



**REPORT ON THE AMENDMENTS MADE TO THE BOARD OF DIRECTORS  
REGULATIONS, PURSUANT TO ARTICLE 516 OF THE SPANISH COMPANIES  
ACT**

- 15.- Report to the General Shareholders' Meeting on the amendments made to the Board of Directors' Regulations, pursuant to article 516 of the Spanish Companies Act.
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Pursuant to the provisions of article 516 of the Spanish Companies Act, the Ordinary General Shareholders' Meeting is hereby informed of the amendments to the Board of Directors Regulations approved at its Board meeting on 24 February 2011.

The Board of Directors Regulations were approved by the Company's Board of Directors at its meeting on May 25, 2006 and since then they have been amended following a resolution of the Board of Directors dated 17 December 2009 which was notified to the Ordinary General Shareholders' Meeting on 29 April 2010, in order to enhance the degree of compliance with the recommendations of the Unified Code of Good Governance for listed joint stock companies.

The Board of Directors' Regulations on the Company's corporate governance standards are open to such amendments as may be advisable in the light of the evolution both of the Company and of the rules and recommendations that may be drawn up on the matters with which the Regulations are concerned.

To that effect, various regulations were published in 2010 which affect the operation of the Board of Directors and called for the Board of Directors Regulations in force to be reviewed to bring them in line with the new legal requirements.

One example of the new legislation which is relevant to the duties of the Board of Directors and the Audit Committee, is *Law 12/2010 of 30 June, through which the Audit Law, the Securities Market Act and the Stock Companies Act are amended*. One of the regulations amended through this law is Additional Provision No. 18 of the Securities Market Act which now gives the Audit Committee the responsibility of supervising the Company's internal control and risk control systems and the procedure for preparing and presenting financial information.

Also published in 2010 was *Royal Decree 1/2010 approving the consolidated text of the Spanish Companies Act*, which consolidates the legislation regulating unlisted and listed companies, limited liability companies and limited partnerships by shares.

As a result of the harmonization undertaken through this consolidation, the Spanish Companies Act also introduces some modifications in important areas such as the duties of Directors.

The publication and entry into force of these two pieces of legislation and their effect on regulating the functions of the Board of Directors and its Committees, warranted the inclusion of various amendments to the text of the Board of Directors Regulations.

Hence, the Board of Directors, at its meeting on 30 September 2010, agreed to adhere to the Code of Best Tax Practices (*Código de Buenas Prácticas Tributarias*) approved at the Large

Business Forum, whose purpose is to foster a relationship between companies and the Spanish tax authority based on transparency and mutual trust. One of the good fiscal practices that the companies that adhered to this Code have undertaken to comply with is the commitment to keep the Board of Directors or equivalent informed about the fiscal policies applied by the Company.

To fulfil this commitment that was voluntarily undertaken, an amendment to the duties of the Audit Commission was necessary as well as the formal incorporation therein of the obligation regarding knowledge of fiscal policies and follow-up of their application.

Also, within the framework of the analysis of changes needed to the Board of Directors Regulations, a global review was carried out on their content and a series of additional changes were made to increase the degree to which the Recommendations of the Unified Good Governance Code are followed up and to introduce in the text the obligations undertaken by the Committees, which up to now are contained in the resolutions of the Executive Committee.

Specifically, the amendments to the Board of Directors Regulations approved in 2011, and notified now to the General Shareholders' Meeting, affect articles 3, 7, 16, 17, 18, 19, 20, 21 and 27 thereof, and are as follows:

Article 3.- Dissemination, from which section 1 regarding the obligation for the members of the Board of Directors to acknowledge receipt of the Regulations has been removed.

Article 7.- General functions of the Board of Directors, in which section 4 stating the responsibilities of the Board of Directors "*regarding the transparency and veracity of Company information*," in order to adapt it to the extended remit of the Audit Committee following the entry into effect of Law 12/2010 on Account Auditing.

Article 16.- Executive Committee, inclusion in section 5 regarding the obligation to notify the Board of Directors, of the obligation to send copies of the minutes of Executive Committee meetings, as has been the practice since the Executive Committee's resolution of 20 February 2008.

Article 17.- Audit Committee, in which section 2 has been amended to extend the duties of this Audit Committee and bring them in line with Law 12/2010 amending Additional Provision No. 18 of the Securities Market Act, and to meet the obligations voluntarily undertaken by the Company through its adherence to the Code of Best Tax Practice, and section 3 to include the obligation to send the Board of Directors copies of the minutes of Audit Committee meetings, as has been the practice since the Executive's Committee's resolution of 20 February 2008.

Article 18.- Appointments and Remuneration Committee which includes in section 2 a new sub-paragraph e) providing for a generic provision whereby the Board of Directors can delegate powers to this Committee, and in which, to enhance the degree of compliance with the Unified Good Governance Code and specifically to fulfil all the provisions under Recommendations 55 and 57 thereof, two additional duties have been included:

- notify the appointments and removals of senior company executives; and,
- propose the basic conditions of contracts entered into with senior executives.

Article 19.- Markets and Systems Operating Procedures Committee which includes in section 2 a new sub-paragraph d), providing for a generic provision whereby the Board of Directors can delegate powers to this Committee. Section 3 has also been modified to include the

obligation to send the Board of Directors copies of the minutes of the Markets and Systems Operating Procedures Committee's meetings, as has been the practice since the resolution of the Executive Committee on 24 March 2009.

Article 20.- Appointment, Re-election, Resignation and Termination of Directors, section 2 has been amended to increase to three the maximum number of terms in office for independent Directors, in order to bring this article in line with article 21.b) of the same Board of Directors Regulations which establishes twelve years as the maximum term an independent director may remain in office.

This modification is in keeping with Recommendation 29 of the Unified Code of Good Governance, which recommends that independent Directors not remain as such for a consecutive period of more than twelve years.

Article 21.- Incompatibilities, Disqualifications and conflicts of interest, the regime of incompatibility of the members of the Board of Directors has been modified to adapt it to the provisions of article 230 of the Spanish Companies Act, which bans members of the Board of Directors from carrying out activities, for their own account or that of a third party, that are the same, similar or complementary types of activity as the Company's, without the express authorisation of the General Shareholders' Meeting.

Article 27.- Directors' duties of disclosure, the second paragraph of the article has been amended to adapt the obligations to notify Directors, as set forth in article 229 of the Spanish Companies Act, which compared to the provision of article 127.ter.4 which was removed from the Spanish Companies Act, increase the people who must report their interest in the Company and their offices or functions in the same, similar or complementary types of activity as the Company's.

To help the shareholders compare the new version of the articles of the Board of Directors Regulations and the version currently in force, included as an Annexe to this report, for information purposes is a literal transcription of both texts, in two columns, side by side, highlighting in the right hand column the changes introduced in the current text prior to 24 February 2011, which is transcribed in the left hand column.

**COMPLETE TEXT OF THE MODIFICATIONS TO THE BOARD OF DIRECTORS  
REGULATION**

VALID TO 24 FEBRUARY 2011	IN FORCE SINCE 24 FEBRUARY 2011
<p><b>Article 3.- Dissemination</b></p> <p>1. The persons to whom these Regulations apply have a duty to be acquainted with them, to comply with them and to enforce them, and to this end the Secretary of the Company's Board of Directors shall provide them with a copy of the Regulations which they must duly sign for.</p> <p>[...]</p>	<p><b>Article 3. Dissemination</b></p> <p>1. The persons to whom these Regulations apply have a duty to be acquainted with them, to comply with them and to enforce them, and to this end the Secretary of the Company's Board of Directors shall provide them with a copy of the Regulations <del>which they must duly sign for.</del></p> <p>[...]</p>
<p><b>Article 7.- General Functions of the Board of Directors</b></p> <p>[...]</p> <p>4. Regarding the transparency and veracity of Company information, the functions of the Board in full and its Committees shall include the following:</p> <p>a) Ensuring the external auditor is both independent and professionally acceptable.</p> <p>b) Being cognisant with the financial information processes and the internal audit and control systems.</p> <p>c) Monitoring the financial information released to shareholders and the market in general.</p> <p>[...]</p>	<p><b>Article 7.- General Functions of the Board of Directors</b></p> <p>[...]</p> <p>4. Regarding the transparency and veracity of Company information, the functions of the Board in full and its Committees shall include the following:</p> <p>a) Ensure the external auditor is both independent and professionally acceptable.</p> <p>b) <b><u>Supervise</u></b> the <b><u>preparation and presentation of</u></b> regulated financial information.</p> <p>c) <b><u>Supervise the efficiency of internal control and risk management systems.</u></b></p> <p>d) Monitor the financial information released to shareholders and the market in general.</p> <p>[...]</p>
<p><b>Article 16.- The Executive Committee</b></p> <p>[...]</p> <p>5. At each meeting of the Board of Directors the Executive Committee shall report on the topics discussed and resolutions adopted at the meetings it has held since the last Board meeting.</p> <p>[...]</p>	<p><b>Article 16.- The Executive Committee</b></p> <p>[...]</p> <p>5. At each meeting of the Board of Directors the Executive Committee shall report on the topics discussed and resolutions adopted at the meetings it has held since the previous Board meeting, <b><u>so that the Secretary can submit a copy of the minutes of the Commission's meetings to the members of the Board of Directors.</u></b></p> <p>[...]</p>

<p><b>Article 17.- Audit Committee</b></p> <p>[...]</p> <p>2. The Audit Committee shall have the following responsibilities:</p> <p>a) To report, via its Chairman, to the General Shareholders' Meeting in regard to the matters raised therein by shareholders concerning issues that fall within the Committee's remit.</p> <p>b) Propose to the Board of Directors the appointment of external accounts auditors as referred to in Article 204 of the amended text of Spain's Companies Law, approved by Royal Legislative Decree 1564/1989, dated 22 December, as well as, in the event, their conditions of contracting, the scope of their professional mandate and the revocation or renewal of their appointment. The Committee should investigate the issues giving rise to the resignation of any external auditor.</p> <p>c) To supervise the Company's internal audit services which shall be answerable to the Audit Committee, reporting to the Board of Directors. To this end, the Committee shall monitor the independence and efficiency of the internal audit functions, proposing the selection, appointment, re-election and termination of the head of the internal audit service, as well as the budget for the service, receiving periodical information in regard to its activities and verifying that senior management takes into consideration the conclusions and recommendations of its reports. It shall also establish and supervise the arrangements whereby Company personnel may anonymously report any irregularity in the internal control and risk management systems.</p> <p>e) To be cognisant with the Company's financial reporting procedures and internal control systems. To this end, the internal control and risk management systems shall be reviewed by the Committee at least once a year, to ensure that the main risks are adequately identified, managed and reported.</p>	<p><b>Article 17.- Audit Committee</b></p> <p>[...]</p> <p>2. The Audit Committee shall have the following responsibilities:</p> <p>a) To report, via its Chairman, to the General Shareholders' Meeting in regard to the matters raised therein by shareholders concerning issues that fall within the Committee's remit.</p> <p>b) To propose that the Board of Directors, <b><u>present to the General Shareholders' Meeting for consideration,</u></b> its recommendation to appoint auditors <b><u>or audit companies in accordance with the legislation applicable to the Company,</u></b> and if appropriate the terms of their engagement and the scope of their professional remit, and the termination or renewal of their appointment. The Committee should investigate the issues giving rise to the resignation of any external auditor.</p> <p>c) To supervise the Company's internal audit services which shall be answerable to the Audit Committee, reporting to the Board of Directors. To this end, the Committee shall monitor the independence and efficiency of the internal audit functions, proposing the selection, appointment, re-election and termination of the head of the internal audit service, as well as the budget for the service, receiving periodical information in regard to its activities and verifying that senior management takes into consideration the conclusions and recommendations of its reports. It shall also establish and supervise the arrangements whereby Company personnel may anonymously report any irregularity in the internal control and risk management systems.</p> <p>d) <b><u>Supervise</u></b> the <b><u>preparation and presentation of</u></b> regulated financial information.</p> <p>e) <b><u>Supervise the efficiency of the Company's internal control and risk control systems.</u></b> To this end, at least once a year it will <b><u>supervise</u></b> the control and risk management systems to ensure that the main risks are adequately identified, managed and reported, <b><u>and will discuss with the auditors or audit firms or experts appointed for that purpose, any significant weaknesses detected in the auditing</u></b></p>
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<p>f) Maintain the relationship with external auditors in order to receive information in regard to matters which could jeopardise their independence and any other matters relating to the process of account auditing, as well as other communications provided for in account auditing legislation and in the technical auditing regulations, regularly receiving from the external auditor information on the audit plan and the results of its execution, and also verifying that senior management takes into account its recommendations. The Committee shall also monitor compliance with the regulations in force concerning the provision of non-auditing services, the limits in regard to business concentration of the auditor and, in general, any other rules aimed at ensuring the auditors' independence.</p> <p>g) Any other tasks relating to reporting and proposals commissioned to it by the Board of Directors generally or specifically.</p>	<p><b><u>process.</u></b></p> <p>f) Maintain the relationship with external auditors in order to receive information in regard to matters which could jeopardise their independence <b><u>for examination by the Committee</u></b> and any other matters relating to the process of account auditing, as well as other communications provided for in account auditing legislation and in the technical auditing regulations, regularly receiving from the external auditor information on the audit plan and the results of its execution, and also verifying that senior management takes into account its recommendations. The Committee shall also monitor compliance with the regulations in force concerning the provision of non-auditing services, the limits in regard to business concentration of the auditor and, in general, any other rules aimed at ensuring the auditors' independence. <b><u>Each year the auditors will receive written confirmation of their independence of the Company, as well as information on any other type of service provided by the auditors or persons or entities related to them.</u></b></p> <p>g) <b><u>Issue a report each year, prior to the auditor's report, stating an opinion on the independence of the auditors and on the provision of any kind of additional service.</u></b></p> <p>h) <b><u>Be informed of the fiscal policies applied by the Company. To that effect, it must receive information from the head of the tax department on the fiscal policies applied, at least, prior to the preparation of the financial statements and the filing of the corporate tax return and, whenever relevant, on the fiscal consequences of corporate operations submitted to the Board of Directors for approval.</u></b></p> <p>i) <b><u>Any other general or specific tasks regarding reporting and proposals commissioned by the Board of Directors, or required in order to comply with the regulations in force at any given time.</u></b></p> <p>3. The Audit Committee must report to the Board of Directors on its activities in the courses of each year, <b><u>and the Secretary will send the members of the Board of Directors a copy of the minutes of Committee meetings.</u></b> The Company shall file a significant event notice with the CNMV in the event of a change of auditor, explaining the</p>
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<p>3. The Audit Committee must report to the Board of Directors on its activities in the course of each year. The Company shall file a significant event notice with the CNMV in the event of a change of auditor, explaining the reasons for the change.</p> <p>[...]</p>	<p>reasons for the change.</p> <p>[...]</p>
<p><b>Article 18.- Appointments and Remuneration Committee</b></p> <p>[...]</p> <p>2. The Appointments and Remunerations Committee is responsible for reporting to the Board of Directors on the following matters:</p> <p>a) Compliance with the requirements laid down by law and under the Articles of Association and herein, regarding any proposed appointment of a Director by co-option and in relation to any proposals to be made by the Board at the General Shareholders' Meeting regarding the appointment, ratification or termination of Directors. Such proposals must be preceded by the relevant report by the Committee which must assign the new Director to one of the categories envisaged herein and also assess his impact on the structure and composition of the Board, ensuring that the process for the selection of Directors does not discriminate on the basis of gender. In any case, the Appointments and Remuneration Committee shall be responsible for submitting to the Board all proposals for the appointment or re-election of independent Directors for subsequent discussion at the General Shareholders' Meeting, and for their provisional appointment by co-option, and must prepare a prior report on the other Directors.</p> <p>b) Compliance with the Articles of Association and the Board of Directors Regulations regarding the appointment, re-election and termination of members of the Board of Directors whose names are put forward to sit on any of the Board Committees, as well as, where applicable, to hold any office thereon.</p> <p>c) Compliance with the Articles of Association and the Board of Directors Regulations</p>	<p><b>Article 18.- Appointments and Remuneration Committee</b></p> <p>[...]</p> <p>2. The Appointments and Remunerations Committee is responsible for reporting to the Board of Directors on the following matters:</p> <p>a) Compliance with the requirements laid down by law and under the Articles of Association and herein, regarding any proposed appointment of a Director by co-option and in relation to any proposals to be made by the Board at the General Shareholders' Meeting regarding the appointment, ratification or termination of Directors. Such proposals must be preceded by the relevant report by the Committee which must assign the new Director to one of the categories envisaged herein and also assess his impact on the structure and composition of the Board, ensuring that the process for the selection of Directors does not discriminate on the basis of gender. In any case, the Appointments and Remuneration Committee shall be responsible for submitting to the Board all proposals for the appointment or re-election of independent Directors for subsequent discussion at the General Shareholders' Meeting, and for their provisional appointment by co-option, and must prepare a prior report on the other Directors.</p> <p>b) Compliance with the Articles of Association and the Board of Directors Regulations regarding the appointment, re-election and termination of members of the Board of Directors whose names are put forward to sit on any of the Board Committees, as well as, where applicable, to hold any office thereon.</p> <p>c) Compliance with the Articles of Association and the Board of Directors Regulations</p>

<p>regarding the appointment and removal of the Secretary and, as appropriate, Deputy Secretaries of the Board.</p> <p>d) Proposals on the Directors' remuneration to be submitted to the General Shareholders' Meeting or to be approved by the Board in accordance with the relevant shareholders' resolution, considering, among other aspects, the type of Director and the offices, functions and commitment of each of the Directors on the Board and the Board Committees.</p> <p>The Appointments and Remuneration Committee shall also examine or organise, in appropriate form, the succession of the Chairman and Chief Executive, making recommendations to the Board so the handover proceeds in a planned and orderly manner:</p> <p>The Appointments and Remuneration Committee shall also be cognisant with the structure and policy for senior management pay and incentives, monitoring the decisions taken and criteria applied on the matter at the Group companies. Additionally, at the request of the Board of Directors, it shall supervise compliance with the rules of corporate governance.</p> <p>[...]</p>	<p>regarding the appointment and removal of the Secretary and, as appropriate, Deputy Secretaries of the Board.</p> <p>d) Proposals on the Directors' remuneration to be submitted to the General Shareholders' Meeting or to be approved by the Board in accordance with the relevant shareholders' resolution, considering, among other aspects, the type of Director and the offices, functions and commitment of each of the Directors on the Board and the Board Committees.</p> <p>e) <b><u>Any other general or specific tasks commissioned by the Board.</u></b></p> <p>The Appointments and Remuneration Committee shall also examine or organise, in appropriate form, the succession of the Chairman and Chief Executive, making recommendations to the Board so the handover proceeds in a planned and orderly manner:</p> <p>The Appointments and Remuneration Committee shall also be cognisant with the structure and policy for senior management pay and incentives, monitoring the decisions taken and criteria applied on the matter at the Group companies, <b><u>report on the appointment and removal of senior executives of the Company and, if appropriate, propose the basic conditions of the contracts entered into with them.</u></b> Additionally, at the request of the Board of Directors, it shall supervise compliance with the rules of corporate governance.</p> <p>[...]</p>
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<p><b>Article 19.- Markets and Systems Operating Procedures Committee</b></p> <p>[...]</p> <p>2. The Markets and Systems Operating Procedures Committee, which shall be governed by the provisions laid down in the Articles of Association and herein, shall have the following responsibilities:</p> <p>a) Analyse and monitor the procedures and regulations set forth by group companies for the correct operation of the markets and systems managed thereby.</p> <p>b) To be cognisant with the procedures established so that normal market conditions and the principle of equal treatment are applied to the transactions, operations and actions performed by the Company, its Directors or shareholders with significant and stable capital shareholdings, as issuers, clients or users in the markets and systems managed by Group companies.</p> <p>c) To oversee the application of the Internal Regulations of Conduct of the Company and its Group, periodically receiving relevant information from the Standards of Conduct Committee or an equivalent body as envisaged in the Regulations, and issuing a prior opinion on any proposed amendment submitted to the Company's Board of Directors for approval.</p> <p>The Markets and Systems Operating Procedures Committee shall report to the Board of Directors on the performance of its tasks, and draft any reports or proposals on them that may be requested by the Board of Directors.</p>	<p><b>Article 19.- Markets and Systems Operating Procedures Committee</b></p> <p>[...]</p> <p>2. The Markets and Systems Operating Procedures Committee, which shall be governed by the provisions laid down in the Articles of Association and herein, shall have the following responsibilities:</p> <p>a) Analyse and monitor the procedures and regulations set forth by group companies for the correct operation of the markets and systems managed thereby.</p> <p>b) To be cognisant with the procedures established so that normal market conditions and the principle of equal treatment are applied to the transactions, operations and actions performed by the Company, its Directors or shareholders with significant and stable capital shareholdings, as issuers, clients or users in the markets and systems managed by Group companies.</p> <p>c) To oversee the application of the Internal Regulations of Conduct of the Company and its Group, periodically receiving relevant information from the Standards of Conduct Committee or an equivalent body as envisaged in the Regulations, and issuing a prior opinion on any proposed amendment submitted to the Company's Board of Directors for approval.</p> <p>d) <b><u>Any other general or specific tasks commissioned by the Board.</u></b></p> <p>The Markets and Systems Operating Committee shall report to the Board of Directors on the performance of its tasks, <b><u>send the Board of Directors a copy of the minutes of its meetings</u></b>, and draft any reports or proposals on them that may be requested by the Board of Directors.</p>
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<p><b>Article 20.- Appointment, Re-election, Resignation and Termination of Directors.</b></p> <p>[...]</p> <p>2. Proposals for the re-appointment of Directors shall be subject to the same rules as above, with the quality of services rendered and commitment during their previous term of office being of particular importance. Directors standing for re-election shall not take part in any discussions or decisions concerning their re-election. Independent directors may not be re-elected for more than <u>two</u> consecutive terms of office.</p> <p>The Chairman, Deputy Chairmen and, where applicable, the Secretary of the Board of Directors who are re-appointed as Directors at the General Shareholders' Meeting shall remain in office without having to be re-elected, without prejudice to the Board of Director's power to terminate these appointments.</p> <p>[...]</p>	<p><b>Article 20.- Appointment, Re-election, Resignation and Termination of Directors.</b></p> <p>[...]</p> <p>2. Proposals for the re-appointment of Directors shall be subject to the same rules as above, with the quality of services rendered and commitment during their previous term of office being of particular importance. Directors standing for re-election shall not take part in any discussions or decisions concerning their re-election. Independent directors may not be re-elected for more than <b>three</b> consecutive terms of office.</p> <p>The Chairman, Deputy Chairmen and, where applicable, the Secretary of the Board of Directors who are re-appointed as Directors at the General Shareholders' Meeting shall remain in office without having to be re-elected, without prejudice to the Board of Director's power to terminate these appointments.</p> <p>[...]</p>
<p><b>Article 21.- Incompatibilities, disqualifications and conflicts of interest</b></p> <p>Without prejudice to legal provisions and the Company's Articles of Association, Board Members shall be subject to the following rules on incompatibilities, disqualifications and conflicts of interest:</p> <p>a) Directors may not hold office or perform the functions of director, representative, manager, advisor or service provider at rival companies or companies wielding a dominant or controlling position thereupon, without the express and justified authorisation of the Board of Directors subject to a prior report by the Appointments and Remunerations Committee. This Committee must be informed of all professional commitments which may impede the Director from efficiently carrying out his functions.</p> <p>[...]</p>	<p><b>Article 21.- Incompatibilities, disqualifications and conflicts of interest</b></p> <p>Without prejudice to legal provisions and the Company's Articles of Association, Board Members shall be subject to the following rules on incompatibilities, disqualifications and conflicts of interest:</p> <p>a) Directors may not hold office or perform the functions of director, representative, manager, advisor or service provider in companies <b><u>with the same, similar or complementary types of activity as the Company's</u></b>, or in companies wielding a dominant or controlling position thereupon, <b><u>nor carry out such activities for their own account</u></b>, without the express and justified authorisation <b><u>of the General Shareholders' Meeting</u></b>, subject to a prior report by the Appointments and Remuneration Committee. This Committee must be informed of all professional commitments which may impede the Director from efficiently carrying out his functions.</p> <p>[...]</p>

<p><b>Article 27.- Directors' duties of disclosure.</b></p> <p>Directors must notify the Company, via its Chairman, of any positions they hold at other companies or entities, and before accepting any directorship or management position in another company or entity, should inform the Audit Committee of their intention to do so. Similarly, Directors shall disclose any fact or situation which may affect the nature or terms under which their appointment as Directors was made, or which could materially influence their activity as Directors.</p> <p>They must also disclose any stake they may have in the share capital of companies with the same, a similar, or a complementary type of activity as that of the Company's corporate purpose, and any legal, administrative or other types of claims affecting them that, because of their importance, could seriously affect the Company's reputation.</p> <p>Directors shall also notify the Board immediately of any criminal proceedings in which they are defendants and all subsequent legal developments relating thereto.</p>	<p><b>Article 27.- Directors' duties of disclosure.</b></p> <p>Directors must notify the Company, via its Chairman, of any positions they hold at other companies or entities, and before accepting any directorship or management position in another company or entity, should inform the Audit Committee of their intention to do so. Similarly, Directors shall disclose any fact or situation which may affect the nature or terms under which their appointment as Directors was made, or which could materially influence their activity as Directors.</p> <p>They must also disclose any stake they may have in the share capital of companies in which, <b><u>both the Director and his related parties</u></b>, may have in the share capital of companies with the same, a similar, or a complementary type of activity as that of the Company's corporate purpose, <b><u>as well as any posts or duties held by such related parties in these companies</u></b>. In that respect, related persons shall always have the meaning provided for in the regulations in force.</p> <p><b><u>Directors must report</u></b> any legal, administrative or other type of claims affecting them that, because of their importance, could seriously affect the Company.</p> <p>Directors shall also notify the Board immediately of any criminal proceedings in which they are defendants and all subsequent legal developments relating thereto.</p>
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