

**REPORT OF THE BOARD OF DIRECTORS TO THE GENERAL SHAREHOLDERS'
MEETING ON THE AMENDMENT OF CERTAIN ARTICLES OF THE REGULATIONS OF
THE BOARD OF DIRECTORS OF 4 JUNE 2014**

The Board of Directors of the Company, in accordance with article 528 of the Spanish Consolidated Capital Companies Act, approved by the Royal Legislative Decree 1/2010, of 2 July, and article 3 of the Regulations of the Board of Directors, of 4 June 2014, has agreed, with a previous report from the Audit and Control Committee, in the meeting held on 16 December 2014, amend the Regulations of the Board, in order to adapt it to the provisions set forth by the Spanish Act 31/2014, of 3 December, of modification of the Capital Companies Act to improve the Corporate Governance (hereinafter, "Act 31/2014"), this Act being the reason and justification of all the amendments to the Regulations of the Board.

In particular, the provisions of the Board of Directors, of 4 June 2014 amended are the following:

- **Foreword**, in order to specify the articles of the By-laws regulating the Board.
- **Article 5.3. non-delegable powers of the Board**
Adapts its content to the new regulation of the Act 31/2014, on the non-delegable powers of the Board of Directors.
- **Article 7. Categories of Directors**
Definition of executive Director, in accordance with the Act 31/2014.
- **Article 8.2. Qualitative Membership**
It is established for the Board the obligation to ensure that the procedures for selection of its members favour diversity of gender, experience and knowledge.
- **Article 10. Chairman of the Board**
The legal authorities of the Chairman are included.
- **Article 11.3. The Vice-Chairman or Vice-Chairmen**
A coordinating Director is included, in case the Chairman is an executive Director.
- **Article 13. The Secretary of the Board**
Its duties are adapted to the legal requirements.
- **Article 14.1. The Deputy-Secretary of the Board**
Adapted to the legal requirements.

- **Article 15. The Board Committees**

The legal provision establishing that the Chairman of the Audit and Control Committee and of the Appointment and Remuneration Committee needs to be an independent Director is included.

- **Article 16. Executive Committee**

It is specified that the regulation of the executive Committee established by the Board must comply with the By-laws and Law

- **Article 17. Audit and Control Committee**

It is included the legal provision establishing that, at least two of its members will be independent, and its competencies are amended, pursuant to the Act 31/2014.

- **Article 18. Appointment and Remuneration Committee**

It is included the legal provision establishing that, at least two of its members will be independent, and its competencies are amended, pursuant to the Act 31/2014.

- **Article 19. Board of Directors' Meetings**

The provision of Act 31/2014 establishing that the Board of Directors must meet at least quarterly is included.

It is specified that the relevant information, that the call of the Board will include, will be the necessary for the deliberation and adoption of resolutions. The legal obligation establishing that its functioning and that of its Committees is included.

- **Article 20.1. Constitution and Development of Meetings**

Pursuant to Act 31/2014, it is established that the non-executive Directors may only delegate to another non-executive Directors.

- **Artículo 22. Appointment of Directors**

The new regulation of Act 31/2014 is included, on the appointment by co-optation of directors (the Director appointed by the board not necessarily being required to be a shareholder) and on the proposal and reports of the Appointment and Remuneration Committee in relation to the appointment of directors, as applicable, respectively, in case of independents and non-independents.

- **Article 23. Appointment of Non-Executive Directors**

- **Article 24. Re-election of Directors**

- **Article 25. Term of Office**

The new legal maximum period of 4 years is established.

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- **Article 28. Information Faculty**

The director's right-obligation to obtain from the Company the appropriate and necessary information allowing him/her to fulfil its obligations is established.

- **Article 30. Directors' Compensation**

The new regulation of the By-laws and Act 31/2014 is included.

- **Article 31. Non-Executive Directors' Compensation**

- **Chapter IX. Duties of Directors** (Articles 32 to 43 both included)

Chapter IX has been adapted to the new legal provisions of the director's general duty of diligence and loyalty in their office as director and the obligations and duties arising out such general duties (diligence of an orderly businessman, confidentiality, refrain from participating in deliberation or voting on conflict of interest situations, duty to avoid conflict of interest situations). As a result of the latter obligation, it is provided the prohibition for the director to use corporate assets and take advantage of business opportunities of the Company, unless authorised or waived by the Board, as well as the obligation not to compete with the Company, and an authorisation is established, if appropriate, of the transaction of the directors or significant shareholders or related persons to them with the Company or companies in its group.

- **Article 49. Annual Report on Compensation of Directors**

The Regulations of the Board included an article on this area, in accordance with the provisions of Act 31/2014 and By-laws.

- **Article 50.1. Corporate Website**

It is included the legal provision providing that the website must include any information required by applicable legislation (as, for instance, the average payment period to suppliers (Article 539.2 of the Capital Companies Act)), in addition to the information required by Securities Market Laws.

The Board of Directors, at the aforementioned meeting held on 16 December 2014, has approved, likewise, a consolidated text of the Regulations of the Board that, obviously, includes the agreed amendments.

The Report above is drafted by the Board of Directors, at the meeting held on 16 December 2014, to inform the General Shareholders' Meeting, in compliance with article 528 of the Capital Companies Act.

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Leganés, 16 December 2014.

The Secretary Director,

Rafael de Juan López