

REPORT AUTHORISED FOR ISSUE BY THE BOARD OF DIRECTORS OF ENCE ENERGÍA Y CELULOSA, S.A. REGARDING AMENDMENT TO THE REGULATIONS OF THE BOARD OF DIRECTORS

1. PURPOSE OF THE REPORT

The Board of Directors of Ence Energía y Celulosa, S.A. is drawing up this report pursuant to article 528 of Spain's Corporate Enterprises Act, in order to inform the annual general meeting, to be held on 15 March 2016, for the first call, and the following day, 16 March, for the second call, of the amendment to certain articles of the regulations of Board of Directors, which have been approved since the last annual general meeting.

Said amendment was approved by the Board of Directors of the Company on 15 December 2015, although it has been deemed convenient to defer the entry into force of the amendment of articles 16.1 and 17.1, regarding the composition of the audit committee and the appointments and remuneration committee, until the annual general meeting approves, if appropriate, the amendment to articles 51 and 51 *bis* of the Company by-laws.

Likewise, through this report, the Board informs the annual general meeting that the condition has been met that was preventing the entry into force of the latest amendments to the regulation of the Board, which were approved on 25 March 2015 and which the annual general meeting was informed of on 28 April 2015, and which could not be put into effect until the amendment of the by-laws and the regulation of the annual general meeting were approved by said meeting.

2. GENERAL GROUNDS FOR AMENDMENT

There has been a reform of certain precepts in the regulations of the Board in order to adapt them to the recommendations set out in the Good Governance Code of Listed Companies, approved by the Spanish National Securities Market Commission (CNMV) on 18 February 2015 (the “**Good Governance Code**”), and some technical improvements were likewise included to make it clearer.

3. ANALYSIS OF THE AMENDMENTS

With the general outlines as set out, the following is a more detailed explanation of the specific amendments to the articles in the regulations of the Board.

3.1 Amendment to section 1 of article 10 and inclusion of a new article 10 *bis* regarding the lead independent director

3.1.1 The third paragraph is deleted from section 1 of article 10 so that the figure of the lead independent director and his or her duties, set out in recommendation 34 of the Good Governance Code, are now regulated by a new article 10 *bis*.

Consequently, section 1 of article 10 is now worded as follows:

Previous version.	Current version
<p>Article 10. Chairman of the Board</p> <p><i>1. The Chairman of the Board of Directors shall be elected by the Board from among its own members, further to a report by the Appointments and Remuneration Committee.</i></p> <p><i>The post of Chairman of the Board of Directors may be held by an executive director. As the case may be, such designation shall require a favourable vote of two thirds of the members of the Board.</i></p> <p><i>In the event the Chairman is an executive director, the Board, with the abstention of the executive directors, shall appoint a lead independent coordinator from among its own members, with the powers conferred by the Spanish Companies Law.</i></p>	<p>Article 10. Chairman of the Board</p> <p><i>1. The Chairman of the Board of Directors shall be elected by the Board from among its own members, further to a report by the Appointments and Remuneration Committee.</i></p> <p><i>The post of Chairman of the Board of Directors may be held by an executive director. As the case may be, such designation shall require a favourable vote of two thirds of the members of the Board.</i></p> <p><i>In the event the Chairman is an executive director, the Board, with the abstention of the executive directors, shall appoint a lead independent coordinator from among its own members, with the powers conferred by the Spanish Companies Law.</i></p>

3.1.2 A new article 10 *bis* is included to regulate the figure of the lead independent coordinator and his or her duties.

Consequently, the new article 10 *bis* is now worded as follows:

Previous version.	Current version
N/A	<p><u>Article 10 bis. The Lead Independent Director</u></p> <p><u>1. In the event that the Chairman of the Board of Directors is an executive director, upon the proposal of the appointments and remuneration committee and with the abstention of the executive directors, the Board shall appoint a lead independent coordinator from among its own independent members, who, without prejudice to other tasks assigned by the Board or by law, shall have the following basic responsibilities:</u></p> <p><u>a) preside over the Board of Directors in the absence of the chairman and the vice chairman;</u></p> <p><u>b) ask the chairman to call the meeting of the Board of Directors and participating, with him or her, in planning the annual calendar of meetings;</u></p> <p><u>c) echo the concerns of the non-executive directors;</u></p> <p><u>d) maintain contact with investors and shareholders to learn their points of view for the purpose of forming an opinion regarding their concerns, particularly regarding the corporate governance of the Company; and</u></p> <p><u>e) direct the periodic evaluation of the chairman and lead and organise, where applicable, the succession plan for the role of chairman.</u></p> <p><u>2. The revocation of any of the above powers shall require a prior report by the Appointments and Remuneration Committee, except in the case of powers recognised by law, in which case they may</u></p>

	<u>not be revoked.</u>
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3.2 Amendment to section 3 of article 15 regarding the executive committee

Section 3 of article 15 regarding the executive committee is amended to state that, in accordance with recommendation 38 of the Good Governance Code, copies of the minutes of executive committee meetings must be provided to the directors.

Consequently, section 3 of article 15 is now worded as follows:

Previous version.	Current version
<p>Article 15. Executive Committee</p> <p><i>3. The Chairman of the Executive Committee shall be appointed by the Board of Directors. The role of Secretary of the Executive Committee shall be performed by the Secretary of the Board, who may be replaced or assisted by the Vice Secretary.</i></p> <p><i>The Executive Committee shall hold its meetings as often as it considers necessary and at the request of, at least, three of its members or its chairman. The Secretary shall take the minutes of the agreements adopted at the meeting, which shall be reported at the following plenary of the Board of Directors. Likewise, copies of the minutes of committee meetings shall be available to all directors.</i></p> <p><i>In those cases where, in the judgement of the chairman or three of the members of the Executive Committee, the importance of the matter makes it recommendable, the agreements adopted by the Executive Committee shall be submitted to the plenary of the Board for ratification. This shall also apply to any matters that the</i></p>	<p>Article 15. Executive Committee</p> <p><i>3. The Chairman of the Executive Committee shall be appointed by the Board of Directors. The role of Secretary of the Executive Committee shall be performed by the Secretary of the Board, who may be replaced or assisted by the Vice Secretary.</i></p> <p><i>The Executive Committee shall hold its meetings as often as it considers necessary and at the request of, at least, three of its members or its chairman. The Secretary shall take the minutes of the agreements adopted at the meeting, which shall be reported at the following plenary of the Board of Directors. Likewise, all directors shall be provided with <u>shall be sent</u> a copy of the minutes of the meetings of the <u>Executive</u> Committee.</i></p> <p><i>In those cases where, in the judgement of the chairman or three of the members of the Executive Committee, the importance of the matter makes it recommendable, the agreements adopted by the Executive Committee shall be submitted to the plenary of the Board for ratification. This shall also apply to any matters that the plenary of the Board may have sent to the Executive Committee for examination,</i></p>

<p><i>plenary of the Board may have sent to the Executive Committee for examination, reserving the right to make a decision regarding the same.</i></p> <p><i>With regard to everything else, insofar as is possible, the provisions of these regulations regarding the working of the Board of Directors shall apply to the Executive Committee.</i></p>	<p><i>reserving the right to make a decision regarding the same.</i></p> <p><i>With regard to everything else, insofar as is possible, the provisions of these regulations regarding the working of the Board of Directors shall apply to the Executive Committee.</i></p>
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3.3 Amendment to section 1 and 2 of article 16 (regarding the audit committee)

3.3.1 Section 1 of article 16 is amended in order to require that the majority of the members of the audit committee be independent directors, in accordance with recommendation 39 of the Good Governance Code.

Consequently, section 1 of article 16 is now worded as follows:

Previous version.	Current version
<p>Article 16.1. Audit Committee.</p> <p><i>1. The Audit Committee shall comprise the number of directors as, within the requirements of the By-laws, is determined by the Board of Directors, with a minimum of three and a maximum of seven members. The members of the Audit Committee shall exclusively be non-executive directors, of whom at least two must be independent directors and one shall be appointed on the basis of his knowledge and experience in accounting, auditing or both.</i></p> <p><i>The Chairman of the Audit Committee shall be elected from among the independent directors that are members, and must be replaced at least every four years, and may be re-elected following elapse of one year since the end of his or her term.</i></p>	<p>Article 16.1. Audit Committee.</p> <p><i>1. The Audit Committee shall comprise the number of directors as, within the requirements of the By-laws, is determined by the Board of Directors, with a minimum of three and a maximum of seven members. The members of the Audit Committee shall exclusively be non-executive directors, two <u>most</u> of whom, at least, must be independent directors and one shall <u>be</u> appointed <u>d</u> on the basis of his knowledge and experience in accounting, auditing or both.</i></p> <p><i>The Chairman of the Audit Committee shall be elected from among the independent directors that are members, and must be replaced at least every four years, and may be re-elected following elapse of one year since the end of his or her term.</i></p> <p><i>The Board of Directors may designate the</i></p>

<p><i>The Board of Directors may designate the Secretary of the Committee from among its own members. In the absence of an express appointment, the Secretary and, if applicable, the Vice Secretary of the Board of Directors shall act as Secretary of the Audit Committee, even if they are not directors.</i></p>	<p><i>Secretary of the Committee from among its own members. In the absence of an express appointment, the Secretary and, if applicable, the Vice Secretary of the Board of Directors shall act as Secretary of the Audit Committee, even if they are not directors.</i></p>
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3.3.2 Certain paragraphs of section 2 of article 16 are amended in order to comply with recommendations 6, 42 and 44 of the Good Governance Code.

Thus, the following sections of article 16.2 are now worded as follows:

Previous version.	Current version
<p>Article 16.2.</p>	<p>Article 16.2.</p>
<p><i>4) ensure the independence and efficiency of the role of internal auditing, propose the selection, appointment, re-election and termination of the role of manager of this service, propose its budget, examine the periodic information that this service generates regarding its activities, and ensure that senior management takes the conclusions and recommendations in its reports into account;</i></p>	<p><i>4) ensure the independence and efficiency of the role of internal auditing, proposing the selection, appointment, re-election and termination of the role of manager of this service, propose its budget, examine the periodic information that this service generates regarding its activities, and ensure that senior management takes the conclusions and recommendations in its reports into account, <u>and approve its focus and work planning, ensuring that the activity is focussed mainly on risks that are relevant for the Company.</u></i></p>
<p><i>5) supervise the process of preparing and presenting the regulated financial reporting;</i></p>	<p><i>5) supervise the process of preparing and presenting the regulated financial reporting, <u>and also the integrity of the same;</u></i></p>
<p><i>6) enter into the appropriate relations with the auditors to receive information about any issues that could compromise the independence of the auditors, for examination by the Committee, and any other matters regarding the audit</i></p>	<p><i>6) enter into the appropriate relations with the auditors to receive information about any issues that could compromise the independence of the auditors <u>(ensuring, in particular, that the auditor's remuneration for his or her work does not</u></i></p>

<p>process, as well as the communications referred to in the legislation governing audits and in the technical audit standards;</p> <p>The Audit Committee must annually receive from the auditors or audit companies written confirmation of their independence from the company or from companies related to it directly or indirectly, and information on any additional services rendered to these companies and fees paid by these companies to such auditors or audit companies, or by related persons or entities in accordance with the provisions of the Audit Law;</p>	<p><u>compromise the quality or independent nature of the same</u>), for examination by the Committee, and any other matters regarding the audit process, as well as the communications referred to in the legislation governing audits and in the technical audit standards;</p> <p>The Audit Committee must annually receive from the auditors or audit companies written confirmation of their independence from the company or from companies related to it directly or indirectly, and information on any additional services rendered to these companies and fees paid by these companies to such auditors or audit companies, or by related persons or entities in accordance with the provisions of the Audit Law;</p> <p><u>Likewise, the external auditor must have one meeting a year with the full Board of Directors to report on work done and on the progress of the accounts and risks for the Company.</u></p>
<p>7) issue on a yearly basis, prior to the issue of the audit report, a report setting out the opinion of the independence of the auditors or audit companies; this report must also express an opinion on the rendering of additional services referred to in the preceding paragraph, considered individually and as a whole, other than legal audit and regarding the framework of independence or the regulations governing audits;</p>	<p>7) issue on a yearly basis, prior to the issue of the audit report, a report setting out the opinion of the independence of the auditors or audit companies; this report <u>shall be published on the Company website and</u> must also express an opinion on the rendering of additional services referred to in the preceding paragraph, considered individually and as a whole, other than legal audit, <u>limits to the auditor's concentration of business and, in general,</u> regarding the framework of independence or the regulations governing audits;</p>
<p>11) supervise the efficiency of the Company's internal control and of the</p>	<p>11) supervise the efficiency of the Company's internal control and of the</p>

<p><i>internal control and risk management systems, including internal control systems regarding financial information, environmental aspects, security, and occupational risk prevention auditing; supervise the appointment and replacement of managers; and discuss with account auditors or audit companies any significant weaknesses in the internal control system detected during the audit.</i></p>	<p><i>internal control and <u>financial and non-financial</u> risk management systems, including internal control systems regarding financial information, environmental aspects, security, and occupational risk prevention auditing; supervise the appointment and replacement of managers; and discuss with account auditors or audit companies any significant weaknesses in the internal control system detected during the audit.</i></p>
<p><i>14) examine compliance with the Company's governance rules and make any necessary proposals for improvement. In particular, it corresponds to the Audit Committee to receive information and, where applicable, issue a report on disciplinary measures to the members of the Company's Board of Directors;</i></p>	<p><i>14) examine compliance with the Company's governance rules and make any necessary proposals for improvement. In particular, it corresponds to the Audit Committee to receive information and, where applicable, issue a report on disciplinary measures to the members of the Company's Board of Directors <u>and perform periodic evaluation of the suitability of the Company's corporate governance system;</u></i></p>
<p><i>19) inform the Board of Directors on the general corporate social responsibility policy, including basic principles and the general framework of action for management of corporate social responsibility practices adopted by the Company;</i></p>	<p><i>19) inform the Board of Directors on the general corporate social responsibility policy, including basic principles and the general framework of action for management of corporate social responsibility practices adopted by the Company <u>and monitor and evaluate its degree of compliance, ensuring it is focussed on creating value.</u></i></p> <p><i><u>In the event that, during the aforementioned work of informing the Board of Directors, the Audit Committee draws up an annual report on corporate social responsibility, this report shall be published on the Company's website sufficiently in advance of the annual general meeting;</u></i></p>

N/A	<u>20) supervise and evaluate relationship processes with the different stakeholders;</u>
N/A	<u>21) analyse and report to the Board of Directors, in advance, regarding any structural and corporate modifications that the Company is planning to make, the financial conditions and impact on accounts of these operations and, especially, where applicable, on the proposed exchanged ratio;</u>
N/A	<u>22) supervise the communication and relation strategy with shareholders and investors;</u>
20) others specifically envisaged in these Regulations.	20) 23) others specifically envisaged in these Regulations.

3.4 Amendment to section 1 and 2 of article 17 regarding the appointments and remuneration committee

Sections 1 and 2 of article 17, regarding the composition and basic responsibilities of the appointments and remuneration committee, to adapt them to recommendations 47 and 50 of the Good Governance Code.

For this purpose, the following sections of article 17 are now worded as follows:

Previous version.	Current version
Article 17.1.	Article 17.1.
The Appointments and Remuneration Committee shall exclusively comprise non-executive directors appointed by the Board of Directors in a number to be determined by the Board of Directors, with a minimum of three and a maximum of seven members, at least two of whom must be independent directors. The Chairman of the Appointments and	The Appointments and Remuneration Committee shall exclusively comprise non-executive directors appointed by the Board of Directors in a number to be determined by the Board of Directors, with a minimum of three and a maximum of seven members, at least two <u>the majority</u> of whom must be independent directors.

<p>Remuneration Committee shall be appointed from among the independent directors who belong to said committee.</p> <p>In addition, the Board of Directors may appoint one of the members of the Appointments and Remuneration Committee as Committee Secretary. In the absence of an express appointment, the Secretary and, if applicable, the Vice Secretary of the Board of Directors shall act as Secretary of the Appointments and Remuneration Committee, even if they are not directors.</p>	<p>The Chairman of the Appointments and Remuneration Committee shall be appointed from among the independent directors who belong to said committee.</p> <p>In addition, the Board of Directors may appoint one of the members of the Appointments and Remuneration Committee as Committee Secretary. In the absence of an express appointment, the Secretary and, if applicable, the Vice Secretary of the Board of Directors shall act as Secretary of the Appointments and Remuneration Committee, even if they are not directors.</p>
<p>Article 17.2.</p>	<p>Article 17.2.</p>
<p><i>e) examine and organise the succession of the Chairman of the Board and of the company's chief executive and, if appropriate, submit proposals to the Board so that such succession occurs in an orderly and well-planned manner;</i></p>	<p><i>e) examine and organise, <u>along with the lead independent director where applicable</u>, the succession of the Chairman of the Board and of the company's chief executive and, if appropriate, submit proposals to the Board so that such succession occurs in an orderly and well-planned manner;</i></p>
<p><i>j) propose periodical revision of the remuneration programmes of Executives decided by the Board of Directors, weighing their adequacy and performance, and overseeing their compliance;</i></p>	<p><i>j) propose periodical revision of remuneration programmes for <u>directors and for</u> executives decided by the Board of Directors, <u>including systems of remuneration with shares and application of the same</u>, weighing their adequacy and performance —and, oversee their compliance <u>and check information on remuneration for directors and executives, and also guarantee that their individual remuneration is proportional to what is paid to other Company directors and senior executives;</u></i></p>
<p>N/A</p>	<p><i><u>n) ensure that possible conflicts of interest do not prejudice the independence of the external evaluation provided to the</u></i></p>

	<u>committee;</u>
N/A	<u>o) coordinate the process for reporting non-financial information and information on diversity, in accordance with applicable regulations and international benchmark standards;</u>
<i>n) others specifically envisaged in these Regulations.</i>	#)p) <i>others specifically envisaged in these Regulations.</i>

3.5 Amendment to sections 1 and 4 of article 18 regarding meetings of the Board

3.5.1 Section 1 of article 18 is amended in order to modify the minimum number of meetings of the Board of Directors a year, in accordance with recommendation 26 of the Good Governance Code.

Consequently, section 1 of article 18 is now worded as follows:

Previous version.	Current version
<p>Article 18. Meetings of the Board of Directors</p> <p>1. The Board of Directors shall meet, at the initiative of the Chairman, as many times as the Chairman deems appropriate for the successful operation of the company, with a minimum of six meetings a year and at least once a quarter.</p> <p>Further, directors representing at least one third of the members of the Board of Directors may call such meeting, indicating the agenda, to be held in the municipality of the registered office if, following a request to the Chairman, the latter has failed, without a justified reason, to call such meeting within one month.</p>	<p>Article 18. Meetings of the Board of Directors</p> <p>1. The Board of Directors shall meet, at the initiative of the Chairman, as many times as the Chairman deems appropriate for the successful operation of the company, with a minimum of six <u>eight</u> meetings a year and at least once a quarter.</p> <p>Further, directors representing at least one third of the members of the Board of Directors may call such meeting, indicating the agenda, to be held in the municipality of the registered office if, following a request to the Chairman, the latter has failed, without a justified reason, to call such meeting within one month.</p>

3.5.2 Likewise, section 4 of article 18 is amended in order to adapt it to recommendation 26 of the Good Governance Code and establish a programme of meetings of the Board and general matters to be dealt with at them, and the possibility of each director, individually, proposing other items for the agenda.

Consequently, section 4 of article 18 is now worded as follows:

Previous version.	Current version
<p>Article 18. Meetings of the Board of Directors</p> <p>4 The Board shall draw up an annual schedule for ordinary meetings before the start of each year, which establishes a frequency of meetings that allows the Board to perform its duties efficiently.</p>	<p>Article 18. Meetings of the Board of Directors</p> <p>4 The Board shall draw up an annual schedule for ordinary meetings before the start of each year, which establishes a frequency of meetings <u>the programme of meeting dates and the general content of the matters to be dealt with</u> that allows the Board to perform its duties efficiently, <u>without prejudice to the specific agenda for each meeting being drawn up prior to it being called. The directors may, individually, propose other agenda items that were not initially planned.</u></p>

3.6 Amendment to article 19 *bis* regarding the evaluation of the Board of Directors and its committees

3.6.1 Article 19 bis is amended in order to comply with recommendations 6 and 36 of the Good Governance Code.

Consequently, article 19 bis is now worded as follows:

Previous version.	Current version
<p>Article 19 bis. Evaluation of the Board of Directors and of Board Committees.</p>	<p>Article 19 bis. Evaluation of the Board of Directors and of Board Committees.</p>

1 The full Board of Directors shall evaluate, at least once a year, its operation and the quality and efficiency of its work, and the operation of its Committees on the basis of the reports referred to the Board and propose, as the case may be, an action plan to correct any deficiencies detected.

The results of the evaluation will be recorded in the meeting minutes or will be annexed thereto as an appendix.

2 The Board shall also evaluate the performance of the Chairman of the Board and the Company's first executive on an annual basis, further to a report from the Appointments and Remuneration Committee.

1. The full Board of Directors shall evaluate, ~~at least~~ once a year, and adopt, where applicable ~~its operation and the quality and efficiency of its work, and the operation of its Commissions and Committees on the basis of the reports they bring before the Board and shall propose, where applicable~~ and based on their outcome, an action plan to correct any deficiencies detected regarding:

a) The quality and efficiency of the Board's operation;

b) the performance and membership of its committees;

c) the diversity of Board membership and competences;

d) the performance of the Chairman of the Board of Directors and the CEO, taking into account, where applicable, the evaluation performed by the lead independent director or by the Appointments and Remuneration Committee;

e) the performance and contribution of individual directors, with particular attention to the chairmen of the different commissions belonging to the Board of Directors.

The results of the evaluation will be recorded in the meeting minutes or will be annexed thereto as an appendix.

~~2 The Board shall also evaluate the performance of the Chairman of the Board and the Company's first executive on an annual basis, further to a report from the Appointments and Remuneration Committee.~~

2. If, as part of the aforementioned evaluations, reports were drawn up

<p>3 The Chairman of the Board shall organise and coordinate, with the chairmen of the commissions and committees, the periodic evaluation of the Board and the Company's first executive.</p>	<p><u>regarding the operation of the Audit Committee and the Appointments and Remuneration Committee, these reports shall be published on the Company website sufficiently in advance of the annual general meeting.</u></p> <p>3 The Chairman of the Board shall organise and coordinate, with the chairmen of the commissions and committees, the periodic evaluation of the Board and the Company's first executive.</p> <p><u>3. The different commissions shall be evaluated based on the report that they present to the Board of Directors and the latter shall be evaluated from the report it presents to the Appointments and Remuneration Committee.</u></p> <p><u>4. Every three years, the Board of Directors shall be helped to perform the evaluation by an external consultant, whose independence shall be verified by the appointments committee.</u></p>
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3.7 Amendment to section 1 of article 27 regarding expert assistance

Section 1 of article 27 is amended in order to clarify the Company's predisposition to offering the directors expert assistance and a programme for updating learning when circumstances require or advise, in accordance with recommendations 29 and 30 of the Good Governance Code.

Section 1 of article 27 is now worded as follows:

Previous version.	Current version
<p>Article 27. Expert assistance</p> <p>1. In order to be assisted in the exercise of their duties, external directors may request that legal advisors, accountants,</p>	<p>Article 27. Expert assistance</p> <p>1. In order to be assisted in the exercise of their duties, <u>and as long as circumstances so require, the Company</u></p>

<p><i>financiers or others be hired at the Company's expense.</i></p> <p><i>The request must necessarily be made in relation to specific problems of certain importance and complexity that appear while performing their role.</i></p>	<p><u>will provide directors, and</u> directors external directors may <u>may</u> request that legal advisors, accountants, financiers or others be hired at the Company's expense.</p> <p><i>The request must necessarily be made in relation to specific problems of certain importance and complexity that appear while performing their role.</i></p> <p><u>2. Notwithstanding the above, the Company may offer directors programmes for updating learning when circumstances so advise.</u></p>
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3.8 Amendment of section 2 of article 37 regarding the director's reporting duties

Section 2 of article 37 is amended in order to regulate the publication on the Company website of certain information regarding directors, in accordance with recommendation 18 of the Good Governance Code.

The wording of section 2 of article 37 is as follows:

Previous version.	Current version
<p>Article 37. Directors' reporting duties</p> <p>2 The director must report to the Appointments and Remuneration Committee on professional obligations that might interfere in the dedication required from directors for the effective discharge of their duties and, in any case, on other boards of directors of listed or unlisted companies of which he or she is a member.</p>	<p>Article 37. Directors' reporting duties</p> <p>2 The director must report to the Appointments and Remuneration Committee on professional obligations that might interfere in the dedication required from directors for the effective discharge of their duties and, in any case, on other boards of directors of listed or unlisted companies of which he or she is a member, <u>and any other paid activities he or she performs, whatever their nature, as long as the duties performed are not those of representing or managing his or her own assets (excepting, therefore, belonging to boards or performing paid activities regarding family companies and</u></p>

	<u>family-held holding companies). The information received from the directors will be published on the Company website.</u>
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3.9 Inclusion of a new paragraph in section 2 of article 37 regarding the maximum number of boards of other companies that Company directors may belong to

A new paragraph is included at the end of section 2 of article 37 in order to establish the maximum number of boards of other companies that Company directors may belong to, in accordance with recommendation 25 of the Good Governance Code.

The wording for this new paragraph is as follows:

Previous version.	Current version
Article 37.2.	Article 37.2.
N/A	<p><u>The maximum number of boards of other companies on which the Company's directors may sit must not exceed 3, in the case of executive directors, and 5, in the case of non-executive directors (except for family companies and family-held holding companies).</u></p> <p><u>In exceptional cases and in view of the personal and professional circumstances, the Board, after receiving a favourable report from the Appointments and Remuneration Committee, may authorise on an individual basis a larger number than that established in the preceding paragraph when it deems that such a decision does not limit or compromise the dedication of the director in question. In such a case, the authorisation will be reported in the Annual Corporate Governance Report.</u></p>

3.10 Amendment of article 40 regarding transactions with significant shareholders

A new section 4 of article 40 is included to provide, in the event that the Company draws up a report on related-party transactions, that the report be published on the Company website in accordance with recommendation 6 of the Good Governance Code.

Consequently, the new section 4 of article 40 is now worded as follows:

Previous version.	Current version
N/A	<p>Article 40. Transactions with significant shareholders.</p> <p><u>4. In the event that the Audit Committee draws up a report regarding the operations described in section 1 of this article 40, this report shall be published on the Company's website sufficiently in advance of the annual general meeting.</u></p>

In Madrid, on 12 February 2016