

Regulations of the Board of Directors of  
QUADPACK INDUSTRIES S.A.

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## Regulations of the Board of Directors and its Committees

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### Chapter I. General Aspects

#### Article 1. Purpose

1. These Regulations are intended to regulate the principles of action and the rules of organisation and operation of the Board of Directors (hereinafter, the “**Board**”) of Quadpack Industries, S.A. (hereinafter, the “**Company**”) and its Committees, all in accordance with applicable regulations, its Articles of Association and the best practices of Corporate Governance.

2. The standards of conduct set forth in these Regulations for the Directors shall also apply, to the extent they are affected and applicable to them, to Senior Officers of the Company.

Senior Officers for the purposes of these Regulations, is understood as the general managers and those managers who are directly dependent on the Board of Directors of the Company or the Chief Executive Officer, or the Executive Committee as applicable and, in any case, the Company's internal auditor.

#### Article 2. Interpretation, dissemination, modification and approval

1. These Regulations shall be interpreted in accordance with applicable and statutory regulations and principles and recommendations in the field of Corporate Governance in which the Company has a presence, with the Board being responsible for clarifying the content and addressing any questions that may arise in their application and interpretation.

2. The Board will adopt the appropriate measures to ensure that shareholders, markets and investors in general are aware of these Regulations. To this end, the General Meeting will be informed of the same and they will be published on the Company's website, also being subject to legally established publicising and being forwarded to the relevant registries and supervisory authorities when necessary.

3. These Regulations may only be modified by the Board of Directors at the request of the Chairman, a third of the number of Directors or the Audit and Control Commission, should it exist, who must accompany their proposal in writing with supporting documentation.
4. Modification proposals must be previously reported by the Audit and Control Commission, should this Commission exist.
5. The text of the proposal, supporting documentation and, where applicable, the previous report of the Audit Commission, should it exist, must be attached to the call for the meeting of the Board, which must deliberate on the modification of these Regulations.
6. The approval of these Regulations and subsequent modifications corresponds to the Board of Directors, which will require, for its validity, an adopted resolution by a majority of two-thirds of the Directors present.
7. These Regulations shall enter into force on the date that the resolution is approved or of the subsequent modification adopted by the Board.
8. Directors and Senior Officers are required to know, comply with and enforce these Regulations. To this effect, the Secretary of the Board shall provide all of them with a copy thereof.

## Chapter II. Mission and Competencies of the Board

### Article 3. Functions of the Board

1. Notwithstanding the matters reserved for the General Meeting, the Board is the highest decision-making body of the Company, to which the administration and representation of the Company is entrusted, legally and statutorily.
2. The functions of the Board are focused on the accomplishment of all acts necessary for the pursuit of the corporate purpose established in the Articles of Association and in the general supervision, ensuring that the executive bodies and the management team act in accordance with the approved strategies and objectives indicated.
3. Those legal or statutory powers reserved for the direct knowledge of the Board may not be delegated by the same.

4. Those powers necessary to responsibly perform its general supervisory function may not be delegated by the Board, in accordance with the provisions of the law, the Articles and these Regulations, such as the approval of:

- a) the general Strategic Plan, specific strategic plans and the annual budget;
- b) the general risk and control management policy, including taxes, and the monitoring of the internal control systems of financial information;
- c) the general and investment and financial policy, the treasury shares policy and the dividend policy;
- d) the general configuration of the type of corporate structure under which the Company must perform its activities;
- e) transactions that involve the acquisition and disposal of assets of the Company and the equivalent corporate operations the amounts of which are included within the quantitative limits that are applicable to the Board, and without prejudice to the competencies that, where applicable, correspond to the General Meeting;
- f) the related operations, following a report from the Audit Committee, should it exist, in accordance with what is legally established and with what is set forth in these Regulations;
- g) the creation or acquisition of shares in special purpose entities or with registered offices in countries or territories that are considered tax havens, as well as any other operations of a similar nature that could undermine the transparency of the group;
- h) the information and communication policy vis-à-vis shareholders, markets and public opinion in general;
- i) the preparation and approval of financial and non-financial information that, yearly, the Company makes public along with the Annual Accounts that are submitted for approval of the General Meeting;
- j) the financial information that the Company must periodically make public in accordance with applicable law;
- k) decisions regarding the remuneration of the Directors and determination of the resulting amounts in accordance with the Articles of Association and the resolutions of the General Meeting approved in relation thereto;

- l) the modification, transfer or deletion of the Company's website;
- m) the appointment and removal of management by the Senior Officers, and the establishment of contracting conditions, including, in particular, indemnity and compensation clauses;
- n) Corporate Social Responsibility Policy;
- ñ) Corporate governance policies and the Board's and the Committees' internal operating regulations, and the quality and effectiveness assessment of their performance and actions;
- o) and all others specifically referred to in these Regulations.

5. The Board shall take appropriate measures so:

- a) no individual or small group of individuals has decision-making power that is not subject to checks and balances;
- b) no shareholder receives a privileged treatment in relation to others.

6. The Board shall have the power and the function to determine and establish the limits and conditions to which the risk and investment operations that each of its affiliated companies must adopt, as well as the general tariffs and conditions to which the respective operations will have to adjust, without prejudice to the functions of the boards of directors of those affiliated companies.

#### Article 4. Ethics and Value Creation

1. The Board of Directors will perform its functions with unity of purpose and independence of criteria, treating all shareholders who are in the same position in the same way, and will be guided by public interest, understood as the achievement of a profitable and sustainable business in the long term that promotes its continuity and the maximisation of the economic value of the company.

2. The Board shall permanently enforce the Company's compliance with its ethical duties and its duty to act in good faith. In addition, it will exercise its powers to promote the development and growth of the Company and the creation of value for shareholders, employees and for the group of companies.

3. To achieve value creation in shareholder interest, the Board, must respect and comply with its ethical duties, the principles of Corporate Social Responsibility and all requirements imposed by the Law, fulfilling in good faith the contracts and commitments with customers, workers, suppliers, financial entities and any other interest group of the Company.

## Chapter III. Composition of the Board

### Article 5. Composition

1. The Board of Directors shall consist of the number of Board Members as determined by the General Meeting within the limits established by the Articles of Association of the Company.

2. The Board shall propose to the General Meeting the number that, according to the changing circumstances of the Company, is most appropriate to ensure proper representation and effective functioning of the body.

3. Both in the proposal prepared by the Board of Directors to the General Meeting and in the resolutions that it adopts in the case of co-opting to cover vacancies, the Board shall ensure compliance with statutory provisions and especially: (a) that the persons recommended as Directors meet all requirements necessary to hold that position and are not subject to incompatibilities or prohibitions, in accordance with the Articles of Association and applicable law; (b) that the shareholder and independent Directors represent a wide majority of the total number of members of the Board; (c) that the number of executive Directors is the minimum necessary; (c) [sic] that among the external or non-executive Directors there is a reasonable balance between the Directors representing substantial shareholders and the independent Directors; and (d) that policies that favour professional diversity and also diversity in terms of knowledge and experiences, nationality and gender are applied.

4. The Board shall explain the nature of each Director to the General Meeting, which must reject or ratify the appointment.

## Chapter IV. Board Structure

### Article 6. Chairman of the Board

1. The Board Chairman, following a report by the Appointments and Remuneration Committee, should it exist, will be elected from its members by the General Meeting of Shareholders. When the Chairman is the first executive of QUADPACK, the Board will delegate to him or her the necessary powers to effectively perform his or her roles.



2. The Board Chairman will act as chairman and representative of the governing and administrative bodies of the Company in accordance with the provisions of current legislation, the Articles of Association and these Regulations. In addition, the Chairman may fully or partially delegate his or her powers within applicable and statutory limits.
3. It is the Chairman's power to convene the Board of Directors, to prepare the agenda of the meetings and to lead discussions.
4. The Chairman will ensure that the Directors receive sufficient information in advance of the Board meeting in relation to the matters to be discussed; will promote the active participation of the Directors and lead discussions at Board meetings by allowing their freedom of expressing positions and opinions, preserving at all times the effective functioning of the Board.
5. In the event of a tie in the voting, The Chairman's vote will be decisive.
6. The Board will be convened once a year to assess the work of the Chairman of the Board in his or her condition as such and, separately, in his or her capacity a first executive, if applicable. If the Chairman does not convene the Board, it shall be convened by the Vice Chairman appointed from among the independent Directors. During the discussions of said assessment, the Chairman may be absent, with the Vice Chairman presiding over the Board.

#### **Article 7. Vice-Chairman of the Board**

1. The Board shall appoint a Vice Chairman, based on a report from the Appointments and Remuneration Commission, provided this commission exists, being able to appoint other Vice Chairmans, who will be, in this latter case, numbered consecutively. The Vice Chairmans shall be elected from among those Directors who comply with the statutory requirements of the position.
2. If several Vice Chairmans are appointed, they will perform their duties in the order attributed to them when appointed, ensuring that the role of Second Vice Chairman is covered by an independent Director.

#### **Article 8. Secretary of the Board**

1. The functions of Secretary and attorney-counsel of the Board shall be performed by the individual appointed by the Board. It will not be necessary to be a Director to serve as Secretary of the Board. When simultaneously occupying the attorney-counsel post, the appointment must devolve upon an experienced Law professional of recognised standing. The appointment, compensation and termination of the Secretary shall be approved by the Board,

based on a report from the Appointments and Remuneration Committee, whenever this committee exists.

2. The Secretary, in addition to the functions attributed by the Law and the Articles of Association, shall:

- i. keep the documentation of the Board of Directors, record the progress of the meeting in the minute books and attest to its content and the resolutions adopted;
- ii. ensure that the actions of the Board of Directors comply with applicable regulations and are consistent with the Articles of Association and other internal regulation; and
- iii. assist the Chairman so that the Directors receive, with sufficient advance notice and in the appropriate format, the relevant information to perform their roles.

3. The Secretary shall ensure the formal and material legality of the Board's actions and that its procedures and governance regulations are respected and regularly reviewed. In addition, the Secretary will clearly express their objection when they consider any proposal submitted to the Board to be contrary to corporate interest or to the detriment of shareholders not represented by the Board.

#### **Article 9. Vice Secretary of the Board**

1. The Board of Directors may appoint one or more Vice Secretaries, who do not have to be Directors, to assist the Secretary of the Board of Directors or replace him or her in the event of absence to perform such function. If multiple Vice Secretaries are appointed, they will perform the role in the order attributed to them at appointment.

2. The Vice Secretary may attend the meetings of the Board of Directors to replace the Secretary or to assist him or her when so decided by the Chairman.

3. In case of absence, incapacity or vacancy of the Secretary, the Vice Secretary will assume his or her functions and, in the absence of both, this task shall be performed by the Director that the Board itself appoints.

#### **Article 10. Delegated Bodies of the Board**

1. Without prejudice to the delegations of powers that are carried out in whole or in part, and permanently on an individual basis, both by the Chairman and any other Director (delegated Directors), the Board of Directors may optionally set up the following committees, notwithstanding that the Board may agree to the establish any other, with the purposes and

attributions that in each case are decided and which, in no case, may coincide with those corresponding to those established in these Regulations.

- a) an Executive Committee, with general decision-making powers;
- b) a Strategy and Corporate Governance Committee;
- c) an Audit and Compliance Committee, with the powers established in the Articles of Association and Article 12 of these Regulations; and
- d) an Appointments and Remuneration Committee, with the powers set out in the Articles of Association and in Article 13 of these Regulations.

Notwithstanding the above, once the Company obtains the status of listed company, the Board of Directors shall establish, at least, the Audit and Compliance Committee and the Appointments and Remuneration Committee indicated in points c) and d) required by law.

2. The Board, based on a report from the Appointments and Remuneration Committee, whenever this exists, will appoint the members of the Committees considering the knowledge, the skills and experience of each Director regarding important matters that each Committee must perform. Without prejudice to the above, the Board shall promote the rotation of Directors between the various Committees.

3. Committee members may delegate their representation to another member of the same Committee to which they belong, but none may assume more than two representations in addition to the own.

4. For any matters not provided for in these Regulations, the Committees will be subject, where applicable, to internal Regulations that the Board may approve for each Committee.

#### **Article 11. Executive Committee**

1. The Executive Committee shall consist of the number of Directors in each case as determined by the Board, with a minimum of three and a maximum of 7.

2. The Board shall appoint the Chairman of the Executive Committee, who will be the Chairman of the Board or, if the latter is not a member thereof, another Executive Director who is a member of the Committee, at the Board's discretion.

3. The Board shall appoint the Secretary of the Committee, whether a Director or not, with the latter determining the individual to replace him or her in case of absence or illness.

4. The participation structure of the various categories of Directors on the Executive Committee shall be similar, whenever possible, to the composition of the Board, attempting, for that purpose, to maintain the proportion established.
5. The appointment of members of the Executive Committee will require a favourable vote of at least two-thirds of the members of the Board.
6. The Executive Committee is responsible for coordinating the executive management, as well as all powers delegated to it by the Board, except those that cannot be delegated, in accordance with applicable law, the Articles of Association and these Regulations.
7. The Executive Committee will meet as many times as it is called by its Chairman or by the Vice Chairman, when replacing the former, with any individual wishing to be heard, whether or not known to the Company, being able to attend the meeting convened for that purpose, by agreement of the Committee itself or the Chairman thereof, for the purposes to be determined, in accordance with the purpose of the matter in question.
8. It will be legally convened with the attendance, present or represented, of at least half of its members and will adopt its resolutions by majority of the attendees, present or represented, with the Chairman having a decisive vote.
9. In those cases where, in the opinion of the Chairman or a third of the members of the Executive Commission, the importance of the matter so advises, the resolutions adopted by the Committee in exercising its delegated powers shall be subject to the ratification of the full Board. The same shall apply in relation to those matters that the Board has referred to the Executive Committee for consideration, reserving the final decision on them. In any other case, resolutions adopted by the Executive Committee shall be valid and binding without the need for further ratification by the Board.
10. The Executive Committee shall inform the Board of Directors of the matters discussed and decisions adopted by the Committee and shall ensure that all Board members receive copies of the minutes of the Executive Committee meetings.

#### **Article 12. Audit and Compliance Committee**

1. The Audit and Compliance Committee shall consist of the number of Directors in each case as determined by the Board, with a minimum of three and a maximum of five, all of them being non-executives, the majority of which, at least, must be independent Directors. At least one of the members of the Committee will be appointed in consideration of their accounting or audit knowledge, or both.

2. The Board shall appoint the Chairman of the Audit and Compliance Committee, a position that must devolve upon an independent Director. The Chairman of the Committee shall be replaced every four (4) years and may be re-elected after a one (1) year has passed since his or her termination.

3. The Board shall appoint the Secretary of the Audit and Compliance Committee, a position that must devolve upon (a) one of the members of that Committee, (b) any other member of the Board of Directors of the Company who is not a member of the Committee, or (c) the Secretary or a Vice Secretary of the Board of Directors of the Company. The Secretary will record the minutes of the resolutions agreed at each Committee meeting and will report to the full Board of Directors through its Chairman.

4. The appointment of the members of the Audit and Compliance Committee will require the favourable vote of at least two-thirds of the members of the Board.

5. The Audit and Compliance Committee will meet, at least, once every three months, and provided that it is called by its Chairman, on his or her own initiative or by any member of the Committee, or at the request of the Chairman of the Board of Directors or external auditors.

6. The Audit Committee shall be legally constituted when at least half plus one of its members, present or represented, attends the meeting and their resolutions will be adopted by absolute majority of the attendees. In case of a tied vote, the vote of the Chairman of the Committee will be decisive.

7. Any member of the management team or Company personnel whose presence was requested by the Chairman to provide their collaboration and access to available information will be required to attend the Committee meeting. The Chairman may arrange for them to appear without the presence of any other managers. In addition, the Chairman of the Committee may require the attendance of the Account Auditors at the meetings.

8. In order to better comply with its functions, the Audit Committee may seek advice from external professionals at the expense of the Company. To avoid doubts, in such cases the requirements and limitations established in Article 31 of these Regulations will not be applied.

9. Notwithstanding the provisions of applicable law, the Articles of Association, or other faculties assigned by the Board of Directors, the Audit and Compliance Committee shall have the following functions:

**(a) With regard to the General Meeting of Shareholders:**

(i) Inform the General Meeting about questions raised in relation to matters that fall within the competency of the Committee and, in particular, about the audit result,

explaining how the audit has contributed to the integrity of the financial information and the role the Committee has performed in this process.

**(b) With regard to the Board of Directors:**

(i) Inform the Board in advance about the periodic financial information that, in case of becoming a listed company, the Company must periodically make public; in this regard, the Committee will ensure that the intermediate accounts are prepared with the same accounting criteria as the annual accounts and, to this end, will consider the appropriateness of a limited review by the external auditor;

(ii) Report in advance about the creation or acquisition of shares in special purpose entities or entities with registered offices in countries or territories considered tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could undermine the transparency of the Group;

(iii) Report in advance about transactions with related parties;

(iv) Report any matter that has or could have material financial or accounting impact.

**(c) With regard to internal control and information systems:**

(i) Supervise the preparation and presentation process, and the integrity of the mandatory financial information relating to the Company and the Group, reviewing compliance with regulatory requirements, the appropriate delimitation of the consolidation perimeter and the correct application of the accounting criteria and submit recommendations or proposals to the Board of Directors, aimed at protecting their integrity;

(ii) Supervise the effectiveness of the internal control of the Company, Internal Audit and Risk Management Systems, including that related to taxes, periodically reviewing internal control and risk management systems, so that main risks are identified, managed and understood properly, as well as discuss the significant weaknesses of the internal control system identified in the course of the audit with the accounts auditor, without infringing on their independence;

(iii) Ensure the independence and effectiveness of the internal audit; propose the selection, appointment, re-election and removal of the Director of the Internal Audit Department; propose the budget of that Department; receive periodic information about its activities (including the annual work plan and the activity report for the year prepared by the Department Director); and verify that senior management considers the conclusions and recommendations of its reports;

(iv) Establish and supervise procedures for reception, retention and treatment of complaints received by the Company with respect to accounting, internal controls and audit matters, as well as anonymous and confidential contributions made by employees on questionable audit and accounting matters.

**(d) With regard to the External Auditor:**

(i) Submitting to the Board of Directors proposals for the selection, appointment, re-election and replacement of the external auditor, as well as the conditions of their contracting, without prejudice to the powers that the General Meeting and the Board itself have under Spanish laws regarding the approval of those decisions;

(ii) Be directly responsible for the fees and supervision of the work performed by the external auditor in relation to the preparation or issuance of audit reports, or similar, on financial statements;

(iii) Collect information directly and regularly from the external auditor on the development, incidents and execution of the audit, as well as on the audit plan and the results of its execution, and verify that senior management takes its recommendations into account;

(iv) Preserve the independence of the external auditor in the exercise of their duties and, to that effect:

a) Establish timely relationships with the external auditor to receive information on issues that may jeopardise their independence, for examination by the Committee, and any others related to the account auditing process, as well as those other communications provided in account audit legislation and audit rules;

b) Ensure that the Company and the auditor respect the regulations in force regarding the provision of services other than auditing, the limits of the concentration of the auditor's business and, in general, the other regulations established to ensure the independence of the auditors, and for that purpose, receive annually from the external auditors their independence statement in relation to the entity or entities associated with the auditor directly or indirectly, as well as the information of the additional services of any kind provided and the corresponding fees received from these entities by the external auditor or by the persons or entities associated with it in accordance with the provisions of the legislation on account auditing;

c) Issue on an annual basis, prior to the issuance of the audit report, a report that expresses an opinion on the independence of the account auditor. This report must

contain, in all cases, the assessment of the provision of the additional services referred to above, considered individually and as a whole, other than the legal audit and in relation to the independence regime or auditing regulations; and

d) Evaluate, in case of resignation of the external auditor, the circumstances that may have motivated said resignation

(v) Encourage the Group auditor to assume responsibility for the audits of the companies that comprise the Group.

**(e) With regard to the external consultants:**

(i) In order to be assisted in performing their functions, require the hiring of legal, accounting, financial or other experts by the Company.

**(f) With regard to the internal rules of conduct:**

(i) Monitor compliance with the “QUADPACK Code of Ethics” in matters relating to the Securities Markets, and, in general, with any other internal government regulations of the Company, and make the necessary proposals for improvement.

10. The Audit and Compliance Committee will prepare an annual report on its activities, which must be included in the corresponding Management Report.

11. The Company will provide adequate funding, as per the Committee’s indications, to pay the fees of the external auditors and any consultant contracted by the Committee, as well as any ordinary administrative expenses relating to the performance of its duties.

12. In the first plenary meeting of the Board after its meetings, the Audit and Compliance Committee will give an account of its activity and will respond for the work performed. All Board members will receive copies of the Committee meeting minutes.

### **Article 13. Appointments and Remuneration Committee**

1. The Appointments and Remuneration Committee shall consist of the number of Directors as determined by the Board, with a minimum of three and a maximum of five members, all non-executives, two of which, at least, must be independent Directors and, in any case, the Chairman of the Committee shall be appointed from among the independent Directors who are part thereof. In the absence of the Chairman, the independent Director who is designated for that purpose shall preside over the meeting.



2. The Board will appoint the Secretary of the Appointments and Remuneration Committee, a position that must necessarily be covered by those persons covered in Article 12.3 of these Regulations.
3. The appointment of the members of the Appointments and Remuneration Committee will require the favourable vote of, at least, two-thirds of the members of the Board.
4. The Appointments and Remuneration Committee shall meet whenever the Board or its Chairman requests the issuance of a report or the adoption of proposals and, in any case, provided it is appropriate for the proper performance of its functions. In any case, it will meet once a year to report, in advance, on the evaluation of the functioning of the Committee itself.
5. The Committee shall be legally constituted, and the resolutions shall be adopted, in accordance with the terms provided for Article 12.6 of these Regulations. In all cases, the Chairman of the Committee, if an executive, or the Chief Executive Officer, shall be consulted and called to the Commission meetings in which matters pertaining to Senior Officers are discussed.
6. Without prejudice to other functions attributed by applicable law, by the Board or by these Regulations, the Appointments and Remuneration Committee shall have the following functions:
  - a) Prepare and review the professional profiles required for the composition of the Board of Directors and the criteria for the selection of its members. The Committee will establish a representation objective for the less-represented sex on the board of directors and develop instructions on how to achieve that objective.
  - b) Evaluate the competences, knowledge and experience needed in the board of directors. For this purpose, it will define the functions and aptitudes necessary for the candidates who must cover each vacancy and will evaluate the time and dedication necessary for them to effectively perform their duties.
  - c) Submit to the Board the proposals for the appointments of independent Directors for their appointment by co-option or for submission to the decision of the General Meeting, as well as the proposals for the re-election or removal of those Directors by the General Meeting.
  - d) Report the appointment proposals for the remaining Directors for their appointment by co-opting or for submission to the decision of the General Meeting, as well as proposals for re-election or removal by the General Meeting of Shareholders.

- e) Submit to the Board, prior to the re-election of Directors, a report on the previous performance of their role.
- f) Verify annually the nature with which each Director was appointed, which will be reported in the Annual Corporate Governance Report.
- e) Submit to the Board reports on the process of replacing the Chairman and the chief executive, as well as supervise the replacement plans of the Senior Officers, so that such replacement occurs in an orderly and planned manner.
- f) Report the proposals for appointment or removal of the Secretary and Vice Secretary of the Board.
- g) Submit proposals to the Board, within the limits set in the Articles of Association and the resolutions of the General Meeting, on the compensation policy of the Directors and General Managers or those who perform their senior management roles directly under the Board, of executive commissions or Chief Executive Officers, as well as the individual compensation and other contractual terms of the Executive Directors, ensuring their observance. It will also report on the compensation of the Secretary, if not a Director.
- h) Inform the Board about proposals for appointment and removal of Senior Officers, as well as report, with prior approval by the Board, on their compensation terms and the terms and conditions of their employment contracts with the Company, including the indemnity clauses for the termination of their employment relationship.
- i) Submit to the Board a report on the Annual Performance Appraisal of the Senior Officers, including the Chairman if an executive, and a report for the annual assessment of the Chairman of the Board.
- j) Inform the Board in advance of transactions associated with Directors, with significant shareholders or representatives on the Board, with Senior Officers or individuals associated in any way with them, to be submitted for approval by the Board.

#### **Article 14. Corporate Governance and Strategy Committee**

1. The Corporate Governance and Strategy Committee shall consist of the number of Directors as determined by the Board, with a minimum of 3 and a maximum of 5 members, to include, at least, a Non-Executive Director, an Executive Director and the Chairman of the Board. The Chairman of the Board will be, in turn, the Chairman of the Committee.

2. The Board shall appoint the Secretary of the Strategy and Corporate Governance Committee, a position that must necessarily be covered by those persons covered in Article 12.3 of these Regulations.
3. The appointment of the members of the Strategy and Corporate Governance Committee will require a favourable vote of, at least, two-thirds of the members of the Board.
4. The Strategy and Corporate Governance Committee will meet whenever the Board or its Chairman requests the issuance of a report or the adoption of proposals and, in any case, provided it is appropriate for the proper performance of its functions. In any case, it will meet once a year to report in advance on the evaluation of the functioning of the Committee itself.
5. The Committee shall be legally constituted, and the resolutions shall be adopted, in accordance with the terms established in Article 12.6 of these Regulations.
6. Without prejudice to other duties assigned by the Board or these Regulations, the Strategy and Corporate Governance Committee will have the following competencies:

**(a) With regard to Corporate Governance:**

- (i) Periodic analysis of policy, regulations, procedures and practices of the Company regarding Corporate Governance and Corporate Responsibility, as well as their degree of adaptation to the regulations, recommendations and national and international best practices in these areas.
- (ii) Annually evaluate the efficiency and compliance of the Company's Corporate Governance regulations and procedures and review in advance the information that the Board must approve and include in its annual public information.
- (iii) Propose to the Board any modifications that are appropriate to the Company's Corporate Governance regulations, explaining the reasons for the same.
- (iv) Inform the Board, prior to the approval of the same, about the information that the Company makes public regarding matters falling under its competency.
- (v) Consider the suggestions made by the shareholders, the Directors and the Senior Executives of the Company regarding matters of its competence.

**(b) With regard to Strategy:**

- (i) The periodic analysis of the Company's strategy, its goals, and strategic initiatives with its results, as well as their degree of compliance and adaptation to the values of the Company.
- (ii) Evaluate annually the efficiency and compliance of the strategy according to the global objective regarding business ethics and increases and contributions of value to shareholders, employees and other individuals and entities that collaborate and contract with the Company.
- (iii) Propose to the Board any modifications that are appropriate to the Company's Strategy, explaining the reasons for the same.
- (iv) Inform the Board, prior to approval by the same, on the information that the Company publishes in relation to the strategy and its dissemination.
- (v) Consider the suggestions made by the shareholders, the Directors and the Senior Executives of the Company regarding matters of its competence.

## Chapter V. Operation of the Board

### Article 15. Board Meetings

1. The Board, at the request of the Chairman, will prepare an annual calendar of ordinary meetings and approve a formal catalogue of the matters to be addressed therein.
2. Without prejudice to the above, the Board will meet once a quarter and, at the request of the Chairman, as many times the latter deems it appropriate for the proper functioning of the Company. The Chairman must convene the Board if so requested formally by a Vice Chairman or one third of the Directors. In the absence of the Chairman or if the Chairman does not address the request in the previous paragraph, without justification, within one month, any Vice Chairman or the Directors representing at least one third of the members of the Board of Directors may convene a meeting of the Board.
3. The call for an ordinary meeting will be made via email, letter, fax, telegram or any other valid means whose transmission is recorded and shall be authorised by the signature of the Chairman or the Directors who have requested the call. The call will be made, except in cases of emergency or need, no later than the third day prior to the date of the meeting.

4. Extraordinary meetings of the Board may be convened by the Chairman or by the individual replacing him or her, by any means, including by telephone. The notice period and the other requirements indicated in the previous section will not be applicable when, in the opinion of the convening party, the circumstances justify it.

5. The call will always include the meeting agenda and will be accompanied by the relevant information regarding the matters to be addressed. When in the opinion of the Chairman it is inadvisable for confidentiality reasons, the information is not to be included, the Directors will be advised of the possibility of examining it at the registered office. The Directors may also request the Chairman, the Secretary and the Vice Secretary of the Board to provide them with the additional information they deem necessary to assess the matters to be discussed at the meeting adequately.

6. Both at ordinary and extraordinary meetings, any Director may propose matters to address by the Board and to request the inclusion of matter in the agenda of the meetings that are convened. In addition, topics not included in the agenda may be debated and agreed on provided there is unanimity in this regard.

7. Board meetings may be held without the physical presence of its members, by video conferencing or other remote communication techniques, recording written statements and ballot votes, or by any valid electronic means.

#### **Article 16. Holding of the Meetings**

1. The Board shall be legally constituted, and it shall adopt its resolutions with the quorums of attendance and voting that are established in the Articles of Association and applicable law. In case of a tied vote, the vote of the Chairman of the Board will be decisive. The resolutions adopted will bind those not in attendance.

2. The Chairman will organise the debate seeking and promoting the participation of all the Directors in the discussions of the body.

3. Directors must personally attend the meetings that are held. Notwithstanding the foregoing, if a Director cannot attend a meeting, he or she may give his or her representation to another Director, that will be conferred, preferably, with voting instructions, unless in his or her opinion it is not appropriate. Such representation may be granted via email, letter, fax, telegram or any other valid means of which the transmission is recorded. Non-executive Directors may grant their representation to another non-executive Director.

4. In any case, efforts will be made to keep non-attendance of the Directors to a minimum. The Annual Corporate Governance Report will include information regarding attendance at meetings of the Board and its Committees.

#### **Article 17. Minutes and Discussions**

1. Matters discussed at meetings of the Board and its Committees will be properly reflected in a book of minutes that, once approved, will be signed by the Secretary of the meeting and approved by the individual acting as Chairman.

2. When the Directors or the Secretary express reservations or concerns about any proposal or the progress of the Company and such issues are not resolved at the Board meetings, they shall be recorded in the minutes, at the request of the individual who stated them.

### **Chapter VI. Appointments and Removal of Directors**

#### **Article 18. Nominations and Appointments of Directors**

1. Directors will be appointed, re-elected or ratified by the General Meeting or by the Board, in accordance with the provisions in the Articles of Association and other applicable laws.

2. The appointed Directors must comply with the requirements established by the Articles of Association to hold office and must not be subject to legally established debarments for the role or prohibited from holding the office as established by the Articles of Association.

3. The Directors shall hold office for the term provided for in the Articles of Association (in no case exceeding 6 years) and may be re-elected for periods of equal length. In all cases, the Board shall seek to apply criteria for reasonable renewal of the independent Directors.

4. Directors appointed by co-option shall hold office until the date of the first General Meeting.

#### **Article 19. Removal of Directors**

1. Directors will be removed from their office by the General Meeting, and after the period for which they were appointed.

2. The Director who is in any of the following circumstances shall notify the Company as soon as they become aware of the same:

- a) When subject to any of the grounds for incompatibility, prohibitions or reasons for removal or resignation legally provided for.
- b) When they seriously violate their obligations as Directors or when they have acted or become involved in omissions contrary to the diligence and responsibility of their role.
- c) When remaining in the office may jeopardise the interests of the Company or adversely affect the credit or reputation of the Company or the operation of the Board itself.
- d) When the reasons why they were appointed no longer exist.
- e) When the Director can no longer provide the dedication necessary to effectively perform his/her role.
- f) When the shareholder represented by the Shareholder Directors sells his or her shares entirely or when it is reduced to a level that requires the reduction of the number of Shareholder Directors appointed on behalf of said shareholding interest.
- g) When faced with the start of criminal or administrative proceedings that could result in disciplinary sanctions for serious or very serious misconduct by the supervisory authorities of the Securities Markets, when this could seriously damage the Company's credit and reputation.
- h) For independent Directors, when a modification occurs in the conditions or circumstances of the Director that may modify their capacity as independent.
- i) For Executive Directors, when they resign, for any reason, from leadership positions to which their appointment as a Director was associated.

3. Without prejudice to the above, in the event that the Director finds him or herself in any situation covered in the previous section, the Board shall instruct such Director to resign from his/her position. In the event that the Director does not comply with the requirement of the Board, the latter shall submit to the General Meeting the corresponding proposal for removal.

## Chapter VII. Director Information

### Article 20. Information and Inspection Powers

1. The Director is required to be informed about any aspect of the Company, to examine its books, records, documents and other background information regarding company operations and to inspect all its facilities. The right of information extends to affiliated companies, whether domestic or foreign.
2. In order not to disrupt the Company's ordinary management, the Secretary of the Board will handle all powers of information and will abide by the requests from the Director by providing the information or referring them to the appropriate representatives in the Company.
3. The Chairman may restrict, as an exception, and temporarily, access to certain information, accounting for this decision to the Board.

## Chapter VIII. Remuneration of Directors

### Article 21. Remuneration of Directors

1. The remuneration of the Board members shall be determined by the General Meeting of Shareholders in accordance with the Articles of Association. The Board, also in accordance with that provided for in the Articles of Association and based on the report to that effect by the Appointments and Remuneration Committee, should it exist, will submit the corresponding proposals to the General Meeting and distribute among its members, according to the criteria established, the global compensation, once set.
2. Compensation as a Director will be compatible and independent of pay, bonuses, remuneration, pensions or compensation of any kind established in general or in an individual manner for the Executive or External Directors for their services provided by reason of employment or otherwise with the Company.
3. The Board, with the advice of the Appointments and Remuneration Committee, should it exist, will ensure that the remuneration of the external Directors is adequate to compensate the dedication, qualification and responsibility that the position requires, but does not constitute, in the case of Independent Directors, an obstacle to their independence  
In the event that the Director's compensation proposal includes the issuance of shares, this will be conditioned on the Directors maintaining ownership of such shares until they resign their office.



4. The Board will prepare, from the proposal raised by the Appointments and Remuneration Committee, should it exist, an annual report on the compensation of the Directors in which clear, complete and understandable information about the compensation policy of the Company approved by the Board will be disclosed.

5. The report prepared by the Board noted in point 4 above, in accordance with the legally established criteria and taking into consideration recommendations and best practices on the subject matter, will be made available to shareholders and will be submitted to an annual vote, and as a separate point of the agenda at the General Meeting.

6. Notwithstanding the provisions of the Law, the Board, based on a report from the Appointments and Remuneration Committee, should it exist, will annually approve the compensation information of the Directors and the Senior Officers, which the Company will make public in the Annual Accounts Report and the Annual Corporate Governance Report, with the breakdown of items and degree of individualisation it determines.

## Chapter IX. Duties of the Director

### Article 22. Duty of loyalty and diligent administration

1. The Directors, in the performance of their duties, shall act with the diligence of an orderly entrepreneur and a loyal representative, being required, in particular, to comply with the following duties.

#### DUTIES CONCERNING RESPONSIBLE BEHAVIOUR AND FORM OF WORKING

1. Perform the job and fulfil the duties imposed by laws and the Articles of Association with the diligence of an orderly entrepreneur performing their duties with a unity of purpose and an independence of criteria, bestowing the same treatment on all the shareholders who are in the same position;
2. Dedicate sufficient time for the effective development of their roles and to understand the company's business and the governance regulations that regulate it and are guided by the company's interest, understood as the attainment of a long-term profitable and sustainable business, that promotes its continuity and a maximisation of the company's economic value;
3. Collect the appropriate and necessary information from the company by analysing, in advance, the agenda for the board meeting to be properly prepared for the board meetings;

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4. Carry out the role with the loyalty of a devoted representative, working in good faith and in the company's best interests;

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  5. Keep information, data, reports or background to which they may have had access in the fulfilment of their role confidential, even when they resign their role;

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  6. Inform and, if appropriate, resign under those events that may impair the company's credit and reputation and, in particular, that require them to inform the board of directors of criminal cases in which they may be indicted, as well as of their subsequent trials;

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  7. Refrain from engaging in the discussion and voting of resolutions or decisions where they or a related individual may have a conflict of interests, directly or indirectly

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  8. Not use the name of the company or invoke their status as director to improperly influence private operations;

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  9. Not use company assets, including confidential company information, for private purposes;

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  10. Not take advantage of company business opportunities;

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  11. Not obtain any third-party benefits or compensation outside those of the company;

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  12. Not carry out activities on their own behalf or on behalf of third parties that constitute effective competition;

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### NON-DELEGABLE OPERATING FUNCTIONS

1. Monitoring the effective operation of any committees that they may have established;
2. Deciding on general company policies and strategies;
3. Preparing and presenting annual accounts to the general meeting;
4. Submitting any type of report required by law to the administrative body;
5. Appointing and removing directors who are directly dependent on the board of directors;
6. Calling the general shareholders' meeting and preparing the agenda and proposing resolutions;

### EXECUTIVE OPERATING FUNCTIONS

1. Face-to-face interaction with customers-suppliers, trade fair attendance, contact with prospective customers;
2. Visibility and closeness to Employees. Visit factories, offices (2-3 visits annually);
3. Constant efforts to attract business from potential customers;
4. Attending institutional events (industrial or public entities) in a delegated manner;
5. Make the Chairman of the Board, or the Board, aware of deviations or unlawful practices detected in the management of the company;
6. Make the Chairman of the Board, or the Board, aware of the defects found in the company's control systems, and carry out proposals for improvement;
7. Advise the Chairman of the Board, or the Board, of the risks of which they are aware, proposing measures for proper handling.

#### **Article 23. Duty of secrecy and confidentiality**

1. The Director shall keep secret the deliberations of the Board and the delegated bodies of which he is a member and, in general, shall refrain from disclosing information to which he has had access while holding office. The obligation of confidentiality will subsist even if they have ceased in the exercise of their role.

2. Where the Director is a legal entity, the duty of secrecy will also devolve upon the representative, without prejudice to the obligation to inform its principal.

#### **Article 24. Conflicts of Interest**

1. Directors must inform the Board of any situation of conflict, direct or indirect, that they may have with the interests of the Company in accordance with the terms established in the Articles of Association and other applicable legislation.

#### **Article 25. Prohibition of Competition**

1. Directors may not provide their professional services to companies that have the same or similar corporate purpose as the Company, except for positions that may be held in Group companies or when expressly authorised by the General Meeting of Shareholders.

#### **Article 26. Indirect Operations**

1. The regulation established in Chapter IX shall apply to the companies and persons connected with the Director in the terms provided for in applicable law.

#### **Article 27. Public Information**

1. The Board will publicly report on related transactions made by the Company, complying in all cases with what is established by current regulation. To that end, the Board will have the prior report of the Appointments and Remuneration Committee, should it exist.

### **Chapter X. Board Relationships**

#### **Article 28. Relations with Shareholders**

1. The Board will favour and enhance the communication of the Company with its shareholders and will decide the appropriate channels to find out about the proposals that the latter may formulate regarding the management of the same.

2. The Board shall promote informed participation of shareholders in General Meetings and shall take appropriate steps to make it easier for the General Meeting to effectively exercise its functions under the Law, the Articles of Association and the Regulations of the General Meeting of Shareholders.

#### **Article 29. Relations with Institutional Investors**

1. The Board shall promote the exchange of regular information with institutional investors who are shareholders or interested in the Company.

2. Under no circumstances may relationships with institutional investors result in the delivery of any non-public information to them or that could provide them with a privileged or advantageous situation over other investors or shareholders.

#### **Article 30. Relations with Markets**

1. The Board is responsible for keeping the information established by current regulations and any other information that, in the opinion of the Board, may be relevant to financial and capital markets, updated on the corporate website and available to the public.

2. The Board will ensure timely compliance with current regulations regarding relevant information in accordance with the provisions of the Internal Code of Conduct on Matters Relating to the Securities Market of the Company.

3. The Board will approve and publicly disclose information about its regulation and practices regarding Corporate Governance, complying in all cases with the provisions of current regulations and in accordance with the recommendations and best practices on matters of Corporate Governance.

#### **Article 31. Relations with Auditors**

1. The Board's relations with external auditors of the Company shall be governed by the Audit and Compliance Committee, should it exist, as provided for in these Regulations.

2. The Board shall endeavour to submit the annual accounts of the Company to the General Meeting without reservations or qualifications in the audit report. If these exist, the Board will request from the external auditors that, if they are required to do so, they report on such reservations or qualifications to the shareholders at the Ordinary General Meeting.

3. The Board shall refrain from contracting the auditing of the annual accounts to those firms whose fees for all concepts represent more than ten percent of the total income of the same during the last fiscal year.
  
4. The Board will report publicly, with the frequency and content established by applicable regulation at all times, on the fees paid by the Company to the auditing firm for services other than auditing.