advisable.

Article 11. Term in office.

1. The members of the Board of Directors shall remain in office during the period determined by the Bylaws. After this term in office or its expiry for any other reason other than the initiation of a corporate social responsibility action, the directors completing their term may be re-elected one or more times.
2. The directors appointed by co-option by the Board of Directors itself to cover vacancies shall remain in office until the date of the next General Shareholders' Meeting. If a vacancy arises once the General Shareholders' Meeting is called and before it is held, the Board of Directors may appoint a director by co-option until the next General Shareholders' Meeting is held.

Article 12. Departure of directors.

1. Directors shall leave their office (i) by their own decision at any time; (ii) when decided by the General Shareholders' Meeting in the use of the powers that have been legally conferred to it; or (iii) when the first General Shareholders' Meeting after the period for which they were appointed is held; or when the legal period in which the next Ordinary General Shareholders' Meeting must be held expires, if it has not been held.
2. The directors must also tender their resignation to the Board of Directors, and if the Board accepts it, formalise the corresponding resignation in the following cases:
 - a) In the case of proprietary directors, when the reasons for which they were appointed no longer hold. These circumstances are deemed to be in place when the entity or business group which they represent transfers all its shareholding, or reduces its shareholding to a level that requires a reduction in the number of proprietary directors; or when the entity or business group in question requests the replacement of the director.
 - b) In the case of independent directors, if the director becomes part of the executive staff of CAER or any of its affiliates, or when for any other reasons incompatibilities arise with respect to the condition of independent director.
 - c) In the case of executive directors, if they leave the executive posts due to which they were appointed directors.
 - d) If they are involved in one of the cases of incompatibility or prohibition under the law, the Bylaws or this Regulation.
 - e) If they are seriously cautioned by the Board of Directors or one of its committees for having infringed their obligations as directors.
 - f) If their remaining on the Board of Directors may endanger or harm the interests, credit or reputation of the Company, whether or not because of actions related to the Company; or when the reasons for which they were appointed no longer hold, including, without limitation, when there are significant changes in their professional situation or in the conditions under which they were initially appointed directors.
 - g) If they are involved in criminal proceedings or are the subject of proposed penalty in disciplinary proceedings initiated by the supervisory authorities for a serious or very serious infringement.
 - h) If due to events attributable to the director his or her remaining on the Board of Directors would cause serious damage to the Company's equity or reputation in the latter's opinion.

3. The Board of Directors may propose the removal of independent directors on the occasion of public tender offers, mergers or other similar corporate transactions that represent a change in the capital structure of CAER, if such changes in the Board structure are propitiated by the proportionality that should be maintained between the number of proprietary directors and independent directors to reflect the existing proportion between the Company's share capital represented by the proprietary directors and the rest of the share capital.
4. The Board of Directors may not propose that independent directors should leave, except for just cause, as ascertained by the Board of Directors acting following a report by the Appointments and Remunerations Committee. In particular, just cause will be understood to exist when the director occupies new posts or assumes new obligations that prevent him or her from dedicating the time needed to discharge the functions inherent to the post of director, does not comply with the duties inherent to the office, or incurs in any of the circumstances that make him or her lose the status of independent, under the provisions of applicable law.
5. If a director leaves office before the end of his or her term by resignation or resolution of the General Shareholders' Meeting, he or she must explain sufficiently the reasons for leaving; or in the case of non-executive directors, give an opinion on the reasons for his or her removal by the General Shareholders' Meeting, in a letter to be sent to all the members of the Board. To the extent that it is relevant to investors, the Company must make the removal public as soon as possible, including sufficient references to the grounds or circumstances given by the director, even if the director explains it all in the Annual Corporate Governance Report.

Article 13. Abstention of interested parties and secret voting.

1. The directors must refrain from participating in the deliberation and vote on resolutions or decisions in which a related person has a conflict of interest, whether direct or indirect. Excluded from the above obligation to abstain are resolutions or decisions that affect the director as such, such as appointment or renewal in posts on the Board of Directors or others of similar significance.
2. All the votes by the Board of Directors on the appointment, re-election or removal of directors shall be secret if any of its members requests it, without prejudice to the right of any director to note the way he or she has voted in the minutes.

TITLE IV
OPERATION OF THE BOARD

Chapter I
DISTRIBUTION OF POSTS

Article 14. Chairperson.

1. The Chairperson of the Board of Directors will be chosen by the Board of Directors from among its members by absolute majority of the directors present or represented at the meeting, in response to a report by the Appointments and Remunerations Committee. If the post of Chairperson of the Board of Directors goes to an executive director, the vote in favour of his or her appointment must consist of two thirds of the members of the Board of Directors.
2. The Chairperson has the ordinary power to call a meeting of the Board of Directors, prepare the agenda of its meetings and lead debates.
3. The Chairperson must also call a meeting of the Board of Directors when requested by a Vice-chairperson, the lead independent director, a chief executive officer, or a third of the members of the Board.
4. The Chairperson may have the powers of management and representation delegated to him, and be attributed with the responsibility inherent to the chief executive officer of CAER if the Board of Directors agrees by decision adopted with the legal majority required of two thirds of the directors.
5. The Chairperson shall be responsible for leading the Board and for its effective operation, and as such must (i) ensure that the directors receive sufficient information before the Board meetings; (ii) stimulate the debate and active participation of the directors during the Board sessions, safeguarding their

freedom to take a position and express their opinion; and (iii) organise and coordinate with the chairpersons of the committees the annual assessments referred to in article 26 of this Regulation; (iv) prepare and submit to the Board of Directors a schedule of issues to be dealt with; (v) ensure that sufficient time is dedicated to the discussion of strategic matters; (vi) review the programmes for updating knowledge for each director, when the circumstances advise it; and (vii) verbally report to the shareholders during the General Shareholders' Meeting the most relevant events in the Company's corporate governance which may have taken place after the publication of the annual Corporate Governance Report.

Article 15. Vice-chairpersons and Lead Independent Director.

1. The Board may elect from among its members, following a report from the Appointments and Remunerations Committee, one or more Vice-chairpersons to replace the Chairperson by delegation, due to absence or illness and, in general, in all cases, functions or attributions considered appropriate by the Board of Directors or by the Chairperson him or herself.
2. If there are a number of Vice-chairpersons, they will be assigned an order of priority between them. Their priority will determine the order in which the Vice-chairpersons will replace the Chairperson in cases of absence, incapacity or a vacancy.
3. Each of the Vice-chairpersons may delegate powers of direction and representation. He or she may also have attributed the responsibility inherent to the chief executive officer of CAER or any of its affiliates or divisions, if the Board of Directors agrees by decision adopted with the two-thirds majority legally required.
4. If the Chairperson of the Board of Directors has the status of chief executive officer, the Board of Directors, at the proposal of the Appointments and Remunerations Committee, must appoint one of the independent directors as lead independent director, who will perform the functions and duties established under laws in force at any time, and in the Bylaws.

Article 16. Secretary and counsel to the Board of Directors.

1. The Secretary of the Board of Directors may or may not be director and shall be appointed by the Board of Directors following a report from the Appointments and Remunerations Committee. The Secretary and Vice-secretary of the Board of Directors act as Secretary and, where appropriate, Vice-secretary of the committees.
2. If the Secretary of the Board of Directors is not also a director, he or she shall have a voice but no vote.
3. The functions of the Secretary shall be as follows:
 - a) Assist the Chairperson to ensure the directors receive the relevant information for the exercise of their functions sufficiently in advance and in the correct format.
 - b) Ensure the correct operation of the Board of Directors, paying particular attention to providing the directors with the advice and information needed; in particular, so that the actions and decisions of the Board of Directors take into consideration the recommendations on good governance in the Good Governance Code applicable to the Company.
 - c) Store the corporate documentation.
 - d) Duly reflect in the minutes book the conduct of the sessions of the Board of Directors, including any statements which have been requested for inclusion in the minutes.
 - e) Attest to the resolutions adopted and other circumstances relevant to the Company's bodies.
 - f) Act as Secretary of the Committees.
 - g) Channel the needs for sufficient resources so that the committees may comply with their purpose.
4. The Secretary will be responsible for:
 - a) Ensuring in all cases the formal and material legality of the actions of the Board of Directors;
 - b) Checking that the actions comply with the Bylaws, with this Regulation and any others that CAER may have in force at any time;
 - c) Promoting knowledge and compliance with the provisions issued by regulatory bodies and the reviewing of their recommendations affecting the Board of Directors, the directors and the Executive Committee, as appropriate.

5. The Secretary will be subject to the duty of confidentiality which binds the directors.
6. The Board of Directors may, following a report by the Appointments and Remunerations Committee, appoint a Vice-secretary, who may or may not be a director. In exercising the functions of Secretary he or she will be subject to the rules established for the Secretary.
7. The Vice-secretary must assist the Secretary of the Board of Directors and replace him or her in case of the latter's absence, incapacity or a vacancy.
8. If the Vice-secretary is not a board member, he or she may be invited to attend the sessions of the Board of Directors by the Chairperson, with voice but no vote, to help the Secretary draft the minutes of the session.
9. In any event, to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and departure must be approved by the full Board of Directors, following a report of the Appointments and Remunerations Committee.
10. The Secretary and Vice-secretary may depart from their posts at any time of their own accord, or when agreed by the Board of Directors, acting by a report from the Appointments and Remunerations Committee.
11. The Board of Directors may have a legal advisor for the Board of Directors who will perform the functions granted under laws in force. The Secretary or, where appropriate, the Vice-secretary, may hold the office of legal advisor to the board of Directors if he or she is a lawyer and complies with the other requirements under laws in force.

Chapter II **OPERATIONAL RULES**

Article 17. Meetings of the Board of Directors.

1. Meetings of the Board of Directors will be called by the Chairperson whenever he or she considers it necessary or appropriate for the correct conduct of its functions and at least eight times a year, following the schedule established at the start of the year. Each director may propose other items on the agenda initially not planned if this request has been proposed with notice of not less than two calendar days from the date on which the session is to be held.
2. In the case of absence, incapacity or a vacancy in the post of the Chairperson, the notice calling the meeting may be issued by the Vice-chairperson (if there are more than one, by either of them) who is in the position of being able to do so.
3. The Board of Directors must also be called whenever requested to do so by a Vice-chairperson, chief executive officer, lead independent director or a third of the members of the Board. If a month has passed since the reception of the request and the Chairperson has not called the meeting without providing the Board with reasonable grounds, the meeting may be called indicating the agenda for holding it in the location of the registered office by those who have requested it.
4. The Board of Directors meeting shall be deemed called, without the need for a specific call, as a session on the same date on which a General Shareholders' Meeting is to be held.
If a session is called in this way, it must begin before the General Shareholders' Meeting, and will be deemed to continue during the General Shareholders' Meeting. It will be concluded after the conclusion of the General Shareholders' Meeting, following the adoption by the Board of Directors of the resolutions it considers pertinent, given what has been decided or happened during the General Shareholders' Meeting.
The items for the session of the Board of Directors meeting called in this way will be to prepare proposals for the General Shareholders' Meeting that have not been prepared before, and to adopt resolutions that are related to the decisions or the conduct of the General Shareholders' Meeting.
5. The schedule and programme of matters for the ordinary sessions will be set by the Board itself before the start of each fiscal year and may be modified by resolution of the Council or by decision of the Chairperson on reasonable grounds. The modification must be notified to the directors as soon as possible.

6. The call must also include the agenda of the session and all the information needed for its deliberation. It must be made by letter or e-mail, or any other means of communication that guarantees its reception. It will be authorised with the signature of the Chairperson or that of the Secretary when the latter acts by order of the Chairperson. The notice must be issued at least three days before the planned date for it to be held.
7. The Chairperson of the Board of Directors may call extraordinary session of the Board of Directors when, in his or her opinion, the circumstances justify it. In these cases the notice period and other requirements indicated in the above paragraph are not applicable. Notwithstanding the above, the documentation that must be provided to the directors shall be delivered with sufficient notice, unless the Board of Directors has been constituted or called exceptionally for reasons of urgency.
8. Everything relating to the date and form of the notice calling the meetings of the Board of Directors and how they are held shall be within the powers of the Chairperson or of the person acting in his place under the terms established by law, these Bylaws and the Regulation of the Board of Directors.
9. The Board of Directors shall be understood to be quorate without the need for a notice calling the meeting if all its members, present or represented, unanimously agree to hold the session.
10. In any event, any of the members of the Board of Directors shall have the right to submit any other matter for deliberation and vote before the meeting or during it; the prior and express consent of the majority of the directors present will be required, and this will be duly noted in the minutes. The order of deliberation and voting will be that determined by the Chairperson in his or her prudent opinion.
11. The Board of Directors shall hold its sessions at the registered office, unless the notice calling the meeting indicates another location for the meeting.
12. The Board of Directors may be held in a number of rooms at the same time, provided that the interactivity and intercommunication between them in real time is assured by audio-visual or telephonic means, or by any other similar system. In this case, the connection system must be noted in the notice calling the meeting, together with the places in which the technical means needed to attend and participate in the meeting, where appropriate. The Secretary of the Board of Directors must note in the minutes of the meeting held in this way, not only the directors attending in person, or represented by another director, but those who attend the meeting via a telephonic multiconference, videoconference or similar system. Those attending any of the locations shall be considered as attending the same meeting for all purposes related to the Board of Directors. The session will be deemed to be held in the registered office.

Article 18. Conduct of the meetings.

1. The Board of Directors shall be deemed quorate when more than half plus one of the number of members determined by the General Shareholders' Meeting to make up the body are present or represented by proxy at the meeting, even if it is not complete or there are vacancies.
2. The directors must attend the sessions of the Board in person.
In exceptional circumstances, the Chairperson may authorise the participation of directors in a session by a multiconference call, videoconference or similar system that allows identification of the director beyond any doubt while ensuring confidentiality. In these cases, the directors participating in this way in the session shall be deemed to be present.
If a director cannot attend in person, which can only occur on extremely justifiable grounds, and remote attendance is not appropriate, the director may delegate his or her representation to another member of the Board of Directors, providing him as far as possible with the appropriate voting instructions. The delegation will be formalised by letter or any other written means that certifies the reality of the representation in the opinion of the Chairperson. Non-executive directors may not delegate their representation to other non-executive directors.
3. The Chairperson shall organise the debates by procuring and encouraging the participation of all the directors in the deliberations.
4. The directors of CAER and its affiliates and subsidiaries shall intervene in the meetings of the Board of Directors when in the opinion of the Chairperson it is necessary or appropriate in order to report on issues subject to its consideration.

5. When the directors or the secretary declare they are concerned about a proposal, or in the case of the directors, about the Company's business performance, and these concerns are not resolved at the Board of Directors meeting, a note reflecting them will be included in the minutes at the request of the person manifesting the concern.

Article 19. Agreements in writing without a session.

If required due to urgent circumstances, the Chairperson may propose and the Board of Directors agree to adopt resolutions in writing without a meeting, provided that no director opposes the procedure. The directors are requested to vote by post, fax, e-mail or other written means that provides sufficient guarantees of the identity of the sender and the authenticity of the content of the communication, for which the Secretary or Vice-secretary is responsible.

Article 20. Adoption of resolutions and voting.

1. The resolutions must be adopted by absolute majority of the directors present or represented at the meeting, except for the cases in which the law or Bylaws require another form of majority vote. In case of a tie, the Chairperson shall have the casting vote.
2. The votes shall be secret when requested by one of the directors, though each director may request that the way he or she voted be noted in the minutes.

Article 21. Assessment of the Board of Directors.

1. The Board of Directors will every year assess:
 - a) the quality and efficiency of the Board's operation, following a report from the Appointments and Remunerations Committee;
 - b) the performance of the Chairperson of the Board and the Company's chief executive, based on the report submitted by the Appointments and Remunerations Committee;
 - c) the operation and composition of the Committees, based on the reports they submit for this purpose;
 - d) the performance and contribution of each director, paying particular attention to the chairpersons of the different Committees;
 - e) diversity in the composition and competencies of the Board of Directors.

Based on the result of the assessment, the Board of Directors will adopt an action plan that corrects any deficiencies detected. The annual corporate governance report will provide information on the process and the areas assessed in the annual corporate governance report.

2. The Board of Directors may be assisted in the assessment by an external consultant, whose independence must be verified by the Appointments and Remunerations Committee. The Board, committees and officers must be assessed by the intervention of an external consultant at least every three years.

Chapter III.

DELEGATION OF THE FUNCTIONS OF THE BOARD OF DIRECTORS

Article 22. Executive Chairperson, Chief Executive Officer and Committees.

1. To improve the performance of its functions, the Board of Directors may:
 - a) Delegate to its Chairperson the broadest decision-making and representation powers as chief executive officer.
 - b) Appoint a chief executive officer, to whom the effective management of the businesses will be assigned, with the fullest management and administrative capacity, assisting the Chairperson if the latter has the status of executive, or if not, with the status and functions of chief executive officer.

- c) Create an Executive Committee, even if it has appointed an Executive Chairperson or one or more chief executive officers, or both, with wide-ranging delegate powers to assist the Chairperson and, where necessary, the chief executive officer in the exercise of their duties and in the performance of the tasks that are specifically assigned by the Board of Directors to the Executive Committee.
 - d) Constitute Committees with the functions of offering advice and making proposals; and, in any event, create an Audit and Sustainability Committee and one committee or two separate Committees dealing with appointments and remunerations (together with the Executive Committee, if applicable, and any other committee that the Board may decide to create, the “**Committees**”), whose respective composition and functions shall be those established by law, and described in the Bylaws, in this Regulation and, where appropriate, in specific regulations approved by the Board of Directors, whose regulation will always foster its independent operation, as well as liaison with the management structure and formulation of proposals in the matters of their respective competence. None of the Committees referred to in this section will have the powers to represent CAER before third parties.
 - e) Create a management team, integrated by the executive directors, with the function of coordinating the businesses and supervising the day-to-day activity explained below.
2. The Board of Directors may delegate powers, including general powers, to one or more of its Vice-chairpersons and other directors.
 3. The Board of Directors shall determine the number of members of each Committee, within the limits indicated in this Regulation, and appoint the directors who form part of them.
 3. The appointment of the chief executive officer and the members of the Executive Committee, where applicable, together with the permanent delegation of powers in its favour, in favour of the chief executive or any other director, shall correspond to the Board of Directors, acting by resolution adopted with the vote in favour of two thirds of the members of the Board of Directors, whose number was fixed initially by the General Shareholders’ Meeting, even if this number is not covered or there have been vacancies. The delegation and appointment of the members of the Board of Directors who must hold these posts will not take effect until their registration in the Commercial Registry.
 4. The members of the Committees other than the Executive Committee (if applicable) will be appointed by the Board of Directors by resolution adopted with the majority required in general for approving resolutions.
 5. Any limitation that the Board of Directors may decide to impose on the exercise by the Chairperson, the chief executive officer, the executive committee or other directors of the general powers that were delegated to them shall have exclusively internal effects: it will not restrict their capacity to act before third parties, notwithstanding their liability to the Company for any infringement of the restriction imposed.
 6. In no case may the following be the object of delegation:
 - a) Powers that the General Shareholders’ Meeting may have attributed or delegated to the Board of Directors, without express authorisation by the General Shareholders’ Meeting for the delegation by the Board of Directors of such powers to any of its members or to the Executive Committee.
 - b) Powers that may not be delegated by law, by the Bylaws or by this Regulation.
 7. The Committees of the Board of Directors may assume not only the functions that are inherent to them, but other tasks that are assigned by the Board of Directors on the grounds that they require a specific attention or monographic analysis.

Chapter V.
COMMITTEES OF THE BOARD OF DIRECTORS

Article 23. Internal organisation of the Committees.

1. The Committees may be attended by videoconference, phone or other means of telecommunication. The members participating in the session in this way shall be deemed to be present, in accordance with the provisions laid down by the Board in this respect.
2. The corresponding minutes will be taken of each meeting of the Committees by its Secretary, who will make them available to the members of the Board of Directors following their approval by the Committee.
3. The Committees may hold joint meetings to deal with matters within their spheres of competence under this Regulation.
4. The Secretary and Vice-secretary of the Board of Directors act as Secretary and, where appropriate, Vice-secretary of the Committees.
5. The Committees may, by resolution of each Committee itself, or by decision of its respective Chairperson or, in the case of the executive committee, of the chief executive officer, request the executive directors or any executive manager of CAER or of the companies over which it exercises a significant influence to participate at their meetings, if expressly agreed by the members of the Committees.
6. They may also request external advisers or the auditors of CAER itself or of the companies over which it exercises a significant influence to participate at its meetings. The cost of this measures shall be paid by CAER.

Article 24. Executive Committee.

A) Composition.

1. Without prejudice to any powers of attorney that may be granted to any person, the Board of Directors may create an Executive Committee or appoint one or more chief executive officers, and delegate to them in full or in part, either temporarily or permanently, all the powers that may be delegated under law.
2. The Executive Committee, if applicable, shall be made up of executive directors and at least two non-executive directors, of whom one must be independent. The number shall not be less than three nor more than five directors. The Chairperson and Secretary of the Board of Directors shall be the Chairperson and Secretary of the Executive Committee.
3. The appointment and renewal of each of the members of the Executive Committee will require for its validity the vote in favour of at least two thirds of the members of the Board of Directors.
4. The re-election of a director will not involve his or her re-election as a member of the Executive Committee. The appointment must be submitted again to the Board of Directors for its decision.
5. The departure of a member of the Executive Committee will take place in the following circumstances: his or her departure from the position of director; resignation from the office of member of the Executive Committee; or by an agreed removal adopted by the Board of Directors with the ordinary majority required for passing resolutions.

B) Operation.

The Executive Committee will meet periodically or on a one-off basis when it is called by its Chairperson, in accordance with the general rules for calling meetings defined in this Regulation.

The Executive Committee shall be deemed quorate when at least half of its members are present at the meeting, either in person or represented by proxy.

The resolution must be adopted by absolute majority of the members attending the meeting, either in person or represented by proxy.

The Executive Committee must take the minutes of its meetings, of which a copy shall be sent to all the members of the Board of Directors.

C) Relations with the Board of Directors.

The Executive Committee shall inform the Board of Directors of the matters dealt with and the resolutions adopted at its meetings. A copy of the minutes of these meetings shall be distributed among the members of the Board of Directors.

Article 25. Audit and Sustainability Committee.

A) Composition.

1. In accordance with the provisions of the Bylaws, the Audit and Sustainability Committee will be composed of a minimum of three and a maximum of five directors, all of them external, of whom a majority must be independent directors.
2. The Chairperson of the Audit and Sustainability Committee shall be elected by the Board of Directors from among the members of the Audit and Sustainability Committee who are independent directors. The Chairperson must be replaced every four years, and may be re-elected once a period of one year has elapsed since his or her departure.
3. The members of the Audit and Sustainability Committee as a whole, and in particular its Chairperson, shall be appointed taking into account their knowledge and experience in the area of accounting, auditing, financial and non-financial risk management and environmental, social and governance (ESG) matters. Overall, the members of the Audit Committee and corporate governance must have the appropriate technical expertise in relation to the Company's sector of activity.

B) Operation.

1. The Audit and Sustainability Committee shall meet when called by its Chairperson, either at his or her own initiative or at the request of any of its members. In the case of absence or incapacity of the Chairperson, it will be called by the Secretary at the request of any of its members.
2. The Audit and Sustainability Committee shall meet periodically, depending on its needs, but at least four times a year, before the publication of the financial information by CAER. It shall be deemed quorate when at least half of its members are present at the meeting, either in person or represented by proxy. The resolutions of the Audit and Sustainability Committee shall be adopted by absolute majority of those present.
3. The Audit and Sustainability Committee may request the presence at its meetings of any senior managers considered necessary, as well as the external auditor of any of the group's companies. It may also receive advice from external experts.
4. The Audit and Sustainability Committee must take the minutes of its meetings, of which a copy shall be made available to all the members of the Board of Directors.

C) Functions and powers.

1. The Audit and Sustainability Committee's main function is to serve as a support instrument to the Board of Directors in supervising accounting, financial and non-financial information, internal and external audit services and risk management, as well as compliance with the sustainability policies and rules on environmental, social and corporate governance matters, and with the internal and external rules and codes of business conduct.
2. To perform its function the Audit and Sustainability Committee shall have the following powers, without prejudice to any others that may be established by laws in force and in the Bylaws, or that may be assigned to it by the Board of Directors:
 - a) With respect to the internal information and control systems:
 - i. Review periodically and supervise the effectiveness of the internal control and financial and non-financial risk management systems of the Company and its group, including

- operational, technological, legal, social, environmental, political and reputational risks or those related to corruption, in order to identify, quantify, manage and report the main ones adequately.
- ii. Discuss with the auditor any significant weaknesses in the internal control system detected during the audit, without compromising the auditor's independence; and make any recommendations or proposals to the Board of Directors, together with a schedule for their follow-up.
 - iii. Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to notify any irregularities of potential importance they detect in the company or its group, including financial and accounting or of any other kind of irregularities related to the Company. This mechanism must guarantee confidentiality and, in any event, allow communications to be made anonymously, respecting the rights of the person making the report (*denuncia*) and the person being reported on.
 - iv. Ensure that the risk control and management policy identifies at least the following:
 - a) The different types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks, including those related to corruption) faced by CAER, including financial or economic, contingent liabilities and other off-balance-sheet risks.
 - b) A risk control and management model based on different levels, of which a committee specialising in risks will take part when the sectoral rules allow it, or the Company deems it appropriate.
 - c) The risk level that CAER considers acceptable.
 - d) The measures planned to mitigate the impact of the risks identified, if they materialise.
 - e) The information and internal control systems that will be used to control and manage the above risks, including contingent liabilities or off-balance-sheet risks.
 - v. Ensure in general that the established internal control policies and systems are applied effectively in practice.
- b) With respect to risk control and management: An internal risk control and management function must be in place under the direct supervision of the Audit and Sustainability Committee, with at least the following functions:
- i. Ensure the correct operation of the risk control and management systems, and in particular, that all the important risks affecting the Company are correctly identified, managed and quantified.
 - ii. Actively participate in preparing the risk strategy and in the important decisions on its management.
 - iii. Ensure that the risk control and management systems adequately mitigate the risks within the framework of the policy defined by the Board of Directors.
- c) With respect to the external auditor:
- i. Propose to the Board of Directors, for its submission to the General Shareholders' Meeting, the selection, appointment, re-election and replacement of the auditors, taking responsibility for the selection process in accordance with applicable law, as well as the conditions for their hiring; and regularly collect information on the audit plan and its execution, as well as preserving its independence in the exercise of its functions.
 - ii. Inform the General Shareholders' Meeting on matters that are raised in it by shareholders regarding its powers, and in particular on the result of the audit, explaining how it has contributed to the integrity of the financial information and the function that the Audit and Sustainability Committee has performed in this process.

- iii. Establish the appropriate relations with the auditors to receive information on matters that may endanger their independence, for examination by the Audit and Sustainability Committee, and any others related to the process of auditing the accounts, as well as the authorisation of services other than those prohibited, under the terms of applicable law; and any other communications provided for by the law on auditing and other auditing standards. In any event, the Audit and Sustainability Committee must receive every year from the auditors a written statement of their independence in relation to the Company and entities directly or indirectly linked to it, as well as detailed and individualised information on additional services of any kind provided and the corresponding fees received from these entities by the external auditor or by persons or entities linked to it, in accordance with the provisions of the legislation on auditing.
 - iv. Issue every year, before the audit report, a report expressing an opinion on whether the independence of the auditors or audit firms is compromised. The report must, in any case, comment on the provision of additional services referred to in the above paragraph, considered individually and as a whole, other than the legal audit and in relation to the system ensuring independence or the regulations governing auditing.
 - v. If the external auditor resigns, examine the circumstances that leading to that outcome.
 - vi. Ensure that the external auditor's remuneration for its work does not compromise its quality or independence.
 - vii. Ensure that the Company communicates through the CNMV any change of auditor and accompanies it by a declaration on the possible existence of disagreements with the outgoing auditor; and, if there are such disagreements, what they consist of.
 - viii. Ensure that the external auditor holds a meeting every year with the full Board of Directors to report to it on the work carried out and developments in the accounting situation and risks to the Company.
 - ix. Serve as a channel of communication between the Board of Directors and the external auditors, assess the results of each audit and the responses of the management team to its recommendations, and mediate and arbitrate in cases of disagreements between the auditor and the Board in relation to the principles and criteria applicable to the preparation of the financial statements.
 - x. Ensure that the Company and the external auditor respect the laws in force on the provision of services other than those of auditing, the limits to the concentration of the auditor's business and, in general, any other rules on the independence of auditors.
 - xi. Allow the group's auditor to take responsibility for the audits of the companies in the Group.
- d) With respect to the internal auditor:
- i. Supervise the internal audit that must ensure the correct operation of the systems of information and internal control. For these purposes, the head of the internal audit function will report functionally to the Chairperson of the Audit and Sustainability Committee.
 - ii. Propose to the Board of Directors the selection, appointment and removal of the head of the internal audit service; participate in the determination of the variable components of the head's remuneration and assess his or her performance annually.
 - iii. Approve and supervise the annual work plan of the internal audit service, ensuring that its activity is focused mainly on relevant risks, including reputational; receive periodic information on its activities, including any possible incidents and limitations to the scope present in its development, the results and the monitoring of its recommendations; and receive at the end of each fiscal year an activity report and an action plan to correct any deficiencies observed.
 - iv. Verify that the Company's management team takes into account the conclusions and recommendations of the activity report of the internal audit services.
 - v. Supervise the internal audit services of CAER and its group, approve the department's annual budget and examine the selection and hiring systems for internal audit staff.
 - vi. Ensure the independence of the unit that assumes the internal audit function.

- e) With respect to financial and non-financial information:
- i. Supervise and assess the preparation process, the integrity and the presentation to the market of the regulated financial and non-financial information relating to CAER and its group, both annual and interim, reviewing compliance with regulatory requirements, the correct delimitation of the scope of consolidation and the correct application of accounting criteria; and submit its reports on these matters to the Board of Directors and, where appropriate, present recommendations or proposals aimed at safeguarding its integrity, including the possible need for a limited audit or review of the external auditor on financial information other than the annual one.
 - ii. In cases in which the auditor has included a qualified opinion in the annual accounts that are submitted for approval to the General Shareholders' Meeting, explain clearly at the General Shareholders' Meeting the opinion of the Committee and try to ensure that a summary of this opinion is published together with the notice calling the General Shareholders' Meeting.
 - iii. Check that the financial and non-financial information published on the Company's corporate website is constantly updated and coincides with that drafted by the directors.
- f) With respect to the supervision of compliance with sustainability policies and rules covering environmental, social and corporate governance criteria, as well as internal and business codes of conduct:
- i. Identify and guide the Group's sustainability and corporate social responsibility policies, rules, commitments, objectives, strategy and good practices in environmental and social matters, which will have the minimum content provided for in the Good Governance Code of Listed Companies.
 - ii. Supervise the Company's practice on environmental and social matters and ensure it is aligned with the strategy and policies that have been determined.
 - iii. Identify and guide corporate governance policies and rules before they are presented to the Board of Directors.
 - iv. Supervise compliance with the internal corporate governance policies and rules required from the Company and its group, also ensuring that the corporate culture is aligned with their purpose and values.
 - v. Report any related transactions that must be approved by the General Shareholders' Meeting or Board of Directors and supervise the internal procedure established by the Company for those whose approval has been delegated by law.
 - vi. Supervise the application of the general communication policy on the communication of economic and financial, non-financial and corporate information, as well as the communication and contacts with shareholders and investors, proxy advisors and other stakeholders. In particular, communication and relations with small and medium-sized investors must be monitored. Assessment of the processes of relations with different stakeholders.
 - vii. The assessment and periodic review of the corporate governance system and the environmental and social policies and rules of the Company and its group, with the aim of complying with its mission of promoting the corporate interest and taking into account the legitimate interests of the other stakeholders when appropriate.
 - viii. Ensure compliance with this Regulation, the Regulation of the General Shareholders' Meeting and the Internal Code of Conduct in Stock Markets; and, in general, compliance with CAER's rules of governance; and make the necessary proposals for their improvement.
- g) Specifically with respect to the framework agreement governing relations between Acciona, S.A. ("**Acciona**"; and together with the companies in its group, the "**Acciona Group**") and the

Company (the “**Framework Agreement**”), and without prejudice to the provisions of section f) above:

- i. Report in advance to the Board of Directors or the General Shareholders’ Meeting to determine on matters affecting related transactions between Acciona and the Company, or between either of the companies with regard to their respective groups. In particular, inform on their feasibility, specifying the methods on which the assessment and the criteria used are based.
- ii. Inform the Board of Directors of CAER in advance about the sections in CAER’s periodic public information and annual corporate governance report that refer to the Framework Agreement and the related transactions between the Acciona Group and the Company’s group.
- iii. Inform the Board of Directors in advance on the situations in which there is agreement on business opportunities between the Group’s companies and the Acciona Group, and monitor compliance with the provisions of the Framework Agreement on this matter.
- iv. Inform the Board of Directors periodically on compliance with the Framework Agreement, as well as occasionally on any proposed amendment to the Framework Agreement, or on any proposals for transactions designed to end disagreements that may arise between its signatories on its implementation.

The Audit and Sustainability Committee may request the Acciona Group and the Company’s group for all the information needed for the purpose of exercising their powers in relation to the Framework Agreement.

h) With respect to other functions:

- i. Be informed of any deals involving structural or corporate modifications that the Company plans to carry out, in order to make a prior analysis and report to the Board of Directors on their economic conditions and accounting impact, and in particular on the proposed exchange ratio, if appropriate.
- ii. Report before the creation or acquisition of equity holdings in special-purpose entities or entities domiciled in countries or territories which are considered tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could diminish the transparency of the Group.

Article 26. Appointments and Remunerations Committee.

A) Composition.

1. The Appointments and Remunerations Committee shall be formed by a minimum of three and a maximum of five non-executive directors appointed by the Board of Directors, of whom a majority must be independent directors.
2. The members of the Appointments and Remunerations Committee shall be appointed taking into account their knowledge of the sector, skills, professional experience, diversity and personal capacities appropriate to the functions they are to perform.
3. The Chairperson of the Appointments and Remunerations Committee shall be elected by the Board of Directors from among the members of the Appointments and Remunerations Committee who are independent directors.

B) Operation.

1. The Appointments and Remunerations Committee shall meet at least three times a year to assess remuneration, and where necessary report on the renewal of the Board of Directors or of its Committees. It must also do so whenever called, pursuant to the Bylaws, this Regulation, or its own Regulation, as the case may be.

2. The Committee shall be deemed quorate when at least half of its members, either present or represented by proxy, attend the meeting. The resolutions of the Appointments and Remunerations Committee shall be adopted by absolute majority of those present.
3. The Appointments and Remunerations Committee shall hold any other sessions that may be needed to meet the requests of the Board of Directors, the Chairperson, the chief executive officer or the executive committee, to obtain a report, proposal or the opinion of the Appointments and Remunerations Committee within the scope of its powers.
4. To enhance compliance with its functions, the Appointments and Remunerations Committee may obtain advice from external experts when it considers this necessary, making sure that any conflicts of interest do not harm the independence of the external advice received.
5. The Appointments and Remunerations Committee must take minutes of its meetings, a copy of which will be available to all the members of the Board of Directors.

C) Functions and Powers.

1. The Appointments and Remunerations Committee shall have the basic duties that are established under laws in force, in the Bylaws, and those specified below, without prejudice to any other tasks that may be assigned to it by the Board of Directors.
 - a) With respect to the directors:
 - i. Formulate and review the criteria that must be followed for the composition of the Board of Directors, proposing to the Board of Directors the approval of a policy for the composition of the Board, verifying compliance with it, and describing it in the annual corporate governance report.
 - ii. Assess the competencies, knowledge and experience necessary in the Board of Directors. For these purposes, it will prepare a matrix with the necessary competencies, updating it periodically according to the challenges and opportunities faced by the Company in the short, medium and long term; define the functions and skills needed by the candidates who are to cover each vacancy and assess the time and dedication needed to perform their tasks effectively.
 - iii. Submit to the Board of Directors the proposed nominations for independent directors, to be appointed by co-option or for their submission to the General Shareholders' Meeting; as well as the proposals for re-election or removal of these directors by the General Shareholders' Meeting.
 - iv. Report on the proposed designation of the remaining directors for their appointment by co-option or for their submission to the General Shareholders' Meeting, as well as the proposals for their re-election or removal by the General Shareholders' Meeting.
 - v. Ensure that the selection procedures are not affected by implicit bias that may impede the appointment of directors on personal grounds, and establish a target for representation of the less represented gender on the Board of Directors, drafting guidelines on how to achieve this target.
 - vi. Inform in advance the proposed removal of directors which the Board of Directors will propose to the General Shareholders' Meeting before the end of their term in office, as determined in the Bylaws, on justified grounds.
 - vii. Examine or organise the succession of the Chairperson and the chief executive, in the way considered appropriate, consulting with both and with the lead independent director, if applicable; and where necessary, make proposals to the Board, so that this succession takes place in an orderly and well-planned fashion.
 - viii. Propose to the Board of Directors the directors to appoint as Chairperson, chief executive officer and members of the Executive Committee, where applicable, and of each of the Committees. Establish the conditions that the Chairperson of the Board must comply with in office.
 - ix. Be aware of the remaining professional obligations of the directors, to ensure that they do not interfere in the dedication required for their office, informing the candidates on what is expected from them in terms of dedication.

- x. Propose to the Board of Directors the remuneration policy for directors, as well as the individual remuneration and other contractual conditions of the executive directors, and ensure they are observed.
 - xi. Review the conditions of the contracts of the executive directors to ensure they are consistent with the directors' remuneration policy.
 - xii. Periodically review the remuneration policy applied to the directors, including the share-based remuneration schemes and their application, assessing their appropriateness and returns, as well as guaranteeing that the individual remuneration of each is proportional to what is paid to other directors. Interpret and resolve conflicts of interest that may arise with respect to the application and review of the Remuneration Policy.
 - xiii. Verify the information on the directors' remuneration contained in the various corporate documents, including the annual and biannual financial reports, the annual corporate governance report and the annual report on directors' remuneration.
- b) With respect to the Management Team:
- i. Prepare and review the criteria that must be followed when selecting CAER's management team, proposing measures to the Board of Directors that ensures the Company has a significant number of senior female managers.
 - ii. Report on the appointments and departures of senior managers proposed to the Board by the chief executive officer.
 - iii. Propose to the Board of Directors the basic conditions of new hires to the management team, checking that these conditions are observed by the Company.
 - iv. Periodically review the remuneration applied to the management team, including the share-based remuneration schemes and their application, as well as guaranteeing that the individual remuneration is proportional to what is paid to other members of the management team.
 - v. Verify the information on the directors' remuneration contained in the different corporate documents, including the annual and twice-yearly financial reports and the annual corporate governance report.
- c) With respect to other functions:
- i. Report on the appointment and departure of the Secretary and Vice-secretary of the Board of Directors.
 - ii. Submit its report on the annual assessment of the performance of the Board of Directors.
 - iii. Verify the independence of the external consultant charged with the annual assessment of the Board of Directors and of its Committees, and ensure the independence of any other external advice provided to the Committee on matters within its competence.
2. In the exercise of its functions, the Appointments and Remunerations Committee will consult the Chairperson and chief executive officer of CAER, particularly on matters related to any executive directors and the management team. Any director may ask the Appointments and Remunerations Committee to take into consideration potential candidates to cover vacancies of directors if it considers them appropriate.

Article 27. Management Team.

1. The Management Team will be composed of the executive directors and any other directors determined by the Board of Directors. The Management Team shall assist the Chairperson (if he or she is an executive one) and/or the chief executive officer of CAER in leading and controlling the ordinary management of the group's businesses and in coordinating the activities of the divisions and units that make it up.
2. The Management Team shall not have the power to represent CAER before third parties.

TITLE V
RIGHTS AND OBLIGATIONS OF DIRECTORS

Chapter I
GENERAL DUTIES

Article 28. Duty of diligent administration.

1. Each of the directors has the duty to discharge his or her office with the diligence of a reasonable business person and of a loyal representative working in good faith, who must always subordinate his or her private interests to those of CAER.
2. The duty of diligence includes, above all, that of reporting diligently on the performance of CAER and of its group.
3. Another expression of the duty of diligence is compliance with the duties imposed by law, the Bylaws, this Regulation and any other internal regulations approved by CAER, taking into account the nature of the office and the functions attributed to each of them.

Article 29. Duty of loyalty.

1. Each director must act in his or her decisions and actions guided exclusively by the corporate interest, within the framework defined by the law, Bylaws and the self-regulation that CAER has provided for itself through Regulations; by the explicit and implicit commitments to clients, suppliers, workers and financiers; and by the ethical duty of responsible business conduct.
In particular, the duty of loyalty obliges directors to the following:
 - a) Not to exercise their powers for purposes other than those for which they have been granted.
 - b) Keep secret all information, data, reports or background to which they have had access in office, including when they have left it, except for cases in which the law permits or requires disclosure.
 - c) Refrain from participating in deliberations and votes on resolutions or decisions in which they, or related persons as defined in article 38 of this Regulation, have a direct or indirect conflict of interest. Excluded from the above obligation to abstain are resolutions or decisions that affect them as directors on the Board of Directors, such as appointment to or renewal of posts on the board of directors or others of similar significance.
 - d) Discharge their duties under the principle of personal responsibility with freedom of criteria or opinion and independence with respect to instructions and relations with third parties.
 - e) Adopt the necessary measures to avoid being subject to situations in which their interests, whether on their own account or those of a third party, may enter into conflict with the corporate interest and with their duties to the Company.
 - f) Refrain from obtaining any benefits or remuneration associated with the performance of their duties as directors from third parties other than CAER or its group of companies, except in the case of gratuities offered as a courtesy.

Article 30. Specific duties of a diligent director.

1. The following are specific duties of a director in which he or she must demonstrate diligence:
 - a) Dedicate the constant time and effort needed to follow-up regularly on the questions raised by CAER's management, obtaining sufficient information for this purpose and any collaboration or assistance he or she considers appropriate.
 - b) Inform the Appointments and Remunerations Committee of any other professional obligations.
 - c) Not belong to more than three boards of directors of listed companies, including CAER; although the Board of Directors may, following a report from the Appointments and Remunerations Committee, determine a smaller number if it considers that the dedication required from the other boards of directors does not allow sufficient dedication to the performance of the functions inherent to the office of director of CAER.
 - d) Be informed and prepare correctly the meetings of the Board of Directors, and of the Committees to which he or she belongs; requesting any information considered necessary to supplement

information already received, allowing him or her to form an objective and fully independent opinion on the general operation of CAER's management.

- e) Actively participate in the administrative body and in the Committees to which he or she has been appointed and in the tasks assigned, expressing his or her opinion and asking the other directors to share the decision that is considered to be the most favourable for the corporate interest.
- f) Make objections to resolutions that are against the law, the Bylaws or the corporate interest, and request that this criterion is recorded in the minutes when he or she considers it more appropriate to safeguard the corporate interest. The directors not affected by a potential conflict of interest, in particular the independent directors, must also make objections to any decisions that may be harmful to shareholders not represented on the Board.
Act accordingly if the Board adopts significant or repeated decisions on which the director may have formed serious reservations, and if he or she chooses to resign, explain in sufficient detail the grounds for this action in a letter sent to all the members of the Board of Directors. To the extent that it is relevant for investors, the Company must make public as soon as possible the reasons given by the director for his or her resignation.
The provisions of this section f) shall be applicable to the Secretary of the Board, even if he or she is not a director.
- g) Carry out any specific tasks that he or she is charged with by the Board of Directors, the Executive Committee, or the committee to which he or she belongs, provided that such tasks can be reasonably considered covered his or her commitment to dedication;
- h) Investigate any irregularity in the management of CAER of which he or she may have had notice, and monitor any risk situation.
- i) Urge persons with the capacity to call meetings to call an extraordinary meeting of the Board of Directors, the Executive Committee or the committee to which he or she belongs; or to include on the agenda of the first meeting that must be held any items he or she considers appropriate.

Chapter II **SPECIFIC DUTIES OF THE DIRECTORS**

Article 31. Duty of confidentiality.

1. The director and secretary of the Board must keep secret the meetings of the Board of Directors or Committees that they form part of, both in CAER and in the companies in which they perform these functions or similar ones in representing the interests of CAER.
2. Directors must in general abstain from revealing any other information to which they may have had access in office, or from using them for their own benefit, or for the benefit of the shareholder who may have proposed or appointed them, or any other third party, without prejudice to the obligations of transparency and information imposed by applicable law.
The obligation regulated in the above paragraph shall not prevent communication of confidential information to third parties in the exercise of functions inherent to directors, or of an express delegation conferred by the Board of Directors or the corresponding committee, provided that the duty of secrecy to be maintained by the person receiving the information is sufficiently guaranteed, for which the director is responsible, under the terms of the law.
The duty of confidentiality shall extend particularly to the information, data, reports or background known to the director through his or her office, and whose communication to third parties or disclosure may be prejudicial to the corporate interest.
3. The obligation of confidentiality shall remain in force for an indefinite period after the director has left office.
4. The duty of confidentiality must cede before the legal or regulatory obligation to:
 - a) communicate publicly the information in question, in which case if CAER has not done so with due diligence, any director may require the Chairperson or the chief executive officer to ensure that CAER makes the disclosure immediately, and the director abstains from disclosing it himself;

- b) respond to information requests issued by a public authority or a supervisory body, provided that the request is made within the powers of the requesting body and the communication of information by the director complies with the law;
- c) collaborate with the criminal justice system; or
- d) in other cases where the law allows communication or disclosure to third parties, such as in the case of proprietary directors communication to the shareholders who proposed their appointment, which will be subject to a similar obligation of confidentiality.

Article 32. Duty to abstain in conflicts of interest.

1. The situations of conflict of interest of directors are subject to the applicable legal provisions, to the contents of this article, and to the specific rules on the situation in question, in accordance with the following articles:
 - a) The non-compete duty (article 33).
 - b) Transactions between a director, shareholders and CAER or its subsidiaries (article 34).
 - c) Use of corporate assets (article 35).
 - d) Taking advantage of business opportunities and non-public information (article 36).
 - e) Taking advantage of the status of director (article 37).
2. A “conflict of interest” shall be deemed to exist in situations in which the interest of the Company or its subsidiaries enters into direct or indirect collision with the direct or indirect interest of the director in question. The director’s interest will exist when, among other cases (i) the matter affects him or her or a related person; or (ii) in the case of a proprietary director, the shareholder or shareholders who proposed or appointed him or her, or persons directly or indirectly connected to them.
3. The “indirect interest” of the director is considered to be:
 - a) that of a third party acting on behalf of the director; or
 - b) that of a company or entity in which the director (i) holds, either directly or indirectly, including through an agent, a holding that grants him or her a significant influence; or (iii) holds in said company or entity, or in their controlling company, a position on the board of directors or in senior management.

For these purposes, a significant influence is deemed to be granted by any holding of 10% or more of the share capital or voting rights, or by which a representation on the Company’s administrative body has been obtained *de facto* or *de jure*.

The indirect holdings of the director and related persons will be calculated proportionally to their corresponding *cascade* shareholding.
4. The director must inform the Board of Directors through the Secretary or Vice-secretary of the Board of Directors of any situation of conflict of interest he or she may be involved in.
5. The director must abstain from intervening in the deliberations, decision-making and execution of transactions in respect of which he or she has a direct or indirect conflict of interest.
He or she must also abstain when the decision relates to a Related Person, according to the legal definition at any time, and the director is aware of this fact.
However, the duty to abstain will not prevent counting the vote of the director in favour of the decision adopted by the relative majority of the other directors not affected by the conflict of interest, if the director in question so requests in order for the agreement to be validly adopted. If he or she does not do so the votes of the directors affected by the conflict and who have to abstain will be deducted for the purpose of calculating the necessary majority of votes.
6. The director must in particular keep the information he or she may have become aware of with respect to a matter in which there is a conflict of interest confidential, and not reveal or use it against the interests of CAER and its affiliates and subsidiaries.
7. The situations of direct or indirect conflicts of interest in which the directors are involved in shall be noted in the annual report.

Article 33. Non-compete obligation.

1. The directors must refrain from carrying out activities on their own or another's account that involve effective competition, whether current or potential, with the Company, or that in any way put them in a constant conflict of interest with the Company.
2. The obligation of not competing with the Company may only be waived if no damage is expected to the Company, or if the expected damage is offset by the benefits that are expected to be obtained from the waiver. The waiver will be granted by an express and separate resolution of the General Shareholders' Meeting.
3. In any case, at the request of any shareholder, the General Shareholders' Meeting must decide on the removal of the director who carries out competing activities when the risk of harm to the Company becomes significant.
4. Excluded are the offices that may be held by the Company's directors in the Group's companies.
5. The director who concludes his mandate or who for any other reasons leaves his post while in office may not, for the period of a year, perform services for any other entity that has a similar corporate purpose to that of the Company. Notwithstanding the above, the Board of Directors may, if it considers it appropriate, waive this obligation or shorten its duration for the outgoing director if it considers it appropriate.

Article 34. Transactions between the director, shareholders and CAER or its subsidiaries.

1. Any transactions between CAER or its subsidiaries and the Company's directors or shareholders that are considered related transactions (as the term is defined in laws in force at any time) shall be subject to authorisation by the Board of Directors, or in the case of urgency, the Executive Committee, for subsequent ratification by the Board of Directors, following a report from the Audit and Sustainability Committee, except in the cases listed in the following paragraphs.
2. The authorisation must be agreed by the General Shareholders' Meeting when its object is a related transaction amounting to 10% or more of the corporate assets according to the latest annual balance-sheet approved by the company. Any related transactions with the same counterparty over the last twelve months are aggregated to determine the total value for the above purposes. When the General Shareholders' Meeting is called to rule on a related transaction, the shareholder affected will be deprived of the right to vote, except for cases in which the proposed resolution has been approved by the Board of Directors without the vote against of the majority of the independent directors. However, when appropriate, the rule reversing the burden of proof under article 190.3 of the Spanish Companies Law will be applicable.
3. The General Shareholders' Meeting or the Board of Directors may only approve a related transaction following a report by the Audit and Sustainability Committee in the cases and terms established by the law in force at any time.
4. The Board of Directors may delegate the approval of the following related transactions, which will also not require the prior report from the Audit and Sustainability Committee: a) transactions between the Company and its subsidiaries and Acciona and the other companies in its group within the scope of ordinary management and in market conditions; and b) transactions that are agreed in virtue of contracts whose boiler-plate conditions are applied en masse to a large number of clients, at prices or fees established in general by the person acting as supplier of the goods or services in question, and whose amount is not more than 0.5 per cent of the net amount of the Company's revenues according to the latest consolidated annual reports, or if not available, the individual reports of the Company approved by the General Shareholders' Meeting.
If this delegation is approved, the Board of Directors must establish an internal information and periodic control procedure for these transactions. The Audit and Sustainability Committee must intervene in this procedure and verify the equity and transparency of the transactions, and whether they comply with the legal criteria applicable to the above exceptions.
5. The directors affected by the related transaction in question may not exercise or delegate their right to vote and must leave the meeting room while the Board deliberates and votes on it. As an exception,

directors who represent or are related to Acciona in transactions of the Company and its subsidiaries with Acciona or companies in its group will not have to abstain, notwithstanding that, in such cases, if their vote has been decisive for the adoption of the agreement, the rule of reverse burden of proof will be applicable in similar terms to those under article 193.3 of the Spanish Companies Law.

6. The Board of Directors must ensure through the Audit and Sustainability Committee that the transactions between CAER and its subsidiaries with directors, the shareholders referred to in the above section or their respective Related Persons are carried out under market conditions and with respect to the principle of equality of treatment of shareholders.
7. CAER must report on the transactions referred to in this article in the cases and with the scope provided for by law.
8. The provisions of this article may be developed through the corresponding rules issued by the Company's Board of Directors.

Article 35. Use of Corporate Assets.

1. A director may only use CAER assets or those of its subsidiaries in exchange for an adequate consideration that may be considered inherent to market conditions between independent parties.
2. The Board of Directors may in exceptional circumstances make an assurance that the transaction is harmless and, following a report by the Appointments and Remunerations Committee, authorise the use without adequate consideration; in which case it will be considered an indirect remuneration and will be calculated and made public as such.
3. If the advantage is received by a director in his or her condition as shareholder, it may only be acceptable if it respects the principle of equality of treatment of shareholders.
4. The use of assets by executive directors as part of the remuneration of their professional dedication to CAER and its group will be subject to the control of the remuneration of the Management Team exercised by the Appointments and Remunerations Committee and will be adapted to the contractually agreed terms.

Article 36. Taking advantage of business opportunities and non-public information.

1. Directors must refrain from carrying out in their own direct or indirect benefit, or in the benefit of Related Persons, any type of investments or transactions of any nature linked to CAER assets or those of its subsidiaries, of which they have become aware while they held office, if:
 - a) the investment or transaction in question had been offered to CAER or its subsidiary; or
 - b) CAER or the subsidiary has an interest in the investment or transaction and the director was aware of it, provided that CAER or the subsidiary has not rejected the investment or transaction in question without the influence of the director.
2. The provisions of this article govern the possibility of carrying out an investment or commercial transaction:
 - a) of which an executive director has learned during his or her activity as a senior manager of CAER or from information sources in CAER itself; or
 - b) which has arisen in circumstances that make it reasonable to think that the offer of the third party was in fact directed at CAER.

Notwithstanding the provisions in the above section, the Board of Directors may in special cases authorise the director or a related person to take advantage of a specific business opportunity, provided that he or she can guarantee that it is not damaging to the corporate equity and that the process is transparent.

3. The use by a director for private ends of non-public information on CAER or companies on which it exercises a significant influence, of which he or she has learned due to his status as director, may only be considered loyal and will be permitted if the following conditions are met:
 - a) That this information is not used by the director to carry out or suggest transactions on securities issued by CAER or the company in question, which are traded on an official market, or on financial derivatives in which said securities are the underlying assets.

- b) That the use of this information does not infringe the regulations governing the stock market or the code of conduct established by CAER's Internal Code of Conduct on matters related to stock markets.
- c) That its use does not cause any damage to CAER.
- d) That CAER does not have exclusive rights or a legal position of a similar kind to the information he or she wishes to use, unless the director requests and obtains express prior authorisation from the Board of Directors.

Article 37. Taking advantage of the condition of director.

- 1. Directors must refrain from using the name of CAER or the companies in which CAER exercises a significant influence, or referring to their status of director of any of them, to exercise undue influence on transactions carried out on their own account or on account of Related Persons.

Article 38. Related Persons.

- 1. For the purpose of this Regulation, Related Persons with respect to any of the persons included within the subjective scope of application of this Regulation are deemed to be persons and entities to which this consideration is attributed under laws in force at any time.
- 2. For the purpose of this Regulation, persons connected to the directors are considered to be:
 - a) The spouse or person with a similar personal relationship.
 - b) The ascendants, descendants or siblings of the director or the director's spouse (or person with a similar personal relationship).
 - c) Spouses (or persons with a similar personal relationship) of the director's ascendant, descendants or siblings.
 - d) Companies or entities in which the director (i) holds, either directly or indirectly, including through an agent, a holding that grants him or her a significant influence; or (ii) holds in them or in their controlling company a position on the board of directors or in senior management.
For these purposes, a significant influence is deemed to be granted by any holding of 10% or more of the share capital or voting rights, or by which a representation on the Company's administrative body has been obtained *de facto* or *de jure*.
 - e) Also, in the case of proprietary directors, the shareholders at whose proposal they were appointed.
- 3. Also considered Related Persons with respect to the Company's directors are the family members of directors under the terms of sections 2(d)(i) and 2(d)(ii) above, or any person connected with any of them.
- 4. The director shall be deemed to breach his or her duty of loyalty to CAER if, knowing of the existence or the expectation of transactions by Related Persons which have not been subject to the conditions and controls provided for in this Regulation, he does not make this known to the Appointments and Remunerations Committee through the Secretary or Vice-secretary.

Article 39. The director's duty of information.

- 1. The director must inform the Company of the following:
 - a) All the posts he or she holds and the activity he or she carries out in other companies or entities, whether publicly listed or not, as well as any other remunerated activities, whatever their nature; and, in general, any facts, circumstances or situations that could be relevant with respect to his or her activity as a director of the Company in accordance with this Regulation.
 - b) Any significant change in professional situation affecting the character or condition in virtue of which he or she has been appointed director.
 - c) All the legal, administrative or any other complaints of any kind that have been filed against the director, whether or not related to his or her activity in the Company, as well as his or her involvement in legal proceedings, which due to their importance may have a serious impact on the reputation of CAER.

2. In particular, the director must inform the Board of Directors of any criminal case in which he or she is being investigated, in particular for one of the offences included under article 213 of the Spanish Companies Law. In this case, the Board shall examine the case as soon as possible, following a report from the Appointments and Remunerations Committee; and in view of its specific circumstances, decide whether or not to adopt any measures or allow the director to continue in office. All the above must be included, explaining the grounds for action taken, in the Annual Corporate Governance Report.

Chapter III RIGHTS OF THE DIRECTORS

Article 40. Right to information.

1. It is the right of any director to receive as much information as he or she considers necessary for the proper performance of his office. The Board shall establish a programme providing information for new directors, giving them a quick and sufficient overview of CAER and its group of companies, including its corporate governance rules. The Board shall also establish a refresher programme for the directors when circumstances make it advisable.
2. Directors are given the broadest powers to be informed about any business or information related to CAER and to examine its books, records, documents and other background to its corporate transactions, as extensively as necessary or appropriate for forming the basis of their decisions and supervisory and control duties inherent to their office.
3. The directors will be periodically informed of changes in the shareholder structure and the opinion that significant shareholders, investors and rating agencies have of the Company.
4. The right to information also extends to the information available to CAER, or that it has the right to access, relating to the companies on which it exercises a significant influence.
5. The right to information will only be limited by the demands of good faith and of ensuring as little disturbance as possible to the management of corporate business.
As a result, the right to information will be exercised through the Chairperson, the chief executive officer and executive directors or the Secretary. The directors must be warned of the confidential nature of the information requested and received and of their duty of confidentiality in accordance with the provision of this Regulation. In any case, the Chairperson of the Board of Directors and the chief executive officer must receive information on the matter before the request is answered.
Requests for information shall be answered by delivering the information directly or allowing direct contact with the appropriate senior managers at the corresponding organisational level.
6. If the request could, in the opinion of the Chairperson or chief executive officer, harm the corporate interests, the matter will be referred to the Board of Directors for a decision.

Article 41. Advice to directors and assistance from experts.

1. All the directors shall have the right to obtain from CAER the necessary advice for discharging their functions.
2. Moreover, with the aim of being assisted in their functions, the directors may ask to hire their own advisors on legal, accounting, financial or other matters, paid for by CAER.
3. The hiring of these external advisors will be limited to tasks related to specific problems of a certain importance and complexity that arise in office.
4. The request for the hiring of the services of advisors to assist the directors must be notified in advance to the Chairperson of the Board of Directors.
5. The hiring of advisors to assist directors may be vetoed by the Board of Directors if it considers, by absolute majority, that:
 - a) it is not necessary for the strict performance of the functions of directors;
 - b) its cost is not reasonable given the importance of the problem;
 - c) the technical assistance obtained could be provided adequately by CAER experts and technicians; or

- d) it may represent a risk for the confidentiality of the information that must be handled.
6. If the Chairperson of the Board of Directors calls a meeting of the body to decide on whether to veto the hiring, the hiring will be postponed until the meeting is held or the resolution is adopted. The decision must be adopted without any delays that could negate the right of the directors.
 7. The hiring shall be formalised through the Secretary or the Vice-secretary of the Board of Directors.

Chapter IV DIRECTORS REMUNERATION

Article 42. Remuneration policy and annual report on remunerations.

1. The directors' remuneration policy must reflect the remuneration scheme laid down in the Bylaws and shall be approved by the General Shareholders' Meeting as a separate item on the agenda. It will be applied for a maximum period of three fiscal years.
The proposed remuneration policy of the Board of Directors must be justified and accompanied by a specific report from the Appointments and Remunerations Committee. Both documents shall be made available to the shareholders on the Company's website when the General Shareholders' Meeting is called. Shareholders may also request they be delivered or sent to them free of charge. The notice calling the General Shareholders' Meeting must mention this right. Once the remuneration policy is approved, together with the date and result of the vote, it will be accessible on the Company's website free of charge at least while it is applicable.
The proposals for a new directors' remuneration policy must be submitted to the General Shareholders' Meeting before the end of the last fiscal year in which the previous policy was applicable. The General Shareholders' Meeting may determine that the new policy should be applicable from the date of approval and for the following three fiscal years. Any amendment, revision or replacement of the policy during this period will require prior approval from the General Shareholders' Meeting under the procedure established for its approval. It must also indicate how the votes were taken into account and the points of view received from shareholders on the policy and the annual reports on directors' remuneration since the most recent vote on the remuneration policy at the General Shareholders' Meeting.
If the proposed new remuneration policy is rejected by the General Shareholders' Meeting, the Company will continue to remunerate its directors in accordance with the remuneration policy in force at the date the General Shareholders' Meeting was held; and it must submit a new proposed remuneration policy for approval at the next Ordinary General Shareholders' Meeting.
2. The Board of Directors shall prepare and publish an annual report on directors' remuneration, which must include complete, clear and comprehensible information on the remuneration policy applicable to for current year; an overall summary of the application of the remuneration policy during the past fiscal year; and details of the itemised individual remunerations accrued for each of the directors in said year. This report will be made available to the shareholders with the notice calling the Ordinary General Shareholders' Meeting and will be submitted to its consultative vote as a separate item on the agenda. If the said annual directors' remuneration report is rejected at the consultative vote of the Ordinary General Shareholders' Meeting, the Company may only continue to apply the remuneration policy in force at the date the General Shareholders' Meeting was held until the next Ordinary General Shareholder's Meeting. An exception is cases in which the remuneration policy was approved at the same Ordinary General Shareholders' Meeting. The annual report on remunerations must be submitted to the CNMV and will be available through CAER's website.
3. The report on the remuneration policy may omit the information on items that may involve the disclosure of sensitive commercial information.
4. Any remuneration received by directors for the exercise of their duties or when they leave office, and for the performance of executive functions, must reflect the directors' remuneration policy in force at any time, except for remunerations that have been expressly approved by the General Shareholders' Meeting.

Article 43. Remuneration of directors.

1. The Board of Directors shall determine the system of distribution of the remuneration of directors within the framework established by the Bylaws.
The decision must take into account the report on this matter to be assessed by the Appointments and Remunerations Committee.
2. The Board of Directors must aim to ensure that the distribution of directors' remuneration is moderate and in line with that paid in the market in companies of similar size and activity, favouring forms that link a significant part of the remuneration with the directors' dedication to the Company.
3. The system of remuneration will attribute similar remuneration to comparable functions and dedication.
4. The system of remuneration of independent directors will aim to be a sufficient incentive for their dedication without compromising their independence.
5. The remuneration of proprietary directors for their work as directors must be proportional to that of the other directors and may not represent preferential treatment in the remuneration of the shareholder who designated them.
6. The remuneration of the directors must be transparent.
7. Non-executive directors who perform services for the Company that are not part of their duties and responsibilities as directors through advisory or consulting contracts, or the provision of services, shall be remunerated in the terms established in their respective contracts. This remuneration is compatible with what corresponds to them for the supervisory and decision-making functions carried out jointly, solely as members of the Board and/or its Committees.
8. The Board of Directors shall adopt the necessary measures to ensure that the annual report lists the remuneration of directors as such and for each item; and also, the remuneration of the directors with executive duties, for each of the items.
9. The Board of Directors shall draft an annual report on the remuneration of directors in the terms established by applicable law. This report will be made available to the shareholders with the notice calling the Ordinary General Shareholders' Meeting and will be submitted to its consultative vote, as a separate item on the agenda.
10. The Company may take out civil liability insurance and a pension scheme for its directors.

Article 44. Remuneration of executive directors.

1. Directors who have executive functions in the Company, whatever the legal nature of their relation with it, shall have the right to receive, in addition to the remuneration derived from belonging to the Board of Directors, the remuneration for discharging these functions included in the contract entered into by the director and the Company for this purpose. This remuneration may consist of: fixed salary; variable remuneration according to the achievement of business, corporate and/or personal performance targets, with general benchmark indicators or parameters; share-based remuneration or remuneration linked to the share price; compensation for the removal of the director for reasons other than a breach of duties and exclusivity, post-contractual non-compete or loyalty agreements; savings or pension schemes and remuneration items of a deferred nature.
2. The Board of Directors shall set the remuneration of directors according to the performance of executive functions and the terms and conditions of their contracts with the Company, in accordance with the provisions of applicable law at any time and with directors' remuneration policy approved by the General Shareholders' Meeting, which must necessarily comply with the requirements to: (i) contribute to the business strategy and the long-term interests and sustainability of the Company and explain how it does so; (ii) be clear and comprehensible and describe the different components of the fixed and variable remuneration, including all the bonuses and other provisions granted to directors in any of their forms, indicating their relative proportion; (iii) describe how the remuneration and employment conditions of the Company's workers have been taken into account when determining the remuneration policy; (iv) establish clear, complete and varied criteria for the concession of variable remuneration, stipulating the criteria for financial and non-financial performance, and including where appropriate, those relating to corporate social responsibility, explaining the way in which they contribute to the achievement of the established objectives and the ways in which they must be applied to determine to what extent the performance criteria have been met; (v) the possible deferral periods and

the possibility of the Company requiring the return of the variable remuneration; (vi) with respect to the possible share-based remunerations, the policy will specify the accrual periods and, where appropriate, the obligations to withhold shares after their receipt, and will explain the way in which this remuneration contributes to the objectives established; (vii) the duration of the contracts or agreements with the directors, the applicable periods of notice, the main characteristics of the complementary pension systems or early retirement, the conditions for terminating the contract and payments linked to it; and (viii) explain the decision-making process that has been followed to determine, review and apply the remuneration, including measures designed to avoid or manage conflicts of interest, and where applicable, the function of the Appointments and Remunerations Committee and other committees that may have been involved.

3. When a member of the Board of Directors is appointed chief executive officer, or is attributed executive functions through another post, a contract must be entered into between the latter and the Company, which must be approved in advance by the Board of Directors with the vote in favour of two thirds of its members. The director in question may not attend the deliberations, or take part in the vote. The contract approved must be included as an annex to the minutes of the meeting.
4. The contract must specify all the items for which a remuneration may be received for the performance of executive functions, including where appropriate, possible severance payment for early removal from these functions and the amounts payable by the Company as insurance premiums or contributions to savings systems. Directors may not receive any remuneration for the performance of executive functions whose amounts or items are not included in said contract. The contract must be aligned with the remuneration policy which may have been approved by the General Shareholders' Meeting.

The Board of Directors shall also aim for the remuneration policies in force at any time to incorporate technical safeguards into the variable remunerations to ensure that these amounts are related to the professional performance of their beneficiaries and do not simply reflect the general performance of the market, the Company's sector, or other similar circumstances.

In particular, the following shall apply to the variable components of remuneration:

- a) They must be linked to performance criteria that are predetermined and measurable; and these criteria must take into account the risk assumed to obtain a result.
- b) They must foster the sustainability, business strategy and interests of the company and include non-financial criteria that are appropriate for the creation of long-term value, such as compliance with the Company's internal rules and procedures and of its policies for risk control and management.
- c) They must be configured on the basis of a balance between compliance with the objectives in the short, medium and long term, allowing performance to be remunerated for a continuous effort for a sufficient period of time to appreciate sufficiently the recipient's effective contribution to creating sustainable value, or another type previously established, so that the elements for measuring this performance do not solely revolve around one-off, occasional or extraordinary events.
- d) The payment of variable components will be deferred for a period of time that is sufficient to allow verification, and may involve total or partial loss, if before payment there is some event that makes it advisable.

Executive directors may be beneficiaries of remuneration schemes consisting in the delivery of shares or options on shares, as well as any other remuneration system that is indexed to the value of shares. In this case, the Board of Directors, acting on a proposal from the Appointments and Remunerations Committee, must submit the corresponding proposal for decision by the General Shareholders' Meeting.

TITLE VII. **INFORMATION POLICY**

Article 45. Relation with the stock markets.

1. The Board of Directors must comply with any obligations imposed to CAER as a company issuing securities traded on the stock market and other rules against market abuse.
2. In particular, the Board must carry out the following specific functions in relation to the stock market, in the form provided for by this Regulation:
 - a) Carry out any acts and adopt any measures that are required to ensure the transparency of CAER before the financial markets, and in particular, informing with diligence, precision and as soon as possible, of any privileged information that concerns it directly, and other relevant information of a financial or corporate nature, as well as the decisions or circumstances that may be relevant for the share price.
 - b) Carry out any acts and adopt any measures necessary to ensure a correct pricing of the shares of CAER and, where appropriate, of its subsidiaries, in particular avoiding market manipulation and abuse, as well as the illegal use and communication of privileged information.
 - c) Promote and define a general communication policy relating to the communication of economic, financial and corporate information, as well as communication and contact with shareholders, investors, proxy advisors and other stockholders through the channels it considers adequate (the media, social media or others), to help maximise the spread and quality of the information available to the market and public opinion, investors and other stockholders, while fully respecting the rules against market abuse, and giving similar treatment to shareholders in the same position.
3. The periodic financial information and any other which prudence suggests should be made available to the markets must be drafted under the same principles, criteria and professional practices with which the annual accounts are prepared, with the aim that it should be similarly reliable. The periodic financial and non-financial information must be reviewed by the Audit and Sustainability Committee before it is published.
4. The same guidelines will be applied in relations with analysts as in shareholder relations. Particular care will be given to the symmetry and simultaneity of information provided to the market with respect to the data, estimates and plans that may have an effect on the share price on the stock markets.

Article 46. Relations with auditors.

1. Through the Audit and Sustainability Committee, the Board of Directors will establish a stable and professional relationship with the external auditors of CAER and the main companies in its group, while strictly respecting their independence.
2. The Board of Directors must report publicly in the report forming part of the annual accounts on the overall fees paid for the external audit of the annual accounts and those paid for other services provided by professionals linked to the external auditor, with a breakdown of those paid to auditors and those paid to any company of the same group of firms to which the auditor belongs, or to any other firm with which the auditor is linked by common ownership, management or control.
3. The Board of Directors will aim to draft the accounts and present them to the General Shareholders' Meeting in a way that does not give rise to any reservations or qualified opinions by the auditor. In cases in which the auditor has included a qualified opinion in the auditor's report, the Chairperson of the Audit and Sustainability Committee must explain clearly to the General Shareholders' Meeting the content and scope of these reservations or qualified opinions, as well as the opinion of the Audit and Sustainability Committee, making available a summary of this opinion to the shareholders when the meeting is called.

Article 47. Annual Corporate Governance Report.

1. With the assistance of the Audit and Sustainability Committee, the Board of Directors must approve CAER's Annual Corporate Governance Report, with the content required by law, including the shareholder structure and governance, CAER's practice of corporate governance and management,

risk control and management systems for the process of issuing financial information, and other information which may be required.

2. The report must indicate and justify why CAER did not apply the general good governance recommendations if any have not been applied.
3. The Annual Corporate Governance Report must be submitted to the CNMV and will be available through CAER's website.

Article 48. Corporate website.

1. The Company shall maintain a corporate website to ensure the shareholders' right to information is met and to publish the information required by the stock market law, including the documents and information demanded by applicable law, and the information and documentation relating to calling General Shareholders' Meetings, as well as any other documentation and information which the Board of Directors considers should be made available to shareholders in this way.
2. The Company will publish through its corporate website and maintain updated the following information on its directors:
 - i. Professional and biographical profile.
 - ii. Any other administrative bodies to which they belong, whether or not in publicly listed companies, as well as on other remunerated activities carried out, whatever their nature.
 - iii. An indication of what category of director they are, noting in the case of proprietary directors, the shareholder they represent or to which they are related
 - iv. Date of the first appointment as director in the company, as well as any subsequent re-elections.
 - v. Any company shares and options on them that they hold.
3. The Board of Directors must have available the information to be included on the Company's website in compliance with its obligations under laws in force; and it is responsible for keeping it up to date under the terms of laws in force.
