

REGULATIONS OF THE BOARD OF DIRECTORS OF
ORYZON GENOMICS, S.A.

Last amended on April 4, 2018

PREAMBLE

These regulations (the “**Regulations**”) have been approved by the Board of Directors of ORYZON GENOMICS, S.A. (the “**Company**”) pursuant to a resolution of the Board of Directors adopted at its meeting of October 2, 2015.

As a listed company, the Company must comply with the specific provisions established in the Restated Text of the Companies Act (*Ley de Sociedades de Capital*) approved by Royal Legislative Decree 1/2010 of July 2 (the “**Companies Act**”), in Law 24/1988 of July 28 on the Securities Market (the “**Securities Market Act**”) and other applicable law, which collectively form the rules for listed companies, and to which these types of entities must adhere from the viewpoint of both the regulations to which they are subject and with respect to their operations under bylaws.

These Regulations also comply with the recommendations of the Code of Good Governance of Listed Companies (*Código de Buen Gobierno de las Sociedades Cotizadas*) (the “**CBGSC**”) approved by the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the “**CNMV**”) in February 2015 in order to increase the transparency and safety of shareholders and investors.

TITLE I

GENERAL PROVISIONS

ARTICLE 1.- PURPOSE

These Regulations are intended to develop the boundary of activities of the Company’s Board of Directors (including the delegated decision-making bodies and committees thereof), the basic rules for the organization and operation thereof, and the rules of conduct for the members thereof, incorporating the spirit of certain CBGSC guidelines to govern their actions in the interests of the Company, especially as regards their general duty of supervision and for purposes of transparency towards shareholders and investors.

The rules of conduct set forth in these Regulations for directors of the Company shall also apply to the senior officers of the Company (understood as all those who report directly to the Board of Directors or to the Chief Executive Officer (*Consejero Delegado*), if any, and in any event the Company’s head of internal audit and those so deemed by the Board of Directors), to the extent compatible with the specific nature thereof.

ARTICLE 2.- INTERPRETATION

These Regulations further develop and supplement applicable legal and bylaw provisions, which provisions shall prevail in the event of conflict with the provisions set forth herein.

These Regulations shall be interpreted in accordance with applicable legal and bylaw provisions and with the principles and recommendations on the corporate governance of listed companies approved or issued by the authorities of Spain and surrounding countries in effect at any time.

The Board of Directors shall decide any questions regarding the application or interpretation of the rules of these Regulations in accordance with the standards described in the preceding paragraph.

TITLE II

THE BOARD OF DIRECTORS

ARTICLE 3.- SCOPE OF REPRESENTATION AND ACTIVITY

In compliance with the Bylaws and Section 529 *bis.1* of the Companies Act, the Company is governed, administered and represented in and out of court by a Board of Directors.

The Board of Directors is authorized, within the scope of the corporate purpose established in the

Bylaws, to carry out any acts or legal transactions to manage and dispose of property by any means except for those acts or transactions that are reserved by the Companies Act, the Bylaws or the Regulations for the General Shareholders' Meeting exclusively to the shareholders acting at a General Shareholders' Meeting.

ARTICLE 4.- RESERVED POWERS

The Board of Directors reserves to itself, as the core of its mission, the definition of a corporate governance system that ensures the sound and prudent management of the Company and that includes a proper distribution of duties within the organization and the prevention of conflicts of interest, as well as approval of the Company's strategy and the specific organization required to put that strategy into practice. In turn, the Board of Directors shall oversee and monitor the senior officers, especially endeavoring to ensure compliance with the goals set and observance of the corporate purpose and interest of the Company, which is understood as the common interest of all shareholders.

The Board of Directors shall act with unity of purpose and independent judgment, ensuring that no shareholder receives privileged or unequal treatment with respect to the others and that in its relations with other stakeholders, the Company abides by the law, fulfils in good faith its obligations and contracts, observes the customs and good practices of the industries in which it does business, and complies with the standards of responsibility to which it has adhered.

For the purposes described in the preceding paragraphs, the Board of Directors shall have the following non-delegable powers in addition to any such non-delegable powers as may be provided for in the Companies Act and/or the Bylaws:

- a) The preparation of the annual financial statements, the management report, and the proposed allocation of the Company's profits, as well as any consolidated annual financial statement, and the submission thereof for approval by the shareholders at a General Shareholders' Meeting.
- b) The call of the General Shareholders' Meeting, as well as the publication of the notices relating thereto and the preparation of the agenda, making the proposed resolutions it deems to be appropriate based on the nature of each General Shareholders' Meeting.
- c) The appointment of directors on an interim basis and the submission of proposals to the shareholders regarding the appointment, ratification, re-election or removal of directors, upon a proposal of the Appointments and Compensation Committee, if applicable.
- d) The appointment and renewal of positions within the Board of Directors and of the members of the committees, after a report from the Appointments and Compensation Committee.
- e) The distribution of director compensation among its members, upon a proposal of the Appointments and Remuneration Committee.
- f) The declaration of its position regarding all tender offers for securities issued by the Company.
- g) The assessment of the quality and operation of the Board of Directors, of the Committees, of the Chair, and of any CEO, obtaining the reports it needs from the Committees themselves and from the Appointments and Compensation Committee.
- h) The determination and approval of the general policies and strategies of the Company, particularly:
 - (i) The strategic or business plan, as well as the annual management goals and budget.
 - (ii) The investment and financing policy.
 - (iii) The definition of the structure and administration of the group of companies of which the

Company is the controlling entity, if applicable.

- (iv) The corporate governance policy of the Company and any controlled companies, the organization and operation thereof, and particularly the approval and amendment of these Regulations.
 - (v) The corporate social responsibility policy.
 - (vi) The dividend policy.
 - (vii) The compensation policy and evaluation of the performance of the senior officers, upon a proposal of the Appointments and Compensation Committee.
 - (viii) The policy for the control and management of risks, including tax risks, as well as the regular monitoring of the internal information and control systems.
 - (ix) The Company's treasury stock policy within the framework of the authorization provided by the shareholders.
 - (x) The determination of the Company's tax strategy.
- i) The approval of the following operational decisions:
- (i) Appointment and dismissal of the senior officers that report directly to the Board of Directors or to any of the members thereof, after a report from the Appointments and Compensation Committee, and the establishment of the basic terms of their contracts, including their compensation.
 - (ii) Investments, including investments in subsidiaries or acquiring interests in companies both within and outside of Spain, or transactions of a strategic nature or having a special tax risk due to the high amount or special nature thereof, unless approval thereof is vested within the shareholders acting at a General Shareholders' Meeting.
 - (iii) The creation or acquisition of equity interests in special purpose entities or entities domiciled in countries or territories that are considered to be tax havens or similar transactions that, due to the particular complexity thereof might affect the transparency of the Company and, if applicable, of the group.
- j) The approval, after a report from the Audit and Compliance Committee, of transactions that the Company or any companies in its group engage in with directors or with shareholders that individually or collectively with others have a significant shareholding as defined by applicable law, including shareholders represented on the Board of Directors of the Company or of other companies forming part of the same group, or with parties related thereto ("**Related Party Transactions**").
- k) The approval or waiver of obligations arising from the duty of loyalty when approval is vested in the Board of Directors, pursuant to the provisions of applicable law.
- l) The preparation of any type of report that the Board of Directors is required to prepare by law, provided that the transaction referred to by the report cannot be delegated.
- m) The powers that the shareholders acting at a General Shareholders' Meeting may have delegated to the Board of Directors, unless it has been expressly authorized thereby to sub-delegate them.
- n) Any other matter that these Regulations reserve to a hearing by the full Board.

Furthermore, the Board of Directors may not delegate the decision-making powers referred to in Section 249 *bis* or those listed in Section 529 *ter* of the Companies Act.

ARTICLE 5.- CLASSIFICATION OF DIRECTORS

To the extent required under the terms set forth in these Regulations, the members of the Board of Directors shall be classified as follows: executive (or internal) and external; with the latter being divided into proprietary (*dominical*), independent and other.

Executive directors are directors who perform management duties within the Company or its group, whatever the legal relationship they maintain therewith. If a director performs management duties, and at the same time is or represents a significant shareholder or one that is represented on the Board of Directors, the director shall be deemed to be an executive director.

Non-executive or external directors are all other directors of the Company, whether proprietary, independent or other external, according to the definitions set forth below:

- a) Those directors who hold or represent shareholdings equal to or greater than that legally deemed to be significant, or who have been appointed based on their status as shareholders even if their shareholdings do not reach such threshold, as well as those who represent any of such shareholders, shall be deemed to be proprietary directors.
- b) Those directors not covered by the restrictions set forth above and having been appointed in view of their personal and professional status who can perform their duties without being constrained by relationships with the Company or its group, if any, its significant shareholders or its officers, shall be deemed to be independent directors.
- c) Those directors who are not executive directors and also do not fit the description of a proprietary or independent director shall be deemed to be other directors.

The Board of Directors shall in any event endeavor to ensure that there is a broad majority of external, proprietary and independent directors, and that the number of executive directors is the minimum necessary for the proper operation of the Company, taking into account the needs thereof and the percentage interest held by executive directors in the share capital. Furthermore, within the external directors, the ratio between the number of proprietary directors and the number of independent directors shall reflect, as far as possible, the ratio between the Company's share capital with voting rights represented by proprietary directors to the rest of the share capital. The Board of Directors shall endeavor to ensure, to the extent possible, that the number of independent directors represents at least one-third of all directors.

In no event may there be a classification as independent directors of those who:

- a) Have been employees or executive directors of companies with the Company's group, if any, except after the passage of three (3) or five (5) years, respectively, since the cessation of such relationship.
- b) Receive from the Company or from its group any amount or benefit for something other than director compensation, unless it is of de minimus value. Excepted from the foregoing are dividends and pension supplements, provided that such supplements are unconditional and the company paying them may thus not discretionally suspend, modify or revoke the accrual thereof without breaching its obligations.
- c) Are, or have been during the preceding three (3) years, a partner of the external auditor or the party responsible for the audit report, whether regarding the auditing of the Company or, if applicable, any other company of its group.
- d) Maintain, or have maintained during the last year, a significant business relationship with the Company or with any company of its group, if applicable, whether in their own name or as a significant shareholder, director or senior officer of an entity that maintains or has maintained such relationship. Business relationships shall be considered the relationships of a provider

of goods or services, including financial services, and those of an advisor or consultant.

- e) Are significant shareholders, executive directors or senior officers of an entity that receives, or has received during the preceding three (3) years, significant donations from the Company or its group. Those who are merely members of the board of a foundation that receives donations shall not be considered included in this item.
- f) Are executive directors or senior officers of another company in which an executive director or senior officer of the Company is an external director.
- g) Are spouses, persons connected by a similar relationship of affection, or relatives to the second degree of an executive director or senior officer of the Company or the spouses of such relatives.
- h) Have not been proposed, whether for appointment or for renewal, by the Appointments and Compensation Committee.
- i) Are, as regards a significant shareholder or shareholder represented on the Board of Directors, in one of the circumstances set forth in preceding sub-sections (employees, business relationship, donations, kinship relations, etc.). In the event of a kinship relationship as set forth in letter (g), the limitation shall apply not only with respect to the shareholder, but also with respect to the proprietary directors thereof in the affiliated company.
- j) Are directors for a period greater than twelve (12) years.

Proprietary directors who cease to have such status as a result of the shareholder which proposed their appointment selling its interest may only be re-elected as independent directors when such shareholder has sold all of its shares of the Company and they meet the other requirements for classification as such.

A director who has a shareholding interest in the Company may have the status of independent director provided that the director satisfies all of the conditions established in this article and, in addition, the interest held thereby is not significant in accordance with applicable legal provisions.

A rationale for the status of each director shall be given by the Board of Directors at the General Shareholders' Meeting at which the appointment thereof must be made or ratified, and shall be maintained or, if applicable, modified annually in the Annual Corporate Governance Report after verification by the Appointments and Remuneration Committee. The resolution appointing a director by the shareholders at a General Shareholders' Meeting must contain the category of each director.

ARTICLE 6.- MINIMUM AND MAXIMUM NUMBER OF DIRECTORS

Pursuant to the provisions of the Bylaws, the Board of Directors shall be made up of a minimum of five (5) and a maximum of twelve (12) directors, who shall be appointed or ratified by the shareholders at a General Shareholders' Meeting subject to applicable legal and bylaw requirements.

The shareholders acting at a General Shareholders' Meeting shall determine the exact number of directors between the limits stated above either by express resolution or indirectly by filling vacancies or appointing new directors.

The Board of Directors must propose to the shareholders acting at a General Shareholders' Meeting the number of directors within such limits that, given the circumstances affecting the Company, is most appropriate to the situation thereof and ensures the effectiveness and due representative capacity of such body.

The members of the Board of Directors shall be appointed by the shareholders acting at a General Shareholders' Meeting, without prejudice to the power of the Board of Directors to appoint members on an interim basis in the event of a vacancy and without prejudice to the system of proportional representation to which the shareholders are entitled under the provisions of law.

ARTICLE 7.- CHAIR

The Chair of the Board of Directors shall be elected from among the members (and shall remove when appropriate) with the favorable vote of the absolute majority of the members of the Board of Directors attending the meeting, after a report from the Appointments and Compensation Committee and, as the person responsible for the effective operation of the Board of Directors, shall assume the duties vested therein by law and the Bylaws, and shall particularly ensure that the directors receive sufficient information in advance to analyze, deliberate and vote on the items on the agenda; shall direct and stimulate debate and participation during the meetings of the Board of Directors, safeguarding their freedom to take positions and express opinions; and shall organize and coordinate with the chairs of any Committees that have been created on the regular evaluation of the Board of Directors as well as any Chief Executive Officer.

Therefore, the Chair shall have the following powers, in addition to all those powers that may be vested therein by the Companies Act, the Bylaws, the Regulations for the General Shareholders' Meeting, the Internal Regulations for Conduct in the Securities Markets and these Regulations:

- a) The ordinary power to call and preside over meetings of the Board of Directors, setting the agenda and directing the discussion and debate.
- b) To preside over the General Shareholders' Meeting, upon the terms set forth in the Bylaws and in the Regulations for the General Shareholders' Meeting, exercising the powers inherent to such position.
- c) To bring to the Board of Directors those proposals that the Chair deems appropriate for the progress of the Company, particularly those corresponding to the operation of the Board of Directors itself and other corporate decision-making bodies.
- d) To coordinate the regular evaluation of the Chief Executive Officer, if any.

The position of Chair of the Board of Directors may be held by an executive director. In this case, the appointment by the Chair shall require the favorable vote of two-thirds of the members of the Board of Directors.

If the Chair of the Board of Directors is also the chief executive of the Company, the Board of Directors, with the abstention of the executive directors and upon a proposal of the Appointments and Compensation Committee, shall appoint a lead director (*consejero coordinador*) from among the independent directors, who shall be especially empowered to request a call to meeting of the Board of Directors or the inclusion of new items on the agenda of a Board meeting that has already been called; coordinate and meet with the non-executive directors; if applicable, direct the regular evaluation of the Chair of the Board of Directors; preside over meetings of the Board of Directors in the absence of the Chair and the Vice Chairs; reflect the concerns of the non-executive directors; maintain contacts with investors and shareholders to be aware of their viewpoints for purposes of forming an opinion regarding their concerns, particularly with respect to the Company's corporate governance; and coordinate a succession plan for the Chair.

ARTICLE 8. VICE CHAIRS

The Board of Directors, after a report from the Appointments and Remuneration Committee, must appoint from among its members one or more Vice Chairs and shall replace the Chair in case of absence or illness.

If there are several Vice Chairs, they shall replace the Chair in the order established for such purpose by the Board of Directors.

ARTICLE 9.- SECRETARY AND ASSISTANT SECRETARY

The Board of Directors, after a report from the Appointments and Compensation Committee, shall elect (and shall remove when appropriate), with the favorable vote of the absolute majority of the members of the Board of Directors attending the meeting, a Secretary, who need not be a director, with the skills to perform the duties of such position. If the Secretary of the Board of Directors is not a director, the Secretary shall have the right to be heard but not to vote.

Apart from the actions corresponding thereto by law, the Bylaws, the Regulations for the General Shareholders' Meeting and these Regulations, the Secretary shall ensure that the actions of the Board of Directors:

- a) Conform to the letter and spirit of the law and the regulations thereunder, including those approved by regulatory bodies.
- b) Conform to the Bylaws, these Regulations, the Regulations for the General Shareholders' Meeting, the Internal Regulations for Conduct in the Securities Markets and other regulations of the Company:
- c) Conform to the good governance recommendations contained in the CBGSC that the Company has accepted, based on the circumstances.

The Secretary shall also be responsible for maintaining the documentation of the Board of Directors, keeping the minutes of the meetings and certifying their content and the resolutions adopted. The Secretary shall also assist the Chair so that the directors receive information relevant to the exercise of their duties sufficiently in advance and in the proper format.

The Secretary shall also prepare and approve a summary in English of the minutes and other working documents attached to the documentation.

The Board of Directors may, after a report from the Appointments and Compensation Committee, appoint (and remove when appropriate) an Assistant Secretary, who need not be a director, in order to assist the Secretary of the Board of Directors or replace him in the event of non-performance of the duties thereof.

Unless otherwise decided by the Board of Directors, the Assistant Secretary may attend the meetings thereof to assist the Secretary in drafting the minutes of the meeting and with the Secretary's other duties.

The removal of the Secretary and Assistant Secretary shall also require a prior report of the Appointments and Compensation Committee.

ARTICLE 10.- MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors, upon the terms provided by law, the Bylaws and these Regulations, shall meet with the frequency required to effectively perform its duties, and at least eight (8) times per year (with a meeting having to take place at least once per quarter in any case), and, at the initiative of the Chair or the lead director, if any, as many times as they deem appropriate for the proper operation of the Company.

The Board of Directors must meet within the first three (3) months of each fiscal year in order to formulate the financial statements for the preceding year, and whenever it must call a General Shareholders' Meeting.

Directors making up at least one-third of the members of the Board of Directors may also call a meeting, establishing the agenda thereof, in order for the meeting to be held at the place where the registered office is located, if a prior petition has been submitted to the Chair and the Chair has

failed without well-founded reasons to call the meeting within a period of one month.

The Chair of the Board of Directors, with the assistance of the Secretary, must endeavor to ensure that the directors are provided sufficiently in advance with the information necessary for deliberation on and the adoption of resolutions regarding the matters to be dealt with that have been described in the agenda, unless the Board of Directors meets or has been called on an exceptional basis for reasons of urgency.

The agenda for the meetings shall clearly indicate those items for which the Board of Directors must adopt a decision or resolution so that the directors can first examine or obtain the information required for the adoption thereof.

Notwithstanding the foregoing, if the Chair wants to submit decisions or resolutions that do not appear on the agenda for approval by the Board of Directors on an exceptional basis for reasons of urgency, the prior express consent of directors representing at least four-fifths of the members of the Board of Directors shall be required, which consent must be recorded in the minutes.

The call to meeting must be provided by certified mail or any other means of individual written communication that can ensure the receipt thereof (including email sent to the address customarily used with the receiving director), sent at least 7 days prior to the date for holding the meeting, to the address that each director communicates to the Company for such purpose.

The Chair may call extraordinary meetings of the Board of Directors by telephone if the Chair believes the circumstances so warrant. Notwithstanding the foregoing, the Chair shall endeavor to ensure that any documentation that must be provided to the directors is delivered sufficiently in advance.

A meeting of the Board of Directors shall also be deemed to be validly held without a call if all of its members represented in person or by proxy unanimously agree to the holding of the meeting.

Meetings of the Board of Directors may be held in several places connected to each other by a system that permits the recognition and identification of the attendees, permanent communication among the attendees regardless of their location, and participation in discussion and the casting of votes, all in real time (including videoconference or remote attendance systems or any other similar system), provided that none of them object to this procedure. The directors in attendance at any of such interconnected places shall be deemed to have attended the same meeting of the Board of Directors. The meeting shall be deemed to be held at the registered office of the Company.

The directors shall do everything possible to attend the meetings of the Board of Directors, and, if unable to attend in person, shall give their proxy in writing and specifically for each meeting to another member of the Board, including appropriate instructions and giving notice thereof to the Chair of the Board of Directors. Notwithstanding the foregoing, non-executive directors may only give their proxy to other non-executive directors.

The minutes of the meeting shall record those statements by the directors or the Secretary expressing their concern for the performance of the Company with respect to a particular matter or proposal, respectively, if such matter or proposal is not decided by the Board of Directors and such recording is expressly requested.

At the initiative of the Chair, the Board of Directors may adopt resolutions in writing and without a meeting if no director objects thereto. If this voting procedure is followed, the Secretary of the Board of Directors shall record the resolutions adopted in the minutes, stating the names of the directors and the system used to determine the decision of the Board of Directors, with a statement of the vote cast by each director. In this case, it shall be deemed that the resolutions have been adopted at the place of the registered office and on the date of receipt of the last of the

votes cast. It shall also be stated that no member of the Board of Directors has objected to this procedure.

A valid quorum of the Board of Directors shall exist with the presence, in person or by proxy, of directors representing at least the majority of the members of the Board of Directors.

Except in those cases in which the law, the Bylaws or these Regulations provide for other voting quorums, resolutions shall be adopted by absolute majority of the directors attending the meeting.

The Chair shall organize the debate, seeking and encouraging the participation of all of the directors in the discussions of the Board of Directors, safeguarding their freedom to take positions and express opinions.

The meetings shall be conducted in Spanish, or in English if attended by international directors.

Minutes of the meetings of the Board of Directors shall be prepared, shall be signed by at least the Chair and the Secretary or Assistant Secretary, and shall be transcribed or included, as provided by law, in a minute book of the Board of Directors. Pursuant to Article 9 of these Regulations, a summary of such minutes shall also be prepared in English.

ARTICLE 11.- PERFORMANCE EVALUATION

The Board of Directors must engage in an annual evaluation of the performance thereof and of its members, as well as of the bodies and committees that it may have created, and based on the results thereof, propose a plan of action to correct the deficiencies found.

The results of the evaluation shall be recorded in the minutes of the meeting or included therein as an attachment.

ARTICLE 12.- ADVICE AND INFORMATION

The Company shall provide new directors with the information they require for a proper understanding of the company as well as the corporate governance rules, and shall update such information when the circumstances so advise. The information received by each director in the performance of their duties shall be confidential.

The directors may obtain such additional information as they deem is required regarding matters within the competence of the Board of Directors, and to ask for and obtain from the Company the advice necessary to perform their duties. The directors shall address their requests to the Chair of the Board of Directors.

The Chair of the Board of Directors may deny the information if the Chair deems: (i) that it is not required for the proper performance of the duties of the director, or (ii) that the cost thereof is not reasonable in light of the significance of the problem and the assets and income of the Company.

In order to be assisted in the performance of the duties entrusted thereto, external directors may request the hiring of advisors and experts, whose services shall be paid for by the Company. The requests must cover specific problems of importance or complexity. The request to contract such services must be channeled through the Chair of the Board of Directors and may be rejected by the Board of Directors if it is shown:

- a) That it is not necessary for the proper performance of the duties entrusted to the external directors;
- b) That the cost thereof is not reasonable in light of the significance of the issues and the assets and income of the Company; or
- c) That the technical assistance sought can be adequately provided by the Company's own

experts and technical personnel.

ARTICLE 13.- APPOINTMENT

Directors shall be appointed, after a report from the Appointments and Compensation Committee, by the shareholders acting at a General Shareholders' Meeting -or by the Board of Directors on an interim basis in the event of early vacancy- pursuant to the provisions of the Companies Act, the Bylaws, the Regulations for the General Shareholders' Meeting and these Regulations.

Natural persons or legal entities that are directors in more than six (6) board of directors of mercantile companies, in addition to the Company's Board, may not be appointed directors of the Company. For the purposes of computing the number of boards to which this paragraph refers, the following rules shall be taken into consideration:

- a) those boards of which he forms part as a proprietary director proposed by the Company or by any company belonging to its group shall not be computed;
- b) all boards of companies that constitute a single decision-making unit, whether they pertain or not to the same group of companies, and whether as a consequence of equity stakes or management agreements shall be computed as one single board;
- c) all boards of companies that form part of the same group, as well as those of which he forms part as a proprietary director at any group company, shall be computed as one single board, even though the stake in the capital of the company or the corresponding degree of control does not allow it to be considered to form part of the;
- d) those boards of asset-holding companies or companies that constitute vehicles or complements for the professional exercise of the director himself, his spouse or a person with an analogous affective relationship, or of his closest relatives, shall not be computed; and
- e) those boards of companies, even though commercial in nature, whose purpose is complementary or accessory to another activity which for the director constitutes an activity related to leisure, assistance or aid to third parties, or any other which does not entail for the director a true dedication to a commercial business, shall not be considered for computation

The proposals for appointment and re-election of directors that the Board of Directors submits to a decision by the shareholders acting at a General Shareholders' Meeting, and the decisions made by the Board of Directors in the exercise of the legally-assigned power to make interim appointments to fill vacancies, must be preceded by:

- a) A corresponding proposal of the Appointments and Compensation Committee, in the case of independent directors, which must be accompanied by a report evaluating the competency, experience and merits of the proposed candidate; or
- b) A report of the Appointments and Compensation Committee in the case of other directors, which must assign the new director to one of the categories contemplated in these Regulations.
- c) The provisions of this section shall also apply to individuals who are appointed to represent a corporate director, with the proposal for the appointment of such representative being subject to a report of the Appointments and Compensation Committee.

The proposals and reports of the Appointments and Remuneration Committee must expressly assess the candidates' respectability, capability, expertise, competence, experience, qualifications, training, availability, and commitment to their duties.

If the Board of Directors deviates from the proposals and reports of the Appointments and

Compensation Committee, it must give reasons for so acting and record such reasons in the minutes.

Those who are disqualified pursuant to the provisions of these Regulations, the Bylaws and applicable law may not be appointed as directors or as the individual representative of a corporate director.

ARTICLE 14.- RE-ELECTION

The proposals for re-election of directors that the Board of Directors resolves to submit to a decision of the shareholders at the General Shareholders' Meeting shall be subject to a procedure, which shall include a proposal (in the case of independent directors) or a report (in the case of the other directors) issued by the Appointments and Compensation Committee, containing an evaluation of the quality of the work performed and the dedication to the position shown by the proposed directors during the preceding term of office as well as an express evaluation of their respectability, capability, expertise, competence, availability, and commitment to their duties.

Directors sitting on the Appointments and Remuneration Committee shall be evaluated by the committee itself, which shall use the internal and external means it deems appropriate for such purpose, and shall leave the meeting during the debate and voting on resolutions that may affect them.

The Chair, the Vice Chairs (if any), the lead directors (*consejeros independientes especialmente facultados*) and if they are directors the Secretary and Assistant Secretary (if any) of the Board of Directors who are re-elected as members of the Board of Directors by resolution of the shareholders acting at a General Shareholders' Meeting, shall continue to perform the duties they previously carried out within the Board of Directors, without the need for a new appointment, all without prejudice to the Board of Directors' power to revoke such positions.

ARTICLE 15.- RESIGNATION, REMOVAL AND CESSATION IN OFFICE

Directors shall cease to hold their office when the term for which they were appointed expires, or when so decided by the shareholders at a General Shareholders' Meeting in the exercise of the powers vested therein.

The Board of Directors shall not propose the removal of any independent director prior to the end of the term of their appointment unless there are due grounds therefor acknowledged by the Board of Directors after a report from the Appointments and Compensation Committee. In particular, there shall be due grounds if the director comes to hold new positions or acquires new obligations that prevent the director from dedicating the time necessary to the performance of the director's position, if the director breaches the duties of the position or is under circumstances that cause the director to lose the status thereof as independent, in accordance with applicable law. Such removal may also be proposed as a consequence of tender offers, mergers, or other similar corporate transactions that entail a change in the capital structure of the Company.

Directors must tender their resignation to the Board of Directors and formalize such resignation in the following cases:

- a) If due to unexpected circumstances they are involved in any circumstance of disqualification or prohibition provided by legal provisions of a general nature, the Bylaws or these Regulations.
- b) If serious damage is caused to the value or reputation of the Company or there is a risk of criminal liability for the Company as a result of any acts or conduct attributable to the director.
- c) If they cease to have the respectability, capability, expertise, competence, availability, or

commitment to their duties required to be a director of the Company and in those instances that might harm the credit or reputation of the Company. In this regard, directors must in all cases inform the Company of the circumstances that might compromise their duty of loyalty, as described in Article 20 of these Regulations.

- d) If their continuance in office on the Board of Directors may for any reason, either directly, indirectly or through persons related thereto, jeopardize the faithful and diligent performance of their duties in furtherance of the corporate interest.
- e) If the reasons why the director was appointed cease to exist, and particularly in the case of proprietary directors, if the shareholder they represent sells their shareholding in whole or in part resulting in the loss of status as a significant or sufficient shareholder to justify the appointment. The number of proprietary directors proposed by a shareholder must be reduced in proportion to their interest in the share capital of the Company.
- f) If an independent director unexpectedly falls under the impending circumstances provided for in Article 5 of these Regulations.

In any of the instances set forth in the preceding paragraph, the Board of Directors shall request the director to resign from their position and, if applicable, shall propose the director's removal from office to the shareholders at the General Shareholders' Meeting.

By way of exception, the resignation provisions set forth in letters e) and f) above shall not apply if, after a report from the Appointments and Compensation Committee, the Board of Directors believes that there are reasons that justify the director's continuance in office, without prejudice to the effect that the new supervening circumstances may have on the qualification of the director.

If a director is charged or if court proceedings are commenced against the director for one of the crimes set forth in company law, the Board of Directors shall examine the case as soon as possible, and in view of the circumstances shall decide whether or not it is appropriate for the director to continue in office, with the Board of Directors reporting thereon in the annual corporate governance report.

If an individual representing a corporate director falls under any of the circumstances set forth in this article, such individual shall be disqualified from acting as a representative thereof.

In the event of the resignation or withdrawal of a director or of the Secretary of the Board of Directors (even if not a director) prior to the expiration of their term, such person must explain the reasons for their resignation/withdrawal in a letter that they shall send to all members of the Board of Directors. The reasons for the withdrawal of directors must in any event be included in the Company's annual corporate governance report.

ARTICLE 16.- TERM OF OFFICE

Directors shall serve in their position for a term of four (4) years, so long as the shareholders acting at a General Shareholders' Meeting do not resolve to remove them and they do not resign from their position.

Directors may be re-elected on one or more occasions for periods of four (4) years, except that in the case of independent directors their maximum term of office as members of the Company's Board of Directors may not exceed twelve (12) years for this category.

Vacancies that occur may, pursuant to law, the Bylaws and these Regulations, be filled by the Board of Directors until the next General Shareholders' Meeting, whereat the shareholders shall confirm the appointments or elect the persons who should replace directors who are not ratified, unless it decides to withdraw the vacant positions.

ARTICLE 17.- DELIBERATIONS AND VOTING ON APPOINTMENT AND WITHDRAWAL OF DIRECTORS

Directors affected by proposals for appointment or re-election to or withdrawal from office shall abstain from participating in the debate and voting on such matters.

All voting of the Board of Directors regarding the appointment, re-election or withdrawal of directors shall be secret, without prejudice to the right of any director to record the direction of their vote.

ARTICLE 18.- GENERAL DUTIES OF THE DIRECTORS

In the performance of their duties, the members of the Board of Directors must comply with the duties imposed by applicable law, the Bylaws, the Internal Regulations for Conduct in the Securities Markets, the Regulations for the General Shareholders' Meeting and these Regulations, with the diligence of any ordinary businessman and the loyalty of a faithful representative, acting in good faith and in protection of the best interests of the Company, taking into account the nature of the position and the duties attributed to each of them. The members of the Board of Directors, and to a greater extent the independent directors, shall at all times contribute their strategic vision, as well as the ideas, standards and innovative measures for the development and evolution of the Company.

In the area of strategic and business decisions, subject to business discretion, the standard of diligence of an ordinary businessman shall be deemed met if the director has acted in good faith without personal interest in the matter being decided, with sufficient information and pursuant to an appropriate decision-making process.

In particular, and by way of example only, directors shall be required to:

- a) Diligently inform themselves regarding the progress of the Company and adequately prepare for the meetings of the Board of Directors and of the committees to which they belong.
- b) Attend the meetings of the decision-making bodies of which they are members and actively participate in deliberations, in order for their opinions to contribute effectively to the decision-making process, and take responsibility for them.
- c) Carry out any specific duty assigned to them by the Board of Directors that reasonably falls within the scope of their commitments.
- d) Prompt the investigation of any irregularity in the management of the Company which may have come to their attention and procure the adoption of appropriate measures to control any situation of risk.
- e) Request that a meeting of the Board of Directors be called whenever they consider it necessary, or that the items they deem appropriate be included in the agenda.
- f) Clearly express their objection if they deem a proposed decision submitted to the Board of Directors to be contrary to applicable law, to the Bylaws, to the Internal Regulations for Conduct in the Securities Markets, to the Regulations for the General Shareholders' Meeting, to these Regulations or to the corporate interest, and request that such objection be recorded in the minutes. In particular, independent directors and other directors not affected by a potential conflict of interest must also object if dealing with decisions that might prejudice shareholders that are not represented on the Board of Directors.

Directors must devote the time and efforts required to perform their duties and, to such end, must report to the Appointments and Compensation Committee on their other professional obligations if they might interfere with the performance of their duties as directors.

ARTICLE 19.- DUTY OF SECRECY

Even after they cease to hold office, directors must keep secret the confidential information and maintain in confidence the information, data and reports of which they become aware as a result of the performance of their duties, and may not disclose them to third parties or disseminate them if such disclosure or dissemination might have consequences that are prejudicial to the corporate interest.

An exception to the duty referred to in the preceding paragraph is made for instances in which the law permits the communication or disclosure of the information to third parties or they are required to do so or must respond to the respective supervisory authorities, in which case the release of information must comply with the provisions of law.

All documentation and information that directors acquire by reason of their office is confidential and may not be disclosed in any way, unless a resolution of the Board of Directors expressly excludes such confidential nature.

If a director is a legal entity, the duty of secrecy shall lie with its representative, without prejudice to the representative's obligation to report thereto.

ARTICLE 20.- DUTY OF FAITHFULNESS, LOYALTY AND NON-COMPETITION

Directors must comply with the duties imposed by applicable law, the Bylaws, the Internal Regulations for Conduct in the Securities Markets, the Regulations for the General Shareholders' Meeting and these Regulations with fidelity to the corporate interest, which is understood as the interest of the Company.

Directors must carry out their office with the loyalty of a faithful representative, acting in good faith and in the best corporate interest of the Company. To that end, directors must comply with the following obligations and observe the following prohibitions:

- a) Directors may not exercise their powers for purposes other than those for which they were given.
- b) Directors may not use the name of the Company or invoke their status as a member of the Board of Directors unduly influence transactions for their own account or that of related persons.
- c) Directors may not, for their own benefit or for the benefit of related persons, make investments or enter into transactions relating to the assets of the Company of which they have become aware based on their position if such transactions have been offered to the Company, or make use of corporate assets, including the Company's confidential information, for private purposes, nor may they exploit the Company's business opportunities.
- d) No director or person related thereto may obtain advantages or compensation from third parties other than the Company and its group related to the performance of their duties, except for tokens received merely as a gesture of courtesy.
- e) No director or person related thereto may undertake activities personally or for third parties that effectively compete with the Company, whether actually or potentially, or that in any other way places them in permanent conflict with the interests of the Company.
- f) No director may hold positions or provide services to entities that have a corporate purpose that is completely or significantly analogous to that of the Company or that are direct competitors of the Company and/or the companies in which it holds an interest. The Board of Directors may, if it deems it appropriate, relieve the affected director from this restriction, after a report from the Appointments and Compensation Committee.

- g) Directors must refrain from participating in the deliberations and voting on resolutions or decisions in which they or a related person have a direct or indirect conflict of interest, other than those resolutions or decisions that affect their status as a director, such as their appointment to or removal from positions on the Board of Directors or other situations of similar significance.
- h) Directors must perform their duties under the principle of personal responsibility with freedom of judgment and independence from third-party instructions or associations.
- i) Directors must inform the Board of Directors of any situation of direct or indirect conflict they may have with the interests of the Company. In the event of conflict, the affected director shall refrain from participating in the transaction to which the conflict refers.
- j) Directors must disclose to the Company through the Appointments and Compensation Committee all the positions they hold and the activities they carry out at other companies or entities, as well as any significant change in their professional status.
- k) Directors must also disclose to the Company through the Appointments and Compensation Committee all criminal complaints its subsequent legal proceedings and government or any other type of claims that due to the significance thereof may have a serious impact on the reputation of the Company, or if they are involved in any of the instances of disqualification or legal prohibition, and generally any fact or situation that might be relevant to their actions as a director of the Company.

For purposes of the provisions of these Regulations, related persons are understood as the persons referred to in Section 231 of the Companies Act.

ARTICLE 21.- RULES FOR WAIVER

The Board of Directors, after a report from the Audit and Compliance Committee, may in individual cases waive the prohibitions contained in the preceding article, authorizing the directors or a person related thereto, provided that there are assurances as to the independence of the members providing the waiver with respect to the director, guarantees as to the harmlessness of the transaction to corporate assets, or if applicable, the performance thereof on market terms and the transparency of the process.

The directors that are affected, or that represent or are associated with the affected shareholders, must refrain from taking part in the deliberation and voting on the resolution in question.

The authorization must be approved by the shareholders acting at a General Shareholders' Meeting if a waiver is sought from the prohibition against obtaining benefits or compensation from third parties or in the case of transactions with a value greater than ten (10%) percent of the corporate assets or regards the obligation not to compete.

ARTICLE 22.- RELATED PARTY TRANSACTIONS

The performance of Related Party Transactions shall be subject to approval by the Board of Directors, subject to a prior favorable report of the Audit and Compliance Committee.

Prior to approving transactions of this nature by the Company, the Audit and Compliance Committee and the Board of Directors shall assess the transaction from the viewpoint of equal treatment of the shareholders and market conditions.

ARTICLE 23.- COMPENSATION OF DIRECTORS

Directors shall have the right to obtain the compensation set by the shareholders acting at a General Shareholders' Meeting in accordance with the provisions of the Companies Act, the Bylaws, the Regulations for the General Shareholders' Meeting and these Regulations.

The compensation shall consist of a fixed amount, which shall be determined annually on an individual basis by the shareholders acting at a General Shareholders' Meeting of the Company for the fiscal year in which it is adopted (the “**Fixed Compensation**”) and shall remain in effect for so long as a change thereto is not approved. The determination of the exact amount to pay within such maximum amount, as well as the distribution thereof among the various directors, shall be established by decision of the Board of Directors. Such Fixed Compensation may be different for the directors and shall be made up of: (i) a fixed allocation for simply holding the position; (ii) a fixed allocation for belonging to any existing Committees; (iii) a fixed allocation for holding positions (Chair and/or Vice Chair) on the Board of Directors and Committees, although the compensation provided in (ii) and (iii) may not be cumulative and only the higher of them shall be received; and (iv) if applicable, any severance payments agreed to with the directors.

Unless the shareholders determine otherwise, the distribution of the compensation among the directors shall be established by resolution of the Board of Directors, which must take into consideration the duties and responsibilities assigned to each director, membership on committees of the Board of Directors and other circumstances they deem relevant.

For so long as the shareholders have not set the Fixed Compensation applicable to a particular fiscal year, the Fixed Compensation approved for the preceding fiscal year, adjusted up or down, as applicable, from January of each fiscal year in accordance Consumer Price Index published by the National Statistics Institute (*Instituto Nacional de Estadística*) or the agency that replaces it, shall be received on a provisional basis; the compensation thus received shall be adjusted up or down within the first ten (10) days of the calendar month following the month in which the shareholders acting at a General Shareholders' Meeting have approved the Fixed Compensation for the fiscal year in question.

The Fixed Compensation shall be deemed established for the fiscal year of twelve (12) months in which the resolution is adopted by the shareholders at a General Shareholders' Meeting; thus, if a fiscal year lasts less than twelve (12) months, the amount of such compensation shall be reduced proportionally.

In addition, regardless of the compensation provided for in the preceding paragraphs, the members of the Board of Directors shall be entitled to: (i) the attendance fees approved by the shareholders for attending meetings of the Board of Directors and its Committees, which amount shall remain in effect for so long as the shareholders do not approve a modification thereof, and (ii) the reimbursement of any reasonable duly justified expense that is directly related to the discharge of their duties as a director of the Company.

Furthermore, without prejudice to all of the foregoing, the Company shall have civil liability insurance for its directors and officers that may be updated and adjusted from time to time by the Board of Directors to the needs and circumstances of the Company, the directors and the officers covered.

The Board of Directors and the Appointments and Compensation Committee shall adopt all measures available to them in order to ensure that the compensation of the directors is that which is necessary to attract and retain directors with the desired profile and to provide compensation for the dedication, qualifications and responsibilities demanded by the position, but not so high as to compromise the independent judgment of the non-executive directors.

The compensation of the directors must in any case be reasonably proportional to the size of the Company, its financial situation at each moment, and market standards for comparable companies. The compensation system that is established must be focused on promoting the long-term profitability and sustainability of the Company and include the safeguards necessary to avoid the excessive assumption of risks and the reward of unfavorable results.

TITLE III
COMMITTEES

ARTICLE 24.- COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors may create specialized committees, determining the composition thereof, appointing the members thereof, and establishing the duties to be assumed by each of them.

The delegation and the appointment of the members of the Board of Directors to hold such positions shall not take effect until the registration thereof with the Commercial Registry.

In any event, the Board of Directors must also create an Audit and Compliance Committee and an Appointments and Compensation Committee as required by law.

The Board of Directors may also create an executive committee or other committees with consultative or advisory powers, without prejudice to the latter being vested with a decision-making power in exceptional cases.

Minutes shall be taken of the meetings of each Committee, with a copy thereof sent to all members of the Board of Directors.

ARTICLE 25.- EXECUTIVE COMMITTEE AND CHIEF EXECUTIVE OFFICER

The Board of Directors may approve the creation of an Executive Committee that shall have all of the powers of the Board of Directors except those that may not be delegated under the provisions of the Companies Act, the Bylaws or these Regulations.

The Executive Committee shall be comprised of the number of directors decided by the Board of Directors upon a proposal of the Appointments and Compensation Committee, with a minimum of four (4) and a maximum of six (6) directors.

The Chair of the Board of Directors and the Chief Executive Officer, if such position exists, shall in any case form part of the Executive Committee. The functional structure of the Executive Committee shall be similar to that of the Board of Directors itself, and the Secretary thereof shall be the Secretary of such body.

The appointment of the members of the Executive Committee and the delegation of powers thereto, as well as the appointment of the Chief Executive Officer, shall be carried out by the Board of Directors with the favorable vote of at least two-thirds of the members thereof and shall not take effect until the registration thereof with the Commercial Registry. The renewal thereof shall be carried out at the time and in the form and numbers decided by the Board of Directors.

If the calculation of the two-thirds of the members of the Board of Directors results in an amount with decimals, it shall be rounded up to the nearest whole number.

A director who is appointed as a member of the Executive Commission shall serve for the unexpired portion of such director's term of office, without prejudice to the Board of Directors' power of revocation, and which shall in any event become ineffective due to cessation in office as a director of the Company.

In the event that a member of such Executive Committee is re-elected as director, such member shall only continue to serve in such position if expressly re-elected as such by resolution of the Board of Directors as provided in this article.

The Executive Committee shall meet as many times as deemed necessary by the Chair thereof to exercise its powers and discharge its duties. It shall also meet when so requested by a minimum of two (2) of the directors sitting on the Executive Committee. The call to meeting

shall be provided such that it assures that the members are aware thereof, within the periods and in the forms provided for the Board of Directors in these Regulations.

Unless the Companies Act, the Bylaws or these Regulations provide otherwise based on the nature of the resolutions to be adopted, the resolutions of the Executive Committee shall be adopted with the favorable vote of more than one-half of its members present in person or by proxy at the meeting. In the event of a tie, the Chair of the Executive Committee shall have the tie-breaking vote.

The Chair of the Executive Committee shall inform the Board of Directors, at the next meeting thereof following the meetings of the Executive Committee, of the matters dealt with and the resolutions adopted by the Executive Committee during its meetings.

If a member of the Board of Directors is appointed Chief Executive Officer or is assigned executive duties under another title, a contract must be executed between such member and the Company, which must be approved in advance by the Board of Directors with the favorable vote of two-thirds of its members. The director affected must abstain from attending the debate and from participating in the voting. The approved contract must be attached as an annex to the minutes of the meeting.

The contract shall describe all items for which the director may receive compensation for the performance of executive duties, including any possible severance payments for early termination from such duties, and amounts to be paid by the Company for insurance premiums or contributions to savings plans. A director may not receive any compensation for the performance of executive duties if the amounts or items thereof are not provided for in such contract. The contract must conform to any compensation policy approved, where appropriate, by the shareholders at a General Shareholders' Meeting.

ARTICLE 26.- APPOINTMENTS AND COMPENSATION COMMITTEE

There shall be created within the Board of Directors an Appointments and Compensation Committee, which shall be made up of a minimum of three (3) and a maximum of five (5) directors, all non-executive (and at least two of whom must be independent), to be appointed by the Board of Directors.

The members of the Appointments and Compensation Committee shall be appointed taking into account their expertise, qualifications and experience and the objectives of the Committee.

A director who is appointed as a member of the Appointments and Compensation Committee shall serve for the unexpired portion of such director's term of office, without prejudice to the Board of Directors' power of revocation, and which shall in any event become ineffective due to cessation in office as a director of the Company.

The Chair of the Appointments and Compensation Committee must be an independent director elected from among the external directors, must be replaced every four years, and may be re-elected after the passage of one year from the date when he ceased to hold office.

The Board of Directors may appoint a Secretary, who need not be a member of the Appointments and Compensation Committee, who shall assist the Chair and must provide for the proper operation of such Committee, duly reflecting the proceedings of meetings, the deliberations and the resolutions adopted in the minutes.

Without prejudice to the other duties attributed thereto by Law, the Bylaws or these Regulations, the Appointments and Compensation Committee shall have at least the following duties:

- a) To assess the skills, knowledge and experience required by the Board of Directors. For such purposes, the Committee shall define the functions and skills required by candidates for each vacancy and assess the time and dedication required for the role to be efficiently

performed.

- b) To establish a goal for representation by the less represented gender on the Board of Directors and prepare guidance on how to reach this objective.
- c) To bring proposed appointments of independent directors to the Board of Directors for appointment on an interim basis to fill a vacancy or for submission of such proposals to a decision by the shareholders at the General Shareholders' Meeting, as well as proposals for the re-election or removal of such directors by the shareholders at the General Shareholders' Meeting.
- d) To report on proposed appointments of the other directors for appointment on an interim basis to fill a vacancy or for submission of such proposals to a decision by the shareholders at the General Shareholders' Meeting, as well as proposals for the re-election or removal thereof by the shareholders at the General Shareholders' Meeting.
- e) To report on proposals for the appointment and separation of the members of senior management and the basic terms of their contracts.
- f) To analyze and organize the succession of the Chair of the Board of Directors and the chief executive officer of the company, and make proposals to the Board of Directors so that this succession occurs in an organized and planned way, as appropriate.
- g) To propose to the Board of Directors the compensation policy for directors and general managers or those people that perform senior management functions reporting directly to the Board, the executive committees or the chief executive officers, as well as the individual compensation and other contractual conditions of executive directors, ensuring that these conditions are fulfilled.

The Appointments and Compensation Committee shall ordinarily meet on a quarterly basis. It shall also meet whenever called by its Chair, who must do so whenever the Board of Directors or its Chair requests the issuance of a report or the adoption of proposals, and in any event when appropriate for the proper performance of its duties.

The Committee must report on its activities and answer for the work performed at the first meeting of the full Board of Directors after its meetings. The Appointments and Compensation Committee must also keep minutes of its meetings and send a copy thereof to all members of the Board. The Board of Directors shall deliberate on the proposals and reports submitted thereto by the Committee.

A valid quorum for Appointments and Compensation Committee meetings shall be established with the attendance, in person or by proxy, of one-half plus one of its members. Unless the Companies Act, the Bylaws or these Regulations provide otherwise based on the nature of the resolutions to be adopted, the resolutions of the Appointments and Compensation Committee shall be adopted with the favorable vote of more than one-half of its members present in person or by proxy at the meeting. In the event of a tie, the Chair of the Appointments and Compensation Committee shall have the tie-breaking vote.

The Appointments and Compensation Committee may obtain the advice of external experts if it so deems necessary for the better performance of its duties.

A request for information from the Appointments and Compensation Committee shall be made by the Board of Directors or the Chair thereof.

Any director may request the Appointments and Compensation Committee to take into consideration potential candidates to fill vacancies if they find them to be appropriate. The Appointments and Compensation Committee must also consider the suggestions made thereto by the members of the Board of Directors, the officers, or the shareholders of the Company.

ARTICLE 27.- ADDITIONAL DUTIES OF THE APPOINTMENTS AND COMPENSATION COMMITTEE

Without prejudice to the other duties attributed thereto by Law, the Bylaws or these Regulations, the Appointments and Compensation Committee shall have, additionally, the following:

- a) Propose to the board the standard conditions for senior officer contracts.
- b) Monitor compliance with the remuneration policy set by the Company.
- c) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the Company.
- d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.
- e) Verify the information on director and senior officers' pay contained in corporate documents, including the annual directors' remuneration statement.
- f) Monitor compliance with the Company's internal codes of conduct and corporate governance rules.
- g) Oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.
- h) Periodically evaluate the effectiveness of the Company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.
- i) Review the Company's corporate social responsibility policy, ensuring that it is geared to value creation.
- j) Monitor corporate social responsibility strategy and practices and assess compliance in their respect.
- k) Monitor and evaluate the Company's interaction with its stakeholder groups.
- l) Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks

ARTICLE 28.- AUDIT AND COMPLIANCE COMMITTEE

There shall be created within the Board of Directors an Audit and Compliance Committee, which shall be made up of a minimum of three (3) and a maximum of five (5) directors, all non-executive, the majority of whom, at least, shall be independent and to be appointed by the Board of Directors. Diversity shall be sought in the composition of the Audit and Compliance Committee, particularly as regards, gender, professional experience, skills and sector-specific knowledge. In any case, at least one of the members of such Committee must be appointed taking into account the knowledge and experience thereof in the areas of accounting, auditing or risk management.

As a group, the members of the Audit and Compliance Committee shall have the relevant technical knowledge with regard to the industry to which the Company belongs.

A director who is appointed as a member of the Audit and Compliance Committee shall serve for the unexpired portion of such director's term of office, without prejudice to the following cessation causes: (i) loss of the position as director on the Board of Directors; (ii) loss of its status as non-executive director; (iii) expiration of the period for which the director was appointed without being re-elected; (iv) resolution of the Board of Directors; (v) resignation as of the Audit and Compliance Committee; and (vi) breach of the legal, statutory or regulatory provisions of the Company.

The Chair of the Audit and Compliance Committee must be an independent director elected from

among the external directors, must be replaced every four (4) years, and may be re-elected after the passage of one (1) year from the date when he ceased to hold office, without prejudice to its continuity or re-election as a member of the Audit and Compliance Committee. The Chair of the Audit and Compliance Committee shall act as its spokesperson at meetings of the Board of Directors and, as applicable, at the General Shareholders' Meetings of the Company.

The Board of Directors may appoint a Secretary, who need not be a member of the Audit and Compliance Committee, who shall assist the Chair and must provide for the proper operation of such Committee, duly reflecting the proceedings of meetings, the deliberations and the resolutions adopted in the minutes.

The Audit and Compliance Committee shall ordinarily meet on a quarterly basis in order to review the periodic financial information that must be sent to the stock exchange authorities as well as the information that the Board of Directors must approve and include within its annual public documentation. It shall also meet whenever its members so request and whenever called by its Chair who must do so whenever the Board or its Chair requests the issuance of a report or the adoption of proposals, and in any event when appropriate for the proper performance of its duties.

The Audit and Compliance Committee must report on its activities and answer for the work performed at the first meeting of the full Board of Directors after its meetings. The Audit and Compliance Committee must also keep minutes of its meetings and send a copy thereof to all members of the Board. The Board of Directors shall deliberate on the proposals and reports submitted thereto by the Committee.

A valid quorum for Audit and Compliance Committee meetings shall be established with the attendance, in person or by proxy, of one-half plus one of its members. Unless the Companies Act, the Bylaws or these Regulations provide otherwise based on the nature of the resolutions to be adopted, the resolutions of the Audit and Compliance Committee shall be adopted with the favorable vote of more than one-half of its members present in person or by proxy at the meeting. In the event of a tie, the Chair of the Audit and Compliance Committee shall have the tie-breaking vote. Regarding the operation of the Audit and Compliance Committee, for an efficient fulfillment of its duties and objectives assigned, this Committee will have the necessary resources for the satisfactory compliance of these, which will be provided by the Company, and may obtain the advice of external experts if it so deems necessary on legal, accounting, valuation and risk assessment matters and any other required. Likewise, it may also call to the meeting any employee or officer of the Company, and even provide that they appear without the presence of any other officer. In this regard, the assistance of these or of other persons to the meetings of the Audit and Compliance Committee must be preceded by an invitation sent by its Chair and be limited only to those items of the agenda for the purpose of which they are called to attend.

In addition, the Audit and Compliance Committee shall establish an annual work plan that must include, among others, an annual meeting schedule, the planning of these meetings, the regular communication means with the management of the Company, the Director of Internal Audit and the auditor and, as far as practicable, the need to seek advice from external experts on the performance of any of the functions of the Audit and Compliance Committee. This planning process shall take into account that the members of the Audit and Compliance Committee have responsibilities, mainly of supervision and advice, and should not intervene in the performance or management of matters that are within the authority of the Company's management and executive bodies.

The Audit and Compliance Committee members shall carry out a proper questioning of the data, assessment processes and preliminary conclusions of the Company's managers and executives. This calls for a critical approach that does not automatically accept executives' opinions taking the members of the Committee note of the arguments for and against, and forming their own opinion, both individually and as a body. Likewise, the Audit and Compliance Committee members must act

with independence of judgment and action and perform their work with the utmost diligence and professional competence. In particular, attendance at meetings of the Audit and Compliance Committee shall be preceded by the sufficient dedication of its members to analyse and evaluate the information received, which will be provided to them by the Chair of the Audit and Compliance Committee, with the collaboration of the Secretary, sufficiently in advance of each meeting so that they can analyze it and prepare the session correctly, unless the Audit and Compliance Committee meets or has been called on an exceptional basis for reasons of urgency.

Without prejudice to the other duties attributed thereto by law, the Bylaws, the Internal Regulations for Conduct in the Securities Markets or these Regulations, the Audit and Compliance Committee shall have at least the following duties:

- a) To inform the shareholders at the General Shareholders' Meeting about issues that arise in relation to matters within the purview of the Committee and specifically, regarding the results of the audit, explaining how such audit has contributed to the integrity of the financial information and the role that the Committee has played in such process.
- b) To supervise the effectiveness of the internal control of the Company, internal audit, and systems for managing risks, as well as to discuss with the auditor any significant weaknesses in the internal control system detected during the course of the audit, all without infringing its independence. For such purpose, and where appropriate, recommendations or proposals may be submitted to the Board of Directors, together with the deadline for their follow-up.
- c) To supervise the process of preparing and presenting mandatory financial information and submit recommendations or proposals to the Board of Directors aimed at safeguarding its integrity.
- d) To make proposals to the Board of Directors to select, appoint, re-elect and replace the auditor, taking responsibility for the selection process thereof in accordance with the current applicable law, as well as the conditions for engaging the auditor, including regularly reviewing information relating to the audit plan and its execution with the auditor, as well as ensuring its independence in the performance of its duties.
- e) To establish appropriate relations with the external auditor in order to receive information about any issues that could entail threat to its independence, so that these may be examined by the Audit and Compliance Committee, and any other matters related to the process of auditing the accounts, and where appropriate, the authorization of any services other than those forbidden, pursuant to the terms provided to in the current regulations on the rules on independence, as well as any other communications required under the laws on auditing and audit regulations. The Committee must always receive the external auditor's annual declaration of independence in relation to the Company or entities directly or indirectly associated therewith, as well as a detailed breakdown of information about any type of additional services provided by it and the corresponding fees received from these entities by the external auditor or by the persons or entities associated therewith, in accordance with the prevailing regulations on auditing.
- f) To issue on an annual basis, prior to the issuance of the audit report, a report expressing an opinion on whether the auditor or auditing company's independence is compromised. This report must in all cases contain a reasoned assessment of the provision of every the additional services referred to in the preceding letter, considered both individually and collectively, other than the statutory audit services, and in relation to the system of independence or the regulations on the audit activity.
- g) To inform the Board of Directors, in advance, about all of the issues required by law, the Bylaws and these Regulations, and particularly regarding: (i) the financial information that the Company must periodically publish; (ii) the creation or acquisition of equity interests in special

purpose entities or entities domiciled in countries or territories that are considered to be tax havens; and (iii) related-party transactions.

- h) To perform those duties assigned thereto in the Internal Regulations for Conduct in the Securities Markets, as Head of Compliance thereof, receiving the reports and notices resulting from the provisions of such Regulations.
- i) To examine compliance with the Internal Regulations for Conduct in the Securities Markets, the Regulations of the Board of Directors, and the Company's governance rules generally, and make such proposals as are deemed necessary for the improvement thereof.
- j) To receive information and, if applicable, issue reports on disciplinary measures to be imposed on the members of the Company's senior management team.

The provisions of letters d), e) and f) above shall be deemed without prejudice to the legal provisions governing the auditing of accounts.

The Board of Directors may approve the performance of the work of internal auditing by a specific manager, who shall functionally report to the Chair of the Audit and Compliance Committee. In such event, upon a proposal of the Audit and Compliance Committee, it shall appoint a Director of Internal Audit and head of such function, taking into account the knowledge and experience thereof in the areas of accounting, auditing or risk management. In such case, the Director of Internal Audit must: (i) submit to the Audit and Compliance Committee a working plan and report directly thereto on the events occurring during the preparation thereof; and (ii) at the end of each fiscal year submit an annual report on its activities to such Audit and Compliance Committee.

ARTICLE 28 BIS.- ADDITIONAL DUTIES OF THE AUDIT AND COMPLIANCE COMMITTEE

Without prejudice to the other duties attributed thereto by Law, the Bylaws or these Regulations, the Audit and Compliance Committee shall have, additionally, the following:

1. With respect to internal control and reporting systems:
 - a) Monitor the preparation and the integrity of the financial information prepared on the Company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
 - b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programs, ensuring that it focuses primarily on the main risks the Company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
 - c) Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.
2. With regard to the external auditor:
 - a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.
 - b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.
 - c) Ensure that the Company notifies any change of external auditor to the CNMV as a material event, accompanied by a statement of any disagreements arising with the outgoing auditor

and the reasons for the same.

- d) Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the Company's risk and accounting positions.
- e) Ensure that the Company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

3. Evaluate all aspects of the non-financial risks the Company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.

In any event, the Audit and Compliance Committee shall be informed of any fundamental changes or corporate transactions the Company is planning, so the Committee can analyse the operation and report to the Board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

ARTICLE 29.- RISK CONTROL AND MANAGEMENT POLICY

The Board of Directors shall approve a risk control and management policy in view of the progress of the Company.

Such policy shall identify at least the following:

- a) The various types of risk (operational, technological, financial, legal, reputational, etc.) that the Company might face, including, among financial or economic risks, contingent liabilities and other off-balance sheet risks.
- b) The setting of the risk level that the Company deems acceptable.
- c) The measures planned in order to mitigate the impact of identified risks in the event that they materialize.
- d) The information and internal control systems that will be used to monitor and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

ARTICLE 30.- CORPORATE STRATEGY COMMITTEE

The Board of Directors may approve the creation of a Corporate Strategy Committee if it so deems necessary based on the circumstances of the Company.

The Board of Directors shall appoint the members of such Corporate Strategy Committee, taking into account their expertise, qualifications and experience and the objectives of such body.

The Corporate Strategy Committee shall duly report on its activities and work performed to the Board of Directors at the first meeting held after its meetings.

The Corporate Strategy Committee shall be comprised, if possible, by a majority of external directors, with a minimum of three (3) members, and whenever possible the Chair thereof shall be an independent director.

A director who is appointed as a member of the Corporate Strategy Committee shall serve for the unexpired portion of such director's term of office, without prejudice to the Board of Directors' power of revocation, and which shall in any event become ineffective due to cessation in office as a director of the Company.

In the event that a member of such Corporate Strategy Committee is re-elected as director, such member shall only continue to serve in such position if expressly re-elected as such by resolution of the Board of Directors as provided in these Regulations.

The powers and duties of the Corporate Strategy Committee shall include reporting, advisory and

proposal-making powers, and particularly the following duties:

- a) To assess the competencies and complementary nature of biopharmaceutical companies that may be the target of transactions accelerating the non-organic growth of the Company.
- b) To examine, organize and prioritize the terms of licensing or collaboration agreements with various potential pharmaceutical and financial partners.

Any director may request the Corporate Strategy Committee to take into consideration potential candidates for licensing agreements, mergers or acquisitions if they find them to be appropriate.

The Corporate Strategy Committee may seek, at the Company's expense, the advice of external experts if it so deems necessary for the exercise of its powers and duties.

The Corporate Strategy Committee may provide additional rules on the operation thereof in accordance with the Bylaws and these Regulations.

The Board of Directors may appoint a Secretary of the Corporate Strategy Committee, who need not be a member thereof, who shall assist the Chair and must provide for the proper operation of the Corporate Strategy Committee, duly reflecting the proceedings of meetings, the deliberations and the resolutions adopted in the minutes.

A valid quorum for Corporate Strategy Committee meetings shall be established with the attendance, in person or by proxy, of one-half plus one of its members. The call to meeting shall be provided such that it assures that the members are aware thereof, within the periods and in the forms provided for the Board of Directors in these Regulations.

Unless the Companies Act, the Bylaws or these Regulations provide otherwise based on the nature of the resolutions to be adopted, the resolutions of the Corporate Strategy Committee shall be adopted with the favorable vote of more than one-half of its members present in person or by proxy at the meeting. In the event of a tie, the Chair of the Corporate Strategy Committee shall have the tie-breaking vote.

TITLE IV

BOARD OF DIRECTORS INFORMATION AND RELATIONSHIP POLICY

ARTICLE 31.- RELATIONSHIPS WITH SHAREHOLDERS

The Board of Directors shall strengthen the Company's communication with its shareholders, using appropriate channels to hear proposals that the shareholders might make in connection with the management of the Company.

For such purposes, it shall also promote the holding of informational meetings by the directors and/or members of senior management it deems appropriate regarding the progress of the Company and its group, particularly for shareholders residing in areas with more significant financial markets in Spain and abroad, as well as with institutional investors. In no event shall such meetings entail the delivery of any information that provides a privileged or advantageous position vis-à-vis the other shareholders. The Board of Directors shall ensure equality of treatment, simultaneously providing the presentations used at public informational meetings to the CNMV and publishing them on the Company's website.

ARTICLE 32.- RELATIONSHIPS WITH INSTITUTIONAL INVESTORS

The Board of Directors shall also establish appropriate mechanisms for the regular exchange of information with those institutional investors that are holders of shares of the Company.

In no event shall the relations between the Board of Directors and the institutional shareholders entail the delivery to them of any information that might place them in a privileged or advantageous position vis-à-vis the other shareholders.

ARTICLE 33.- INFORMATION PROVIDED TO THE SHAREHOLDERS ON OCCASION OF GENERAL SHAREHOLDERS' MEETINGS

Prior to each General Shareholders' Meeting, the Board of Directors shall make available to the shareholders all such information as may be legally required upon the terms set forth in the Regulations for the General Shareholders' Meeting.

In addition, information requested by shareholders during the presentation period of the General Shareholders' Meeting shall be provided by the Chair of the Board of Directors or, if applicable and by instruction thereof, by the Chief Executive Officer (if any), the Chairs of the committees of the Board of Directors, the Secretary or Assistant Secretary, any director, or if appropriate, any employee or expert on the matter, upon the terms set forth in the Regulations for the General Shareholders' Meeting.

ARTICLE 34.- RELATIONSHIPS WITH THE MARKETS

The Board of Directors, through notices of significant events (*hechos relevantes*) to the CNMV and the corporate website, shall immediately inform the public regarding all significant information upon the terms provided by the Securities Market Act and the laws in implementation thereof.

The Board of Directors shall adopt the measures required to ensure that the semi-annual, quarterly, and any other financial information that it may be prudent to make available to the markets is prepared in accordance with the same principles, standards, and professional practices used to prepare the annual financial statements and is as reliable as such statements.

The Board of Directors shall include information in its annual public documentation regarding the Company's governance rules and the level of compliance therewith.

ARTICLE 35.- RELATIONSHIPS WITH EXTERNAL AUDITORS

The Audit and Compliance Committee shall propose to the Board of Directors, for submission to the shareholders at the General Shareholders' Meeting, the appointment (with an indication of the terms of hiring and scope of professional mandate), renewal and revocation of the auditor, and shall monitor compliance with the auditing agreement.

The Audit and Compliance Committee shall not submit a proposal to the Board of Directors, and the Board of Directors shall not submit a proposal to the shareholders at the General Shareholders' Meeting, for appointment of an audit firm if such firm has incurred grounds for disqualification under applicable law, as well as any firm for which the fees to be paid by the Company and any companies within its group for all items exceeds five (5%) percent of the audit firm's revenues in Spain during the immediately preceding fiscal year.

The Board of Directors shall endeavor to prepare the final financial statements in a manner that will create no reason for qualifications by the auditor. In the exceptional cases in which they occur, both the Chair of the Audit and Compliance Committee and the external auditors shall clearly explain the nature of such reservations and qualifications to the shareholders. However, if the Board of Directors believes that its judgment should prevail, it shall publicly explain the nature and scope of the dispute.

ARTICLE 36.- RELATIONSHIPS WITH SENIOR OFFICERS OF THE COMPANY

Relations between the Board of Directors and the Company's senior officers must be channeled through the Chair of the Board of Directors or, if so resolved by the Board of Directors, through the Chief Executive Officer, if such position exists.

ARTICLE 37.- ANNUAL CORPORATE GOVERNANCE REPORT

On an annual basis, the Board of Directors shall approve an annual corporate governance report for the Company that shall include all specifications established by law and any others that the Board

of Directors deems appropriate to include therein. In particular, the report must offer a detailed explanation of the structure of the Company's corporate governance system and the practical operation thereof, particularly including a description of the principal characteristics of the internal control and risk management systems with respect to the process of issuing financial information.

The annual corporate governance report shall be approved prior to the publication of the announcement of the call to the Ordinary General Shareholders' Meeting of the Company for the fiscal year in question and shall be made available to the shareholders together with the other documents relating to the General Shareholders' Meeting.

The Company shall include the annual corporate governance report in a separate section of the management report.

In addition, the annual corporate governance report shall be published as provided in securities market rules and regulations. In particular, it shall be communicated to the CNMV, attaching a copy of the document in which it appears, and shall be published as a significant event.

ARTICLE 38.- ANNUAL DIRECTOR COMPENSATION REPORT

Along with the annual corporate governance report, the Board of Directors must prepare and disseminate an Annual Director Compensation Report, which shall include complete, clear and comprehensible information regarding the Company's compensation policy approved by the Board of Directors for the current year, as well as any policy approved for future years. It shall also include an overall summary of the application of such policy during the fiscal year, as well as a description of the individual compensation accrued by each of the directors.

This report shall be disseminated and submitted to a vote of the shareholders at the Ordinary General Shareholders' Meeting on a consultative basis and as a separate item on the agenda.

ARTICLE 39.- INFORMATION REGARDING DIRECTORS

The Company shall publish on its website and keep updated the following information regarding its directors: (i) professional profile and biographical data; (ii) other boards of directors to which they belong, whether or not listed companies, as well as other compensated activities they perform, whatever the nature thereof; (iii) statement of the category of director to which they belong, with a statement in the case of proprietary directors of the shareholder they represent or with which they are linked; (iv) date of their first appointment as a director of the Company, as well as of subsequent re-elections; and (v) shares of the Company and options thereon that they own.

TITLE V

DISSEMINATION, AMENDMENT AND ENTRY INTO FORCE

ARTICLE 40.- DISSEMINATION

The directors and senior officers have the duty to know, comply with and enforce these Regulations. To that end, the Secretary of the Board of Directors shall provide all of them with a copy hereof at the time they accept their respective appointments or their hiring becomes effective.

The Company's Board of Directors shall adopt appropriate measures for the Regulations to be disseminated among the shareholders and the investing public generally. In particular, the current text of the Regulations shall be communicated to the CNMV and recorded with the Commercial Registry and shall be available on the Company's corporate website.

ARTICLE 41.- AMENDMENT

These Regulations may be amended by the Board of Directors at the proposal of: (i) its Chair; (ii) one-third of the directors; or (iii) the Audit and Compliance Committee, which must attach a substantiating report to its proposed amendment.

The text of the proposal, the substantiating report, and any report of the Audit and Compliance Committee must be attached to the call to meeting of the Board of Directors wherein it is to be discussed.

Unless the Companies Act or the Bylaws provide otherwise for the specific situation, an amendment to the Regulations must have been approved by an absolute majority of the directors present in person or by proxy in order to be valid.

Such amendments shall enter into force after approval thereof by the Board of Directors and disclosure to the shareholders at the General Shareholders' Meeting, upon compliance with the legal provisions in effect at any time.

These Regulations must be amended whenever necessary to conform the content hereof to applicable legal provisions.

ARTICLE 42.- ENTRY INTO FORCE

These Regulations shall be effective for an indefinite period of time, shall enter into force on the date of admission of the Company's shares to official trading on the Stock Exchanges through the Automated Quotation System (*Sistema de Interconexión Bursátil Español*) (S.I.B.E.), and shall apply to boards of directors that are called to meeting after the date of entry into force of these Regulations.