



**REGULATIONS OF THE BOARD OF  
DIRECTORS OF GIGAS HOSTING, S.A.**

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## **REGULATIONS OF THE BOARD OF DIRECTORS OF GIGAS HOSTING, S.A.**

### **CHAPTER I. PRELIMINARY CONSIDERATIONS**

#### **Article 1. Purpose**

The purpose of these Regulations is to set out the principles of action of the Board of Directors of GIGAS HOSTING, S.A. (the "**Company**"), the core rules of its organisation and operation and the rules of conduct to be followed its members.

#### **Article 2. Amendment**

1. These Regulations may be amended by the Board only at the request of the Chairman, of one third of Board Members, or of the Audit, Control and Compliance Committee. The proposed amendment must be supported by an explanatory report.
2. The text of the proposal and the authors' supporting rationale shall be attached to the notice of the Board meeting at which the proposal is to be discussed.
3. To be valid, an amendment of the Regulations must be passed by an absolute majority of the directors present at the meeting.
4. The Regulations shall be revised whenever required to be brought into alignment with applicable laws and regulations.

#### **Article 3. Scope**

1. The Regulations apply to the Board of Directors, its delegated bodies (whether collegial or in the form of a single officeholder) and any internal committees.
2. The rules of conduct set out in the Regulations shall also apply to the Company's senior management to the extent consistent with the nature of their roles.
3. A person subject to the Regulations is under a duty to be aware of, comply with and procure the compliance of others with the Regulations. For this purpose, the Secretary to the Board shall provide a copy of the Regulations to all subject persons when they accept their respective appointments. Each subject person shall deliver to the Secretary a signed statement to the effect that he or she is aware of and agrees with the content of the Regulations and undertakes to perform any duties he or she may have under the Regulations.

#### **Article 4. Publication**

The Company Board shall take steps to ensure the Regulations are made public among shareholders and the investment community at large. Specifically, the current text of the Regulations shall be disclosed to the BME Growth Segment of BME MTF Equity and shall be made available on the corporate website of the Company as provided in the Regulations themselves.

## **CHAPTER II. ROLE OF THE BOARD**

### **Article 5. Powers of the Board of Directors**

1. The Board of Directors has powers to pass resolutions on all matters not ascribed to the General Meeting by law or by the Company by-laws.
2. The core role of the Board is to set down Company strategy and decide on how best to organise its implementation. In addition, the Board oversees senior management to ensure that specified goals are achieved and the Company is run in accordance with its best interests.

For these purposes, the Board reserves to itself, when meeting in full, the power to adopt the Company's broad strategy and policies, specifically: (i) the strategic or business plan, annual management goals and the budget; (ii) investing and financing policy; (iii) company group structure; (iv) corporate governance policy; (v) corporate social responsibility policy; (vi) risk control and management policy, including tax risks, and regular monitoring of internal reporting and control systems; and (vii) dividend policy, share buyback policy and their limits.

3. The Board of Directors is vested in the broadest powers and authorities to manage the Company and act on its behalf. However, the Board may entrust to senior management and to any delegated bodies the management of day-to-day affairs and the communication, coordination and general implementation of the Company's policies and management guidelines, so as to focus on creating, overseeing and monitoring the overarching policies, strategies and guidelines to be followed by the Company and its group.
4. Powers or authorities may not be delegated if, by law or by virtue of the by-laws, they are reserved to direct control by the Board.
5. Although it may use its legal power of delegation to give powers to others to implement specific decisions, the Board shall, on its own motion or when urged to do so by the relevant internal body, directly exercise the following powers and authorities:

A) In relation to the General Meeting:

- a) Call the shareholders to a General Meeting and publish the related announcements.
- b) Propose amendments of the Company's by-laws to the shareholders at a General Meeting.
- c) Propose amendments to the Regulations of the General Meeting to the shareholders at a General Meeting. Such proposal must be backed by an explanatory report.
- d) Submit to the shareholders at a General Meeting a proposal to convert the Company into a holding company by transferring core businesses so far carried out by the Company to subsidiary companies, which may remain wholly owned by the Company.
- e) Submit to the shareholders at a General Meeting transactions to acquire or dispose of core operating assets, in accordance with the presumption created under Article 160 of the Spanish Companies Act (*Ley de Sociedades de Capital*).

- f) Propose to the shareholders at a General Meeting that they adopt transactions the effect of which would be equivalent to the winding-up of the Company.
- g) Submit proposals to the shareholders at a General Meeting relating to appointment, ratification or re-election of non-independent directors, with the support of a report from the Nomination and Remuneration Committee (if such exists), or removal of directors.
- h) Execute resolutions passed by the shareholders at a General Meeting and perform any duties entrusted to the Board by the shareholders.

B) In relation to the organisational structure of the Board and delegation of powers and authorities:

- a) Adopt and amend these Regulations, subject to a report from the Audit, Control and Compliance Committee.
- b) Specify the structure of general powers of attorney to be granted by the Board or by delegated management bodies.

C) In relation to Company reporting and disclosures:

- a) Manage the supply of information by the Company to shareholders, the authorities, the markets and the general public following principles of equality, transparency and accuracy.
- b) Authorise for issue the financial statements, management report and proposed appropriation of the Company's profit or loss and, as the case may be, the consolidated financial statements and management report, for submission to the shareholders at a General Meeting.
- c) Approve scheduled financial reporting and disclosures that are mandatory by reason of the Company being admitted for trading on the BME Growth Segment of BME MTF Equity.

D) In relation to directors and senior management:

- a) Appoint and replace officeholders within the Board and members and officeholders within the Board committees.
- b) Appoint directors by co-option.
- c) Appoint and remove executive directors and approve contracts to be entered into between the Company and directors who are to be given executive duties, setting out the heads of remuneration for performance of such duties.
- d) Approve the remuneration due to each director, based on a proposal from the Nomination and Remuneration Committee (if it exists), in accordance with the remuneration policy adopted by the shareholders at a General Meeting.
- e) Adopt the specification of and any modification to the organisational structure of the Company, the appointment and removal of senior managers (as referred to in Article 2), and any compensation or indemnity to be paid in the event of termination of employment.

A "senior manager" is an executive who reports directly to the Board or, as the case may be, to the chief executive officer. The category embraces the general manager and any other executive accorded that status by the Board.

- f) Adopt the remuneration policy for senior management and the key terms of their contracts, at the proposal of the chief executive officer – if such office exists – and based on a report by the Nomination and Remuneration Committee, if it exists.
- g) Make rules on, assess and decide upon conflicts of interest and related-party transactions between the Company and its shareholders, directors and senior managers and their own related parties.
- h) Authorise or waive duties arising from the duty of loyalty in accordance with applicable laws.

E) Other powers:

- a) Set dividend policy and submit proposals to the shareholders at a General Meeting on the appropriation of profit or loss and other forms of remuneration to shareholders, and decide, as the case may be, to pay interim dividends.
- b) Take due note of merger, split and concentration transactions and *en bloc* transfers of assets and liabilities affecting any significant group company.
- c) Approve investments, disposals and transactions of any kind that are strategic or carry special tax risks by reason of their large amount or special nature, unless such approval must rest with the shareholders at a General Meeting.
- d) Create or acquire shares in special-purpose vehicles or entities domiciled in countries or territories listed as tax havens, or conclude any analogous transaction that might, by reason of its complexity, undermined the group's transparency.
- e) Execute the Company's share buyback and treasury share policy within the bounds of an authorisation given by the shareholders at a General Meeting.
- f) Decide on proposals submitted by the Chairman of the Board, the chief executive officer or, as the case may be, the general manager or Board committees.
- g) Decide on any other matter within its purview that the Board itself believes to be of interest to the Company or that the Regulations reserve to the consideration of the Board when meeting in full.

**Article 6. Corporate interest**

1. The Board of Directors shall perform its duties always in pursuing the corporate interest, defined as the common interest of all the shareholders of an independent public limited company (*sociedad anónima*) that is dedicated to its corporate objects in accordance with prevailing laws and regulations.

2. In the performance of its duties, the Board shall seek to further the corporate interest and act with unity of purpose and independence of judgement. Moreover, the Board shall take account of the legitimate public and private interests that underlie a business enterprise, and, especially, as among the different stakeholders, the interests of the communities and territories where the Company operates and the interests of its employees. In this context, the Board shall seek sustainably to maximise the economic value of the Company and ensure its long-term success, this being the common interest of all shareholders and hence the criterion that at all times must guide the actions of the Board and of its delegated bodies and internal committees and their members.

### **CHAPTER III. COMPOSITION OF THE BOARD**

#### **Article 7. Qualitative composition**

1. An appointee as a director shall satisfy the requirements of the law, the by-laws and these Regulations. Upon taking office, a new appointee shall formally undertake to perform the duties and obligations set out in the Regulations.
2. In the exercise of its powers to propose director appointments to the shareholders at a General Meeting and to appoint directors by co-option, the Board shall take account of the presence among its membership of the following three (3) categories of director:

**A) Independent directors:** persons appointed by reason of their personal and professional aptitudes who are able to perform their duties in the absence of interference caused by prior ties to the Company, its significant shareholders or its executives.

A person may not be appointed as an independent director if he or she:

- a) was an employee or an executive director at a company of the same group to which the Company belongs, unless three (3) or five (5) years, respectively, have elapsed since the end of that relationship; or
- b) receives from the Company, or from a company within the same group, any amount or benefit under any head other than remuneration as a director, unless such additional amount or benefit is not significant for the director.

For the purposes of this paragraph, no account is to be taken of dividends or pension supplements received by the director by reason of his or her previous professional or employment relationship, provided that such benefits are unconditional and hence the Company would be unable, in its own discretion and without breach of its obligations, to suspend, modify or revoke the accrual of the benefit;

- c) is, or was at one point in the past three (3) years, a partner of the external auditor or otherwise responsible for the audit report, whether in connection with audits during that period of the Company itself or of any other company within its same group;
- d) is an executive director or senior manager at an entity other than the Company at which an executive director or senior manager of the Company is a non-executive director;
- e) carries on or, in the past year, carried on, a significant business relationship with the Company or one of its group companies, whether on his/her own behalf or as a significant shareholder, executive director or senior manager of an entity that maintains or formerly maintained such a relationship. A "business relationship" means a relationship with a supplier of goods or services, including financial, advisory or consulting services;



- f) is a significant shareholder, executive director or senior manager of an entity that receives now, or has received over the past three (3) years, significant gifts from the Company or one of its group companies;
- g) is the spouse of, or a person having analogous affective ties to, or a family member of up to the second degree of an executive director or senior manager of the Company;
- h) has been a Company director for an uninterrupted period of more than twelve (12) years;
- i) has not been proposed by the Nomination and Remuneration Committee (if a Nomination and Remuneration Committee exists) for appointment or replacement; and/or
- j) with respect to a significant shareholder or other shareholder represented on the Board, is any of the situations referred to in indents (a), (e), (f) or (g) of this paragraph. If the kinship referred to in indent (g) is in evidence, the limitation shall apply both to the shareholder and its appointed proprietary directors of the investee.

**B) Proprietary non-executive directors:** persons who hold a shareholding equal to or greater than ten percent (10%) of share capital, or who, while holding less than that proportion of share capital, are appointed as directors by reason of their shareholder status.

**C) Executive directors:** persons who perform senior management roles or are employees of the Company or of another company within the same group. However, any director who is a senior manager or director of a parent company of the Company shall be deemed to be a proprietary director. If a director performs a senior management role and, at the same time, is or represents a significant shareholder or other shareholder having a presence on the Board, solely for the purposes of these Regulations he or she shall be deemed to be an executive director, even if for other legal purposes he or she may be deemed to be a proprietary director.

**D) If a non-executive director does not satisfy the requirements to be considered either proprietary or independent, this situation must be explained, and he or she shall fall in the category of "other non-executive directors".**

- 3. The goal shall be pursued that the Board include a suitable number of independent directors of at least one third of the total membership.
- 4. The Board shall give an account of the character and qualifications of each candidate director to the shareholders when they are to make or ratify his or her appointment at a General Meeting.

#### **Article 8. Quantitative composition**

- 1. The Directors shall comprise the number of directors set by the shareholders at a General Meeting within the bounds delimited by the Company's by-laws.
- 2. The Board shall propose to the shareholders at a General Meeting such number of members as, in accordance with the changing circumstances the Company, is best suited to ensure that the Board is both properly representative and operationally effective.

## **CHAPTER IV. STRUCTURE OF THE BOARD**

### **Article 9. The Chairman of the Board**

1. The Chairman of the Board of Directors shall be elected from among its members.
2. The Chairman has an ordinary power to convene the Board, to draw up the agenda of each of its meetings, and to moderate its deliberations.
3. As the party in charge of the effective operation of the Board, the Chairman shall encourage debate and active involvement among directors during Board meetings, while safeguarding freedom of opinion and directors' ability to state a position.

### **Article 10. The Deputy Chairman**

The Board may appoint one or more deputy Chairs, who shall replace the Chairman if he or she is absent or unable to attend.

### **Article 11. The Secretary of the Board**

1. The Board of Directors shall elect a Secretary, who may him or herself also be a director, and thus able to carry out the functions inherent in that office. If the Secretary of the Board is not him or herself a director, he or she shall be entitled to speak at meetings but may not vote on resolutions.
2. The Secretary shall assist the Chairman in his/her role and make provision to ensure that the Board can operate successfully. In particular, the Secretary shall provide to directors appropriate advice and information, ensure that the Company's books and documents are properly kept, faithfully write the minutes of meetings, and certify Board resolutions.
3. The Secretary shall at all times ensure that the actions of the Board are legal in form and substance and in alignment with the letter and spirit of laws and regulations, including rules made by regulatory bodies. The Secretary shall also see that the Board acts consistently with the key recommendations on good governance. The Secretary shall further ensure that the rules and procedures of governance are regularly reviewed.

### **Article 12. The Deputy Secretary of the Board**

1. The Board of Directors may appoint a Deputy Secretary, who need not be him/herself a director, to assist the Secretary to the Board and replace him or her in the event of absence.
2. Unless decided otherwise by the Board, the Deputy Secretary may attend Board meetings to assist the Secretary in the drafting of the minutes.

### **Article 13. Delegated bodies of the Board**

1. The Board of Directors may appoint from among its members an Executive Committee, or one or more executive directors. This is besides the powers that the Board may grant to anyone. The Board may delegate to any such body or person, in whole or in part and permanently or for a limited period, any power that is capable of being delegated in accordance with applicable laws and regulations and the by-laws. To be valid, delegation of powers to, and appointment of, members of the Board who are to exercise such offices must be supported by a vote in favour of two thirds of Board members.

2. In addition, the Board may set up advisory committees, which, as an exception, may be granted decision-making powers.
3. The Board may set up an Audit, Control and Compliance Committee and a Nomination and Remuneration Committee, which will have the powers and authorities of information, oversight, and ability to give advice and set forth proposals within their respective purviews, as specified in Articles 14 and 15 below.

#### **Article 14. The Audit, Control and Compliance Committee**

1. The Audit, Control and Compliance Committee shall comprise at least three (3) and not more than five (5) directors, appointed by the Board itself. All such members must be non-executive directors. A majority of members of the Audit, Control and Compliance Committee must be independent. At least one of them shall be appointed having regard to his or her knowledge and experience in accounting, auditing or risk management. The Audit, Control and Compliance Committee shall appoint its Chairman from among the independent directors on the Committee. The office of Secretary to the Audit, Control and Compliance Committee may be performed by a Committee member or by the Secretary to the Board.
2. A director who sits on the Audit, Control and Compliance Committee remains in office for as long as he or she remains a director of the Company, unless the Board decides otherwise. The replacement, re-election and removal of directors who sit on the Committee is governed by the Board. The office of Chairman is exercised for no more than four (4) years. After that term, he or she may not be re-elected until one (1) year has elapsed since his or her departure from that office, although he or she may continue or be re-elected as a Committee member.
3. The Audit, Control and Compliance Committee has powers of information and oversight and the ability to give advice and make proposals on matters within its purview. Specifically, in addition to any other roles assigned to it by the Board, the Committee has the following powers and duties:
  - a) Report on matters within the scope of its concerns to the shareholders at a General Meeting.
  - b) Supervise the effectiveness of the Company's internal controls, internal audit and risk management systems - including tax risks - while also discussing with the statutory auditor any significant weaknesses in the internal control system detected in the course of the audit.
  - c) Oversee the process of preparation of financial information and mandatory financial reporting.
  - d) Submit to the Board proposals to select, appoint, re-elect and replace the auditor and the terms and conditions of their engagement; regularly request from the auditor information on the audit plan and its execution, and ensure their independence in the exercise of audit duties.
  - e) Establish suitable relations with the statutory auditor to receive information on issues that might compromise their independence, for consideration by the Committee, and any other matters relating to the auditing of the financial statements and any other disclosures required by the laws, regulations and standards applicable to auditing.
  - f) Issue annually, prior to the issuance of the audit report on the financial statements, an opinion on the independence of the statutory auditor.
  - g) Previously inform the Board on all matters required by law, the by-laws and the Regulations of the Board, especially regarding: (i) financial information that the Company must regularly make public; (ii) creation or acquisition of interests in special purpose vehicles or entities domiciled in countries or territories listed as tax havens; and (iii) related-party transactions.

4. Any member of senior management or employee of the Company summoned for the purpose shall attend meetings of the Audit, Control and Compliance Committee to provide his or her assistance and any information in his or her possession. The Audit, Control and Compliance Committee may also require the presence at its meetings of the statutory auditor.

#### **Article 15. The Nomination and Remuneration Committee**

1. The Nomination and Remuneration Committee shall comprise at least three (3) and not more than five (5) directors, appointed by the Board itself at the proposal of the Chairman of the Board. All such members must be non-executive directors. The majority of members of the Nomination and Remuneration Committee shall be independent directors and shall be appointed with knowledge, skills and experience appropriate to the functions they are called upon to perform. The Nomination and Remuneration Committee shall appoint its Chairman from among the independent directors on the Committee. The position of Secretary to the Nomination and Remuneration Committee may be held by a member of the Committee member or by the Secretary to the Board.
2. A director who sits on the Nomination and Remuneration Committee remains in office for as long as he or she remains a director of the Company, unless the Board decides otherwise. The replacement, re-election and removal of directors who sit on the Committee is governed by the Board. The office of Chairman is exercised for no more than six (6) years. After that term, he or she may not be re-elected until one (1) year has elapsed since his or her departure from that office, although he or she may continue or be re-elected as a Committee member.
3. The Nomination and Remuneration Committee has the following powers and duties:
  - a) Evaluate the competencies, knowledge and experience necessary for the Board of Directors. To this end, it shall define the duties and capabilities necessary in candidates who shall fill each vacancy and evaluate the time and dedication necessary in order to effectively fulfil their role.
  - b) Establish an objective regarding the representation of the least represented gender in the Board of Directors, and develop guidelines as to how to reach said objective.
  - c) Submit to the Board of Directors proposals for the appointment of independent directors for their nomination by co-option or for their submission to the General Meeting's decision, in addition to proposals for the re-election or dismissal of said directors by the General Meeting.

- d) Report on proposals for appointment of all other directors for their nomination by co-option or for their submission to the General Meeting's decision, in addition to proposals for their re-election or dismissal by the General Meeting.
- e) Report on appointment proposals of natural persons who will represent a legal person director.
- f) Report on the appointment of the chairperson or deputy chairs of the Board of Directors.
- g) Report on the appointment of Chief Executive Officer.
- h) Report on the appointment of the Secretary or Deputy Secretary of the Board of Directors.
- i) Propose the members of each committee based on their knowledge, skills and experience and the duties of each committee.
- j) Report on proposals for appointment or dismissal of senior management and the basic conditions of their contracts.
- k) Research and organise the succession of the Chairman of the Board of Directors and the first executive of the Company and, where relevant, formulate proposals to the Board so that said succession can be processed in an orderly and well-executed manner.
- l) Propose to the Board of Directors, the policy for the remuneration directors and senior executives and of whoever else performs senior management duties under the direct supervision of the Board of Directors, the Executive Committee or the Chief Executive Officers, where they exist, in addition to the individual remuneration and other contractual conditions of executive directors, ensuring compliance with the same.

## **CHAPTER V. RULES OF PROCEDURE OF THE BOARD**

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

1. The Board of Directors shall hold ordinary meetings at least once every three (3) months and, at the initiative of the Chairman as he or she sees fit for the proper operation of the Company.
2. Board meetings shall be convened by the Secretary at the request of the Chairman.
3. Notice of ordinary meetings shall be given in person, by letter, fax or e-mail, and authorised by the Chairman's signature or, where appropriate, that of the Secretary or Deputy Secretary as ordered by the Chairman. The meeting shall be convened at least forty-eight (48) hours in advance.

The notice shall always contain the agenda of the meeting and any duly summarised and prepared relevant information.

4. The Board may pass resolutions in writing without the need to call a meeting, as provided for in applicable legislation. Voting on such resolutions shall only be valid when no director objects to this procedure.
5. The Board shall draw up an annual schedule of ordinary meetings.

#### **Article 17. Conduct of meetings**

1. Board meetings shall be quorate with attendance in person or by proxy of at least half plus one of its members. Directors shall make every effort to attend meetings of the Board of Directors. Where they are unable to do so in person, that shall endeavour to grant special proxy representation to another Board member in writing for each meeting, with appropriate instructions, and notify this to the Chairman of the Board of Directors.
2. Board members may attend, participate in discussions and exercise their right to vote through any means of distance communication provide that it duly guarantees the identity of the principal and the security of their communications and vote. Meetings of the Board of Directors may also be held by any means of distance communication under the same terms.
3. The Chairman shall stimulate debate and active participation of all members in discussions.
4. Resolutions shall be passed by an absolute majority of members in attendance, except where other majorities are provided by the law or the by-laws.
5. Board of Directors meetings shall be minuted and signed at least by the Chairman and Secretary or Deputy Secretary, where appropriate. Minutes shall be recorded in the Board's minutes book, in accordance with the law.
6. Minutes shall be approved by the Board of Directors itself at the end of each meeting or at a subsequent meeting.

### **CHAPTER VI. APPOINTMENT AND REMOVAL OF DIRECTORS**

#### **Article 18. Appointment of directors**

1. Directors shall be appointed by the General Meeting or by the Board of Directors as provided for in applicable regulations.
2. However, where there is a Nomination and Remuneration Committee, appointments of independent directors shall be made on a proposal by the Nomination and Remuneration Committee. All other directors shall be appointed based on a report by the Nomination and Remuneration Committee.

#### **Article 19. Appointment of non-executive directors**

1. The Board of Directors shall endeavour to select candidates of renowned solvency, competence and experience, paying particular attention to the selection of candidates for independent director positions, as stipulated in article 7 above.
2. The Board may not propose or appoint as independent director anyone with any relationship with the Company's management or who is related to the Company by means of family, professional or business ties to executive directors, other executive officers of the Company.

#### **Article 20. Re-election of directors**

Prior to submitting director re-election motions at the General Meeting, the Board of Directors shall evaluate, in the absence of the directors up for re-election, the quality of the work performed by the candidates during their last term of office and their dedication to the post.

#### **Article 21. Term of office**

1. Directors are appointed for a term of six (6) years, without prejudice to the possibility of removal before the end of their tenure by the General Meeting. At the end of their tenure, they may re-elected one or more times for periods of equal duration.
2. Director appointments shall terminate when, after the end of their term of office, a General Meeting has taken place or the legal deadline for holding the General Meeting to ratify the prior-year's annual financial statements has lapsed.
3. Directors appointed by co-option shall hold their directorship until the first General Meeting immediately following their appointment.

#### **Article 22. Resignation, removal and departure**

1. Directors shall cease to hold office at the end of the tenure for which they were appointed or when so determined by shareholders at the General Meeting by exercising powers attributed to the General Meeting.
2. Directors shall tender their resignation to the Board of Directors and resign in the following situations:
  - a) When due to circumstances they come under one of the grounds for disqualification or prohibition established in general provisions, the by-laws or these Regulations.
  - b) When actions or conduct attributable to the director has caused serious harm to the Company's assets or reputation, or expose the Company to risk of criminal liability.
  - c) When they lose credibility, suitability, solvency, competency, availability or commitment to the duties necessary to be a Director of the Company.
  - d) When their remaining on the Board may jeopardise for any reason, and directly, indirectly or through their related parties (as defined in these Regulations) the loyal and diligent discharge of their duties in accordance with the corporate interest.
  - e) When the reasons for which they were appointed cease to exist and, in particular, when the shareholder or shareholders that proposed, required or determined their appointment, sell or transfer, in part or in full, of their shareholding, resulting in the loss of their status as a qualifying or sufficient shareholder to justify the appointment.

3. In any of the cases described in section 2 above, the Board shall require the director to tender their resignation and, as appropriate, propose their removal to the General Meeting.
4. Directors shall also tender their resignation to the Board when they reach the age of 70. They must resign at the first Board meeting held after the General Meeting that approved the financial statements for the year in which they reached that age.
5. Directors who resign or otherwise stand down from the Board of Directors before the end of their mandate must state their reasons in a letter addressed to all its members.
6. The Board of Directors may only propose the removal of an independent director before the end of his or her mandate when it ascertains just cause. Specifically, just cause shall be deemed to exist when a director has failed to uphold his or her fiduciary duties or breaches any of the safeguards itemised in the prevailing legal definition of independent director.

#### **Article 23. Objectivity and secret ballots**

1. In keeping with article 30 of these Regulations, directors subject to appointment, re-election or dismissal proposals must abstain from participating in the deliberations and votes concerning their candidacy.
2. All Board votes on matters concerning director appointments, re-election or dismissals shall be cast by secret ballot.

### **CHAPTER VII. INFORMATION TO BOARD MEMBERS**

#### **Article 24. Right to information and inspection**

1. Directors may request information about any matter regarding the Company and examine the Company's books, accounting records and other documentation.
2. Information requests must be addressed to the Secretary of the Board of Directors, who shall inform the Chairman of the Board and the appropriate contact person within the Company.
3. The Secretary shall warn the director in question of the confidential nature of the information requested and provided and of his/her confidentiality duty under these Board Regulations.
4. The Chairman may reject the information requested if he considers that: (i) it is not required for due performance of the duties incumbent upon the director; or (ii) its cost is not reasonable in light of the importance of the issue or in relation to the Company's assets or revenues.

#### **Article 25. Expert assistance**

1. In order to help them fulfil their duties, any of the directors may seek the assistance they need from the Company. To this end, the Company shall provide suitable channels which may extend exceptionally to external assistance at the Company's expense.
2. Any such engagement must necessarily relate to specific matters of certain importance and complexity that arise during the performance of their duties.
3. The decision to call on external advice shall be notified to the Chairman and may be vetoed by the Board of Directors if it can certify that:

- a) it is not necessary to due performance of the duties incumbent upon the non-executive directors;



- b) its cost is not reasonable in light of the importance of the issue or in relation to the Company's assets or revenues; or
- c) the expertise sought can be adequately furnished by the Company's own experts and specialists.

#### **CHAPTER VIII. REMUNERATION OF BOARD MEMBERS**

##### **Article 26. Remuneration of Board members**

1. Directors shall be entitled to the remuneration established in the Company's by-laws.
2. Within the limits established in the Company's by-laws, the Board of Directors shall strive to ensure that director remuneration is reasonably proportionate to the Company's importance, the prevailing economic situation, market standards for companies of a similar size and business, and their dedication to the Company. The remuneration system established must be designed to promote the long-term profitability and sustainability of the Company and incorporate the necessary mechanisms to avoid excessive risk-taking or rewarding poor performance.
3. The Board of Directors shall also ensure that the amount of remuneration received by non-executive directors is sufficient to compensate them for their dedication but does not compromise their independence.

#### **CHAPTER IX. DUTIES OF DIRECTORS**

##### **Article 27. General duties of directors**

1. Directors have the duty of guiding and controlling the Company's management to maximise its value for the benefit of shareholders.
2. Directors must carry out their role and fulfil their tasks with the diligence of an orderly business person and loyal representative, and are specifically bound to:
  - a) Adequately prepare for the meetings of the Board and any delegate bodies to which they belong.

- b) Attend meetings of the bodies to which they belong and participate actively in discussions so that their opinion shall effectively contribute to the decision-making process. If, on warranted grounds, they are unable to attend the meetings they have been called to attend, they must provide voting instructions to the director appointed as their proxy.
- c) Carry out any specific task assigned by the Board of Directors and which is reasonably within their remit.
- d) Investigate all irregularities in the Company's management of which they may have been notified and be watchful for any situation of risk.
- e) Prompt those so empowered to call an extraordinary meeting of the Board or to include items they deem appropriate on the agenda of the next scheduled meeting.
- f) Contribute (to a greater extent, independent directors) their strategic vision, as well as concepts, criteria or innovative measures for the optimum pursuit and performance of the Company's business.
- g) Oppose any resolutions that are contrary to the law, the Company's by-laws or the corporate interest, and request that their position be reflected in the minutes where deemed advisable to defend the corporate interest.

#### **Article 28. Directors' duty of confidentiality**

1. Directors shall keep the deliberations of the Board of Directors or any delegate bodies of which they are members confidential and, in general, refrain from disclosing any information to which they have had access in the discharge of their position.
2. Directors remain bound by the duty of confidentiality after they leave their posts. They must keep secret all confidential information and any information, data, reports or records of which they have knowledge as a result of the discharge of their office. Such information may not be provided to third parties or disclosed in any way that might damage the corporate interest. An exception to the duties of confidentiality referred to in this paragraph is made in cases where prevailing law permits their disclosure to third parties or if the information or where, as they case may be, disclosure is required by the respective supervisory authorities. Any disclosure in such cases must be in keeping with the provisions of the law.

#### **Article 29. Duty not to compete**

1. Directors shall refrain from performing activities on their own behalf or on the behalf of others that entail current effective competition with the Company or that would otherwise place them in permanent conflict of interest with the Company's interests.
2. The obligation not to compete with the Company shall be waived only in the event that it is unlikely to cause any damage to the Company or if the benefits of the waiver outweigh any such damages. Non-compete waivers shall be granted by a separate and express resolution of shareholders in General Meeting.
3. In any event, at the request of any shareholder, the General Meeting shall decide on the removal of a director who engages in competitive activities when the risk of damage to the Company has become relevant.

### Article 30. Conflicts of interest

1. A conflict of interest is deemed to exist in situations in which the interests of the Company or its group companies and the personal interests of its directors clash, directly or indirectly. Directors shall be deemed to have a personal interest in a matter when that matter affects them or a person related to them or, in the case of proprietary directors, the shareholder(s) that proposed their appointment or persons related directly or indirectly to them.
2. For the purposes of this Regulation, the following definitions apply:
  - A) Related parties of natural person directors:
    - a) Their spouses or spousal equivalent.
    - b) Ascendants, descendants and siblings of the director and of the spouse (or spousal equivalent) of the director.
    - c) The spouses of the ascendants, descendants and siblings of the director.
    - d) Companies or entities in which the director holds, directly or indirectly, including through another person, an interest that gives him or her significant influence, or has a seat on the board of directors or is a member of senior management of such companies or entities or their parent undertaking. For these purposes, significant influence is presumed to exist when the direct holds an interest equal to or greater than ten per cent (10%) of the capital or voting rights or by virtue of their interest may obtain, *de jure* or *de facto*, representation on the company's board of directors.
    - e) The companies or entities at which the director or any related party or parties, directly or through another person, holds a directorship or management position or from which the director receives compensation for any reason.
    - f) In the case of proprietary directors, additionally, the shareholders appointing the director as their representative.
  - B) Related parties of legal person directors:
    - a) The shareholders of these legal entities that fulfil any of the circumstances provided for in article 42 of Spain's Code of Commerce.
    - b) The companies in the same group, as group is defined in article 42 of Spain's Code of Commerce, and their owners.
    - c) These legal entities' natural person representatives, directors, *de jure* or *de facto*, liquidators and legal representatives with general power of attorney.
    - d) The persons who are considered related parties of the representative of the legal person director in keeping with the section 2.(i) of this article with respect to natural person directors.
3. Without prejudice to other provisions in these Regulations, conflicts of interest shall be governed by the following rules:
  - a. Communication: directors must inform the Board of Directors, specifically the Chairman or the Secretary, of any conflict of interest they have.

- b. Abstention: directors must leave the meeting during deliberations and votes on matters pertaining to the conflict affecting them. In such instances, those directors are not included in the calculation of the quorum or majorities.
  - c. Transparency: the Company must disclose to shareholders any conflicts of interests affecting directors during the year in question or of which it is aware via a communication from the affected party or by any other means.
4. Nevertheless, in cases in which the conflict of interest is, or can reasonably be expected to be, of such a nature that it constitutes a structural and permanent conflict of interest between the director and the Company or group companies, it shall be understood that the director does not meet, or no longer meets, the suitability required to discharge the office for the purposes of the provisions of these Regulations.

#### **Article 31. Use of corporate assets**

Directors must not use the Company's assets or their position at the Company for their own profit except in exchange for adequate consideration.

#### **Article 32. Inside information**

Directors must observe the rules of conduct established in prevailing securities markets legislation, particularly the rules laid down in any Internal Rules of Conduct relating to securities that the Company may approve.

#### **Article 33. Business opportunities**

- 1. Directors may not take advantage of a business opportunity of the Company for their own benefit or that of a close associate, unless it has been offered to the Company, the Company has chosen not to take advantage of it and the director has been authorised by the Board to benefit from the transaction, based on report from the Nomination and Remuneration Committee, if one exists.
- 2. For the purposes of the preceding paragraph, a business opportunity is understood to be any possibility of making an investment or performing a business transaction arising from or discovered in connection with the performance by the director of their duties as such or through the use of the Company information and resources, or that has arisen under circumstances that reasonably indicate that the third party's offer was effectively intended for the Company.

#### **Article 34. Indirect transactions**

Directors are in breach of their duty of loyalty to the Company if they knowingly allow or fail to disclose the existence of transactions performed with the related parties indicated in article 30 that were not subject to the conditions and controls provided for in the preceding articles.

#### **Article 35. Duties of disclosure**

- 1. Directors shall inform the Company of the Company shares they hold directly or indirectly through related parties.
- 2. Directors must disclose to the Company the holding or interests (through agreements or any type of interest, such as certificates of deposits, derivative instruments, etc.) they have in any company whose objects are the same as, or similar or complementary to, those of the Company and the positions held or duties performed at those companies. They must also report any professional duties discharged and any activity they perform on their own behalf or on behalf of others that is complementary to that of the Company.

3. Directors must also disclose to the Company:
  - a) All of the positions they hold and the activities performed at other companies or entities and any other professional obligations. Specifically, before accepting any directorship or executive positions at another company or entity (except those they are called on to perform and companies belonging to the same group or other companies in which the director represents the interest of the group), directors must inform the Nomination and Remuneration Committee, if there is one.
  - b) Any significant change in their professional situations that affect the terms on which they were appointed as directors.
  - c) Any proceedings, whether judicial, administrative or otherwise, taken against the directors that, due to the importance or nature thereof, could seriously harm the Company's reputation. Specifically, directors must inform the Company, through the Chairman, if they are indicted or tried for any of the offences listed in article 213 of the Spanish Companies Act (*Ley de Sociedades de Capital*). In such cases, the Board of Directors shall study the case promptly and, depending on the specific circumstances, decide whether or not the director may continue in office.
  - d) In general, any development or situation that could be relevant to their performance as Company directors.
4. Directors shall provide an e-mail address to the Company so that Board meetings may be convened by this channel, if so decided, and to provide the corresponding information, if any.

#### **Article 36. Transactions between the company and directors and shareholders**

1. The Company or group companies must receive authorisation by the Board of Directors, based on a favourable report by the Audit, Control and Compliance Committee, before performing any transactions with directors, shareholders with an interest equal to or greater than ten per cent (10%) of the share capital or who have proposed the appointment of any of Company directors, and other parties related thereto.
2. The Board of Directors and the Audit, Control and Compliance Committee shall ensure that transactions between the Company or group companies and directors, the aforementioned shareholders or their respective related parties are carried out on an arm's length basis and abide by the principle of equal treatment of shareholders in the same position.
3. In the case of transactions falling within the ordinary course of the Company's business that are customary or recurring in nature, prior generic approval by the Board, based on a favourable report by the Audit, Control and Compliance Committee, of the kind of transaction and the terms of conditions thereof shall suffice.
4. However, a report by the Audit, Control and Compliance Committee shall not be required in connection with transactions that simultaneously meet the following conditions: (i) they are governed by standard-form agreements applied on an across-the-board basis to a large number of customers; (ii) they go through at market rates, generally set by the person supplying the goods or services; and (iii) their amount is no more than zero point five per cent (0.5%) of the Company's annual revenues based on the audited financial statements of the latest financial year ended before the date of the transaction. It is also not required for transaction between companies of the same group carried out in the ordinary course of business and at arm's length.

5. The Board of Directors may delegate approval of the transactions referred to in the preceding paragraph.
6. The Company shall disclose all transactions described in this article in the circumstances and to the extent provided by law. The Company shall also disclose in the notes to the annual financial statements information on transactions carried out by the Company or group companies with directors and persons acting on their behalf that are outside the ordinary course of the Company's business or not carried out on an arm's length basis.

## **CHAPTER X: BOARD RELATIONS**

### **Article 37. Relations with shareholders**

1. The Board of Directors shall provide the appropriate channels for hearing any proposals that shareholders may submit in relation to the Company's management.
2. The Board, through one or more directors and with the assistance of senior executives as it deems appropriate, may hold briefings on the Company's progress for shareholders residing in the main financial centres of Spain and other countries.
3. Public proxy solicitations by the Board of Directors or any of its members must give a detailed explanation as to how the proxy will vote if the shareholder fails to provide instructions.
4. The Board of Directors shall encourage the informed participation of shareholders at General Meetings and take any measures necessary to facilitate the effective performance of the functions vested in the General Meeting according to the law and the by-laws.

Specifically, the Board of Directors shall take the following measures:

- a) It shall endeavour to make all legally required information and any other information which, although not legally required, may be of interest and can be reasonably provided, available to shareholders before the General Meeting.
- b) It shall respond to information requests by shareholders before the General Meeting with utmost diligence.
- c) It shall respond, with the same diligence, to any questions asked by shareholders at a General Meeting.

### **Article 38. Relations with the markets**

1. The Board of Directors, through other relevant information (OIR) notices sent to the regulator of BME MTF Equity and published on the corporate website, shall disclose to the public immediately inside or relevant information under the terms provided in the Securities Market Act (Ley del Mercado de Valores), Circular 3/2020 on Information to be provided by companies admitted to trading in the BME Growth segment of BME MTF Equity and other implementing regulations.
2. The Board of Directors shall take the necessary measures to ensure that the half-yearly financial reporting and other information that warrants public disclosure in keeping with prudent criteria are prepared applying the same principles, methods and professional practices used to prepare the annual financial statements and offer the same level of reliability.

3. In its public annual documentation, the Board of Directors shall include the Company's rules of governance and the level of compliance therewith.

#### **Article 39. Relations with the auditors**

1. The Audit, Control and Compliance Committee shall propose to the Board of Directors, for submission to the General Meeting, the appointment (indicating the terms and scope of the professional engagement), renewal and removal of the auditor and ensure compliance with the audit engagement in accordance with article 14 of these Regulations.
2. The Audit and Appointments Committee must refrain from proposing to the Board of Directors, and the Board shall refrain from submitting to shareholders, the appointment as the Company's statutory auditor of any audit firm with which there is a conflict of interest under prevailing account auditing standards or whose estimated aggregate fees payable by the Company exceed five per cent (5%) of total revenue of the preceding year.
3. The Board of Directors shall endeavour to authorise for the issue the financial statements so that they do not give rise to qualifications in the auditor's report. Nonetheless, when the Board considers that its criteria should prevail, it shall publicly disclose the content and scope of the discrepancy.