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## F.6 Other Information of Interest

The external auditors issued five (5) reports during the 2013 financial year. They are integrated into the Annual Report:

- Audit report on the Group's consolidated financial statements, as required by the Laws in vigour.
- Voluntary audit report on internal audit compliance under PCAOB (Public Company Accounting Oversight Board) standards, as required under section 404 of the Sarbanes-Oxley Act (SOX)
- Voluntary reasonable assurance audit report on the Corporate Governance Report, being the first Spanish listed company to obtain a report of this nature.
- Voluntary reasonable assurance audit report on the Corporate Social Responsibility Report Issued by KPMG, Auditores, SL.
- And voluntary audit report on the design of the Risk Management System following the ISO 31000 Standards and Specifications.

## F.7 Report from the External Auditor

**Report:**

**F.7.1. Whether the external auditor revised the SICFR information issued to the markets and, if so, the entity must include the corresponding report as annex. Otherwise, if that is not the case, the entity must provide its reasons.**

Abengoa applies all the rules and regulations dictated by the (CNMV) Stock Market Authorities. This fact implies that for the past five financial years Abengoa has been strictly complying with the reference indicators included in the document of the CNMV's "Systems of Internal Control over Financial Reporting.

Since 2007, Abengoa has voluntarily submitted its Internal Control Systems to an external evaluation that concludes with the issuance of an audit opinion under the PCAOB standards, and to audits to ascertain compliance with section 404 of the Sarbanes-Oxley Act (SOX).

The auditor of the individual and consolidated annual financial statements of Abengoa, for the financial year ending December 31, 2013, is Deloitte S.L. which is also the Group's main auditor.

## G. Degree to which corporate governance recommendations are followed

**Indicate the degree to which the company follows the recommendations of the Unified Good Governance Code.**

**In the event that a recommendation is not or is only partially followed, the entity should include detailed explanation of its reasons such that the shareholders, investors and the market in general, are provided with sufficient information to assess the performance of the company. Explanations of general nature shall not be acceptable.**

- **1. The bylaws of listed companies should not limit the votes that can be cast by a single shareholder, or impose other obstacles to impede the takeover of the company by means of share purchases on the market.**

See section: A.10, B.1, B.2, C.1.23 and C.1.24

Compliant.

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- **2. When a parent and a subsidiary company are listed, both should provide detailed disclosure on:**
  - a) Their respective types of activities, and any business dealings between them, including between the listed subsidiary and other companies in the group;
  - b) The mechanisms in place to resolve possible conflicts of interest.

See sections: D.4 and D.7

Compliant.

- **3. That even when not expressly required under Commercial Law, all decisions involving a fundamental corporate restructuring, especially the following, is submitted to the Shareholders for approval or ratification:**
  - a) The transformation of listed companies into holding companies through the process of subsidiarization, i.e. reallocating previous core activities of such company to subsidiaries, even if the latter retains full control of the former;
  - b) Any acquisition or transfer of key operating assets that would effectively alter the company's corporate purpose;
  - c) Operations that effectively amount to the company's liquidation.

See sections: B.6

Partially compliant.

The company has not incorporated this regulation into its internal rules (bylaws) as a provision, which does not prevent compliance thereof in practice with said Recommendation.

- **4. Detailed proposals of the resolutions to be adopted at the General Meeting of Shareholders, including the information stated in recommendation 28, should be made available at the same time the meeting is convened.**

Compliant.

- **5. Substantially independent issues should be voted separately at the General Meeting of Shareholders, in order for shareholders to be able to exercise their voting preferences separately. And that said rule applies, particularly:**
  - a) To the appointment or ratification of directors, with separate voting on each candidate;
  - b) To amendments to the bylaws, with votes taken on all materially different articles or groups of articles.

Compliant.

- **6. Companies should allow split votes, so that financial intermediaries acting as nominees on behalf of various clients can issue their votes according to instructions.**

Compliant.

- **7. The board of directors should perform its duties with unity of purpose and criteria independence, giving all the shareholders the same treatment, allowing itself to be guided only by the company's interests, which means striving to maximise its economic value in a sustainable manner.**

It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; performing its obligations and contracts in good faith; respecting the customs and good practices of the sectors and territories in which it operates; and upholding any additional social responsibility principles to which it may have voluntarily subscribed.

Compliant.

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- 8. The core components of the board's mission should be to approve the company's strategy and the organization required for its execution, and to ensure that management attains the objectives while pursuing the company's interests and corporate purpose. As such, the board fully reserves the right to approve:
  - a) The company's general policies and strategies, and in particular:
    - The strategic or business plan, management targets and annual budgets;
    - Investment and financing policy;
    - Design of the structure of the corporate group;
    - Corporate governance policy;
    - Corporate social responsibility policy;
    - Senior staff performance remuneration and evaluation policy;
    - Risk control and management policy, and the regular monitoring of internal information and monitoring systems
    - Dividend and treasury stock policies and especially limits

See sections: C.1.14, C.1.16 and E2

- b) The following decisions:
  - On the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.
  - Remuneration of board members, including, in the case of executive members, the additional considerations for their executive duties and other contract conditions.
  - The financial information that all listed companies must periodically disclose.
  - All kinds of investments or operations deemed strategic due to their huge amount or special characteristics, except if they require the approval of the General Meeting of Shareholders;
  - The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other comparable transactions or operations with complexities that might impair the transparency of the group.
- c) Transactions which the company conducts with board members, significant shareholders, shareholders with board representation or with other associated persons ("associated transactions").

However, board authorization need not be required for associated transactions that simultaneously meet the following three conditions:

- 1. They are governed by standardized agreements that are applied on an across-the-board bases to large numbers of clients;
- 2. They go through at market rates, generally set by the person supplying the goods or services;
- 3. Their amount is no more than 1 % of the company's annual revenues.

It is advisable that the Board approves associated transactions only if the audits committee issues a favourable report or, as the case may be, any other committee assigned to that function; and that the board members involved may neither exercise nor delegate their voting rights, and should be excused from the meeting while the board deliberates and votes.

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**Ideally, with the exception of the powers outlined in b) and c), which may be delegated to the executive committee in emergencies and later ratified by the plenary session of the Board of Directors, the above powers should not be delegated.**

See sections: D.1 and D.6

Compliant.

- **9. In the interests of maximum effectiveness and participation, the board of directors should consist of no fewer than five and no more than fifteen members.**

See section: C.1.2

Compliant.

- **10. External proprietary and independent board members should occupy an ample majority of board sits, while the number of executive board members should be cut down to the minimum necessary bearing in mind the complexity of the corporate group and the percentage of ownership the executive board members hold in the equity.**

See sections: A.3 and C.1.3

Compliant.

- **11. That among the external board members, the relation between proprietary and independents members should match the proportion between the capital represented on the board by proprietary board members and the rest of the company's capital.**

**This strict proportional criterion can be relaxed so that the weight of proprietary board members is greater than would correspond to the total percentage of capital represented:**

- **In companies with very large capitals in which fewer or no equity stakes exceed the legal threshold of significant shareholdings, but where there may be shareholders with considerable sums actually invested.**
- **In companies with plurality of shareholders represented on the board but not otherwise related.**

See sections: A.2., A.3 and C.1.3

### **Explanation.**

Abengoa increased the number of proprietary board members on its board due to an investment agreement signed with First Reserve Corporation, on November 4, 2011.

Claudio Santiago Ponsa was appointed board member of Abengoa on the request of First Reserve Corporation by virtue of the agreement reached with Inversión Corporativa on November 9, 2011, in their capacity as shareholders of Abengoa, within the framework of the investment agreement signed between Abengoa and First Reserve Corporation, aforementioned, relating to the proposal, appointment, ratification, re-selection or replacement of a board member to represent First Reserve Corporation, of which this Committee was notified.

- **12. The number of independent members should represent at least one third of all board members.**

See epigraph: C.1.3

### **Explanation.**

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Contrary to what the company has always done until now, complying with the recommendations of corporate good governance, the number of independent board members went below a third of the total of board members due to the appointment of Mr. Claudio Santiago Ponsa as proprietary board member by virtue of the agreement signed with Inversión Corporativa on November 9, 2011, in the capacity as shareholders of Abengoa, and the resignation of Mr. Carlos Sebastian Gascón as independent board member of Abengoa.

- **13. The condition of each board member should be explained at the general meeting of shareholders, which shall appoint or ratify its appointment, with confirmation or, as the case may be, review in the Annual Corporate Governance Report, before verification by the appointments committee, and that said report should also disclose the reasons for appointing proprietary members at the urging of shareholders with less than 5 % of the capital, explaining any rejections of formal requests for a place on the Board of Directors issued by shareholders with capital equal to or greater than that of others whose requests for proprietary members may have been accepted.**

See sections: C.1.3 and C.1.8

Compliant.

- **14. In the event that female board members are few or non existent, the Board should state the reasons for this situation and the correction measures implemented; in particular, the Appointments Committee should take steps to ensure that:**
  - a) the process of filling board vacancies has no implicit bias against female candidates;
  - b) the company makes a conscious effort to include females in the target profile among the candidates for board places.

See sections: C.1.2, C.1.4, C.1.5, C.1.6, C.2.2 and C.2.4

Compliant.

- **15. The Chairman, as the person responsible for the proper operation of the board, should ensure that members are supplied with sufficient information in advance of board meetings, and should encourage debates and the active involvement of all members, safeguarding their rights to freely express opinions and take stands; he should organise and coordinate regular assessments of the board and, if appropriate, the company's chief executive, along with the chairmen of the relevant board committees.**

See sections: C.1.19 and C.1.41

Compliant.

- **16. In the event that the board chairman is also the company's chief executive, an independent board member should be empowered to convene board meetings or to include new items on the agenda; to coordinate and voice the concerns of external board members; and to lead the board's evaluation of its chairman.**

See section: C.1.22

### Explanation.

There are currently fifteen members on the board of directors. The Board of Directors Regulations governs the composition, functions and internal organization of the governing body. The company also has an Internal Code of Conduct that bounds the board of directors, the senior management and all other employees deemed affected, by virtue of the positions or powers that they hold in matters relating to the Stock Market. The regulations of the general meetings of the shareholders govern the formal aspects and the internal system for the meetings of shareholders. Lastly, the board of directors

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is assisted by its audits committee and the appointments and remunerations committee, both of which have their own respective internal regulations. All the rules and regulations, set forth in the consolidated text of the company's Internal Good Governance Rules, are available on the company's website at [www.abengoa.es](http://www.abengoa.es) and [www.abengoa.com](http://www.abengoa.com). Since it was formed, the appointments and remunerations committee has been analysing the structure of the company's governing body and adapting it to the recommendations of corporate governance, especially to the historic and special configuration of said bodies within Abengoa. In February 2007, based on this analysis, the committee recommended the creation of the post of coordinating director, and the elimination of the Advisory Board of the Board of Directors. The first measure was in order to incorporate the most recent corporate governance recommendations made in Spain in 2006; the second, because it was deemed that said Advisory Board had already performed the duty for which it was originally created and that its coexistence with the corporate bodies could lead to conflicts of power. Both proposals were approved at a meeting of the Board of Directors held in February 2007 and at the General Meeting of Shareholders on April 15 of the same year, appointing Prof. José B. Terceiro in representation of Aplicaciones Digitales S.L., as coordinating board member, in his capacity as independent on that date.

On a final note, in October 2007 the committee proposed that the board accepts the resignation of Mr. Javier Benjumea Llorente from his post as Deputy Chairman and revokes his delegated powers, and that the board accepts the appointment of a new natural person to represent Abengoa and Focus-Abengoa Foundation in entities or companies where representation is required.

The committee then decided to revisit the study of the number and characteristics of the Deputy Chairman of the board of directors within the current structure of governing bodies.

As a result, the committee thought it necessary to restrict the powers of the Deputy Chairman of Abengoa to those conferred under the Spanish Corporations Act as regard the organic representation of the company on the one hand, and as balance to the Chairman's functions on the board of directors, on the other. Thus, it was considered that the coordinating board member – with the functions assigned by the resolutions of the board of directors (February 2007) and the general meeting of shareholders (April 2007) – was the ideal figure, given the corporate governance recommendations and the company structure, as well as the composition and diversity of its directors. The coordinating board member has already been entrusted with the task of coordinating the concerns and motivations of the other board members, and empowered to convene board meetings and to include new items on the agenda. In its role as the visible protector of the interests of the Board members, it holds more of a de facto than of a de jure kind of representation on the Board, such that it seemed appropriate to confirm and expand this representation by making the post both institutional and organic.

For the reasons outlined above, the committee proposed Aplicaciones Digitales, S.L. (Aplidig, represented by Prof José B. Terceiro Lomba), the current coordinating director, as the new Executive Deputy Chairman to the Board of Directors. In addition, and within the functions of organic representation, the executive deputy chairman, jointly with the chairman of the board of directors, has been put forward as the physical representative of Abengoa, in its capacity as the Chair of the Board of the Focus-Abengoa Foundation, as well as in any other foundations and institutions in which the company is or should be represented.

In view of the above, on December 10, 2007, the board of directors agreed to appoint Aplicaciones Digitales, S.L. (represented by Prof José B. Terceiro Lomba), the current coordinating director, as Executive Deputy Chairman of the Board of Directors, and the independent board members gave their unanimous consent to retaining his position as coordinating board member in spite of his new appointment as Executive Deputy Chairman.

In addition, and within the functions of organic representation (conferred through a power of attorney granted by the board of directors on July 23, 2007), the Executive Deputy Chairman, together with the Chairman of the Board of Directors, was proposed as joint physical representative of Abengoa, in his capacity as the Chair of the Board of Focus-Abengoa Foundation, and of any other foundations and institutions in which the company is or should be represented.

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- **17. That the board secretary should take care to ensure that the board's actions:**
  - a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
  - b) Are in conformity with the company Bylaws and the Regulations of shareholder Meetings, the Board of Directors and any others in the company;
  - c) Complies with the recommendations on good governance set forth in the Unified Code that the company may have accepted;

**And that in order to safeguard the independence, impartiality and professionalism of the secretary, its appointment and termination should be proposed by the appointments committee and approved by the plenary session of the board of directors; and that said appointment and termination procedure be included in the Regulations of the board of directors.**

See section: C.1.34

Compliant.

- **18. The board should meet with the necessary frequency to properly perform its functions, following a calendar and a program scheduled at the beginning of the year, to which each board member may propose the addition of other items.**

See section: C.1.34

Compliant.

- **19. The absences of board members should be reduced to the bare minimum and quantified in the Annual Corporate Governance Report. If board members have no choice but to delegate their votes, such delegation should be with instructions.**

See sections: C.1.28, C.1.29 and C.1.30

Compliant.

- **20. If board members or the secretary express concerns about a proposal or, in the case of board members, about the company's performance, and such concerns are not resolved at the board meeting, the person expressing the concerns may request that the concerns be recorded in the minute book.**

Compliant.

- **21. The plenary session of the board should evaluate the following once a year:**
  - a) The quality and efficiency of the board's operation;
  - b) The level of performance of the company's chairman and chief executive based on the report that may be submitted by the appointments committee;
  - c) The performance of committees based on reports that they provide.

See section: C1.19 and C1.20

Compliant.

- **22. All board members may act on the rights to gather and obtain additional information deemed necessary on matters within the board's powers, and unless the bylaws or the board regulations indicate otherwise, the requests for such shall be addressed to the board chairman or secretary.**

See section: C.1.41

Compliant.

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- **23. All board members should be entitled to call on the company for the required advice and guidance necessary for the performance of their duties and the company should provide the appropriate channels for the exercise of such right, which, in special circumstances, shall include external assistance at the company's expense.**

See section: C.1.40

Compliant.

- **24. Companies should set up orientation programmes that may provide new board members with quick and sufficient knowledge of the company and its corporate governance rules and regulations and should also offer knowledge updating programs to board members whenever deemed advisable by the circumstances.**

Compliant.

- **25. Companies should insist that board members devote sufficient time and effort to the performance of their duties effectively, and, as such:**
  - **a) board members should apprise the appointments committee of any other professional obligations that could possible interfere with the dedication required from them;**
  - **b) and companies should establish rules about the number of boards on which their board members can sit.**

See sections: C.1.12, C.1.13 and C.1.17

Compliant.

- **26. The board should first approve any proposal submitted to the shareholders' general meeting for the appointment or renewal of board members, including provisional appointments by co-optation:**
  - **a) On the proposal of the appointments committee, in the case of independent board members.**
  - **b) Subject to report from the appointments committee in all other cases.**

See section: C.1.3

Compliant.

- **27. Companies should post the following information about the board members on their websites, and keep them permanently updated:**
  - **a) Professional experience and background;**
  - **b) Other boards on which board member sits, whether listed company or not;**
  - **c) Indicate the category of the board member, pointing out, in the case of proprietary members, which shareholder they represent or to whom they are linked.**
  - **d) The date of their first and subsequent appointments as members of company's board of directors, and;**
  - **e) Shares held in the company and whether said shares are subject to any options.**

Compliant.

- **28. Proprietary board members should resign if the shareholders they represent entirely dispose of such shares. They should also resign if such shareholders reduce their stakes, thus losing the corresponding entitlement to proprietary board membership.**

See sections: A.2. A.3 and C.1.2

Compliant.



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- **29. The board of directors should not propose the removal of independent board members before their tenure expires as mandated by the bylaws, except in the event of just cause, deemed by the board, after the Appointments Committee issues a report. Specifically, just cause shall be understood as board member acting in breach of his/her fiduciary duties or incurring in any of the circumstances that may lead to his/her losing the condition of independent, pursuant to the stipulations of Order ECC/461/2013.**

The removal of independents may also be proposed when a takeover bid, merger or similar corporate transaction produces changes in the company's capital structure, in order to meet the proportionality criterion set out in recommendation 11.

See sections: C.1.2, C.1.9, C.1.19 and C.1.27

Compliant.

- **30. Companies should establish rules obliging board members to report of and, as the case may be, to resign in any circumstance that might damage the company's name or reputation and, in particular, obliging them to inform the Board of Directors of all criminal cases in which they may be named as accused and the progress of any subsequent trials.**

Upon the indictment or trial of any director for any of the crimes outlined in Article 124 of the Spanish Companies Act, the board should examine the matter and, in view of the particular circumstances and potential harm to the company's name and reputation, decide whether or not he or she should be called on to resign. The board should also disclose all such determinations in the annual corporate governance report.

See sections: C.1.42, C.1.43

Compliant.

- **31. All board members should express clear opposition against any proposals submitted for the board's approval which, they deem, might damage the corporate interest. Particularly, independent and other board members, unaffected by the possible conflicts of interest, should challenge any decision that could go against the interests of shareholders not represented on the board.**

In the event that the board takes significant or reiterated decisions against which a board member may have expressed serious reservations, said board member set out the pertinent conclusions and, if he/she decides to resign, he/she should explain the reasons in the letter referred to in the next recommendation.

The terms of this recommendation also applies to the board secretary although not officially a board member.

Compliant.

- **32. Board members who give up their position before their tenure expires, by resignation or otherwise, should state the reasons in a letter remitted to all board members. Regardless of whether such resignation is filed as a significant event, the reason must be explained in the annual corporate governance report.**

See section: C.1.9

Compliant.

- **33. Executive board members should be remunerated in portions of the shares of the company or of companies of the group, share options or other share-based instruments, variable remunerations linked to the company's performance or forecast systems.**

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**This recommendation shall not include the allocation of shares if board members are obliged to retain them until the end of their tenure.**

Compliant.

- **34. The remuneration of external board members should sufficiently compensate for the dedication, abilities and responsibilities that the post entails, but not to the extent of compromising their independence.**

Compliant.

- **35. Remuneration linked to company earnings should consider the possible deductions reflected in the external auditor's report and should reduce said results.**

Compliant.

- **36. In the case of variable compensations, remuneration policies should include the technical safeguards necessary to ensure that such remunerations reflect the professional performance of the beneficiaries and not simply the general progress of the markets or of the company's sector, or of similar circumstances.**

Compliant.

- **37. In the event that the company has an Executive Committee, the structure of shares of the different categories of members should be similar to that of the Board itself, and its secretary should be like that of the board.**

See sections: C.2.1 and C.2.6

Not Applicable.

- **38. The board should always be granted first-hand knowledge of issues dealt with and decisions taken by the Executive Committee and each board member should receive a copy of the minutes of the executive committee.**

Not Applicable.

- **39. In addition to the Audit Committee required by the Securities Market Act, the Board of Directors should also create a committee, or two separate committees, for appointments and remunerations.**

**The rules governing the composition and operation of the audits committee and the appointments and remunerations committee or committees should be set forth in the Board Regulations, and should include:**

- **a) The board of directors should appoint the members of such committees considering the knowledge, aptitudes and experience of the directors and the duties of each committee; decide on their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first plenary board following each meeting;**
- **b) These committees should consist exclusively of external board members, with a minimum of three. That notwithstanding, executive board members or senior officers may also attend meetings, for information purposes, at the committees' invitation.**
- **c) Committees should be chaired by independent board members.**
- **d) External consultants may be engaged if deemed necessary for the performance of their duties.**
- **e) Minutes should be recorded of their meetings and copies of such sent to all board members.**

See sections: C.2.1 and C.2.4

Partially compliant

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Except for section b) above, all requirements are duly met. With regards to the presence of an executive board member on the appointments committee we refer to Recommendation 54 (because of his knowledge and experience in matters of Accounting and Auditing).

- **40. The supervision of compliance with the internal codes of conduct and corporate governance regulations should be entrusted to the Audits Committee, Appointments Committee or, if separately existing, Compliance or Corporate Governance committees.**

See sections: C.2.3 and C.2.4

Compliant.

- **41. All members of the audits committee, particularly its chairman, should be appointed bearing in mind their knowledge and background in Accounting, Auditing and Risk Management.**

Compliant.

- **42. Listed companies should have an internal audits function, under the supervision of the audits committee, to ensure the proper operation of internal reporting and monitoring systems.**

Compliant.

- **43. The head of internal audits should submit an annual work plan to the Audits Committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.**

Compliant.

- **44. Risk monitoring and management policy should at least specify:**
  - a) The different types of risk (operational, technological, financial, legal, reputation-oriented...) to which the company may be exposed, including those of financial or economic, contingent liabilities and other off-balance-sheet risks;
  - b) The determination of the level of risk deemed acceptable to the company;
  - c) Measures in place to mitigate the impact of risk events should they occur;
  - d) The internal reporting and monitoring systems to be used to monitor and manage the aforementioned risks, including contingent liabilities and off-balance-sheet risks.

See sections: E

Compliant.

- **45. The audits committee's role should be:**
  - **1st Regarding internal monitoring and reporting systems:**
    - The main risks identified as consequence of the supervision of the efficacy of the company's internal monitoring and internal audits, as the case may be, should be managed and appropriately disclosed.
    - Monitor the independence and efficacy of the internal auditing; propose the selection, appointment, re-election and removal of the head of internal audits; propose the department's budget; receive regular feedbacks on its activities; and verify that senior management is acting on the findings and recommendations of the reports.
    - Establish and supervise a mechanism whereby staff can confidentially and, if necessary, anonymously report any irregularities detected in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the company.

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- **2nd With regards to the external auditor:**
  - \_ To be regularly informed by the external auditor on the progress and findings of the auditing plan and to ensure that senior management act on its recommendations.
  - \_ To make sure the external auditor remains independent and, for that purpose:
    - The company should notify the CNMV of any change of auditor as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
    - The Committee should investigate the issues giving rise to the resignation of any external auditor.
  - \_ In the case of groups, the Committee urges the group auditor to take on the auditing of all component companies.

See sections: C.1.36, C.2.3, C.2.4 and E.2

Compliant.

- \_ **46. The audits committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.**

Compliant.

- \_ **47. The audits committee should inform the board on the following points from recommendation 8 before the board takes any of the relevant decisions:**
  - a) The financial information that all listed companies must periodically disclose. The committee should ensure that interim statements are drawn up under the same Accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.
  - b) The creation or acquisition of shares in special purpose entities or entities resident in countries or territories considered tax havens, and any other analogous transactions or operations which, due to their complexity, might impair the transparency of the group.
  - c) Transactions that are linked, except where their scrutiny is entrusted to some other supervision and monitoring committee.

See sections: C.2.3 and C.2.4

Compliant.

- \_ **48. The board of directors should seek to present the financial statement to the Shareholders during the General Meeting without reservations or qualifications in the audits report. Should such reservations or qualifications exist, both the Chairman of the Audits Committee and the auditors should clearly inform the shareholders on said reservations or qualifications.**

See section: C.1.38

Compliant.

- \_ **49. The majority of the members of the Appointments –or Appointments and Remunerations Committee if only one exists– should be independent board members.**

See section: C.2.1

Compliant.

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- 50. In addition to the functions listed in the preceding recommendations, the Appointments Committee should be responsible for the following:
  - a) Evaluating the necessary abilities, knowledge and experience on the Board, consequently defining the roles and capabilities required of the candidates to fill each vacancy, and deciding on the time and dedication necessary for them to properly perform their duties.
  - b) Appropriately examining or organizing the succession of the chairman and chief executive and, where necessary, making recommendations to the Board for said succession to proceed in a planned and orderly manner.
  - c) Reporting on the appointments and removals of senior staff that the chief executive may propose to the board.
  - d) Reporting to the board on the gender diversity issues discussed in recommendation 14 of this code.

See section: C.2.4

Compliant.

- 51. The appointments committee should consult the company's chairman and chief executive on especially matters relating to executive board members.

Any board member may suggest possible candidates to the Appointments Committee if it deems fit, for filling out vacancies on the board of directors.

Compliant.

- 52. In addition to the functions listed in the preceding recommendations, the Remunerations Committee should be responsible for the following:
  - a) Making the following proposals to the Board of Directors:
    - The remuneration policy for board members and senior management;
    - The remuneration and other contractual conditions of individuals of the executive board members;
    - The standard conditions for senior officer employment contracts.
  - b) Oversee compliance with the remuneration policy set by the company.

See sections: C.2.4

Compliant.

- 53. The remunerations committee should consult the company's chairman and chief executive on especially matters relating to executive board members and senior management.

Compliant.