

FOR INFORMATION PURPOSES. SPANISH VERSION PREVAILS

**REGULATIONS OF THE APPOINTMENTS COMMITTEE OF
MERLIN PROPERTIES, SOCIMI, S.A.**

Appointments Committee Regulations approved by the board of directors at the meeting held on December 16, 2020. In the process of registration at the Commercial Registry.

REGULATIONS OF THE APPOINTMENTS COMMITTEE OF MERLIN PROPERTIES, SOCIMI, S.A.

Chapter I Preliminary

Article 1. Nature and Purpose

1. In accordance with the Corporate Governance System of Merlin Properties, SOCIMI, S.A. (the “**Company**” or “**Merlin**”), the board of directors has set up the appointments committee (the “**Committee**”), a permanent internal body, of an informative and advisory nature, without executive functions, with powers to advise, report and make proposals within its scope of action, which shall be governed by the provisions of the bylaws, the board regulations and these appointment committee regulations (the “**Regulations**”).
2. The purpose of the Regulations is to define:
 - (i) the principles of action of the appointments committee;
 - (ii) the basic rules governing its organization and functioning; and
 - (iii) the rules of conduct of its members.
3. The Regulations have been prepared taking into account the good governance recommendations generally recognized on the international markets and Technical Guide 1/2019 on Nomination and Remuneration Committees published by the National Securities Market Commission (“**CNMV**”) on February 20, 2019 and form part of the Company’s corporate governance system.

Article 2. Approval and amendment of the Regulations

1. These Regulations have been approved by the board of directors.
2. The Regulations may only be amended by the board of directors, at the proposal of (i) the board chairman, (ii) half plus one of the directors, or (ii) the Committee itself.
3. Proposed amendments to the Regulations must be accompanied by an explanatory report and, if the appointments committee is not the proposing body, must be reported on by the appointments committee. The wording of the proposal, the explanatory report and the report by the appointments committee (if it is not the proposing body) must be attached to the call notice for the board meeting that is to discuss the proposal, and it must be expressly included on the meeting agenda. In order for the amendment to be valid, the relevant resolution must be adopted by an absolute majority of the directors present at the meeting, in person or by proxy.

Article 3. Interpretation

1. The Regulations implement and supplement the regulations applicable to the board of directors pursuant to the legislation in force and the Company bylaws which, in the event of any discrepancy, shall prevail over the provisions of the Regulations.
2. The Regulations shall be interpreted in accordance with the applicable statutory and bylaw provisions and with the principles and recommendations on the corporate governance of listed companies, having regard fundamentally to their spirit and purpose and to the corporate interest.
3. Any question or discrepancy relating to the interpretation of the Regulations shall be resolved by the Committee and, failing that, by its chairman, assisted by the persons designated for such purpose by the board of directors, as the case may be. The interpretation and resolution of any questions or discrepancies must be reported to the board of directors.

Article 4. Dissemination

Committee members, as well as board members (the “**directors**”), to the extent applicable to them, are obliged to know, comply with and ensure compliance with the Regulations. For such purpose, the board secretary must provide all of them with a copy of the Regulations when they accept their respective appointments, and a copy of the Regulations shall be posted on the corporate website of the Company.

Chapter II Actions and powers of the Committee

Article 5. Basic principles of action

The Committee, in exercising its powers, must comply with the basic principles of:

- (i) independence, preserving at all times the Committee’s independence to act with respect to instructions and relationships with third parties that could compromise it, as well as the freedom of opinion and judgment of its members;
- (ii) skepticism, performing its function with a critical mindset, without perfunctorily approving proposals and reports from persons outside the Committee, particularly those from executives and senior executives of the entity (it being understood for the purposes of these Regulations that executives who report directly to the board of directors, its executive committees or the chief executive, as well as the internal auditor, are senior executives – hereinafter, the “**Senior Executives**”). This is particularly necessary with regard to the evaluation of potential candidates to be selected as independent directors where their name has been put forward by executive directors or nominee directors representing shareholders that exercise control or significant influence;

- (iii) constructive dialog that promotes the free speech of its members, a critical mindset and that, by favoring a diversity of opinions, contributes to enriching analyses and proposals;
- (iv) dialog both:
 - (a) among its members, so as to favor a diversity of opinions that enriches analyses and proposals, establishing a climate within the Committee that fosters constructive dialog among its members, promoting free speech and a critical mindset; and
 - (b) with the chairman of the board of directors, the chief executive or the lead independent director, and, where it deems it necessary, with Senior Executives or executives; and
- (v) sufficient analytical capability, seeking, where deemed necessary or advisable, the expert advice of a third party who may assist the Committee with aspects that are technical or particularly relevant, although the Committee must take into account any potential conflicts of interest that may exist when engaging the services of such third party.

Article 6. Powers relating to the evaluation and selection of directors

In this area of its powers, the Committee shall have the following main functions:

- (i) to analyze the competencies, knowledge and experience that members of the board of directors must have, for which purpose it shall draw up a matrix of the necessary or appropriate competencies in order to define the skills, knowledge and experience that must be held by candidates for director, particularly executive or independent directors, but also regarding any other candidate or director, and to be able to co-operate in defining the functions that apply to each position to be filled. For such purposes, it shall define the functions and skills required of the candidates to fill each vacancy and shall evaluate, both in the selection phase and annually, the time and dedication necessary for them to be able to effectively perform their duties. In particular, with respect to new directors, it shall specify the profile and capabilities required before the selection process starts, taking into account the abovementioned competency matrix. The matrix shall be updated periodically according to the challenges and opportunities that the Company is expected to face in the short-, medium- and long-term;
- (ii) to analyze the other occupations of each director of the Company, ensuring that directors devote sufficient time in practice and, if this is not the case, to propose the appropriate measures. In particular, in the case of a candidate for independent director, information must be gathered not only on their activities or occupations, but also the information needed to anticipate any potential conflicts of interest that may affect the candidate and to assess the effect that they may have on their ability to perform their function under the stipulated conditions or on their current or future independence. To gather such information periodically and at least annually thereafter;

- (iii) to meet, during the selection process, either the Committee or its chairman or any of its members, with each of the candidates for director, placing on record in minutes the meetings and, at least, the assessment made of the final or suitable candidates. [In the case of legal entity directors, the assessment shall be made with reference to the natural person representative, without prejudice to the analysis of the suitability of the legal entity (insolvency situations, criminal proceedings, administrative penalties, conflicts of interest, etc.)];
- (iv) to document and include in the report accompanying the proposal for the appointment or reappointment of a director, the result of the analysis performed and the reasons justifying the suitability of the candidate, taking into account the competency matrix;
- (v) to obtain the formal acceptance in writing of the conditions and policies of the Company for directors in general;
- (vi) to establish and oversee an annual program for evaluation and review of qualifications, training and, as the case may be, independence, as well the maintenance of the conditions, availability and commitment to office necessary to discharge the office of director and committee member, and to propose to the board of directors the measures it deems appropriate in such connection, with the authority to obtain any information or documentation it deems necessary or appropriate for such purpose;
- (vii) to outsource, where deemed necessary or advisable due to the special circumstances of the case, the search for candidates for independent director by engaging the services of an external expert, who should not provide the Company with any other kind of significant services;
- (viii) to consider proposals for potential candidates for independent director made by any director, exercising the utmost caution and gathering as much information as it sees fit, where such proposal has been submitted by significant shareholders, nominee directors or executive directors, ensuring that the proposed candidate does not have relationships that may condition their independence;
- (ix) to run an annual check on compliance with the director selection policy and set out its findings in the annual corporate governance report.

Article 7. Powers relating to the appointment, reappointment and removal of directors

In this area of its powers, the Committee shall have the following main functions:

- (i) to submit proposals to the board of directors for the appointment, reappointment or removal of independent directors for their designation by co-option or for submission to the shareholders' meeting for its decision, as well as proposals for the reappointment or removal of such directors by the shareholders' meeting. To report on proposals for the appointment of the rest of the directors for their designation by co-option or for submission to the shareholders' meeting for its decision, as well as proposals for their reappointment or removal by the shareholders' meeting;
- (ii) to ensure that, in covering new vacancies or appointing new directors, the selection procedures do not suffer from implicit bias that might entail any discrimination and, in particular, do not hinder the selection of female directors;
- (iii) to inform candidates for independent director about what is expected of them in terms of dedication, participation in the committees of the board of directors and commitment to the Company;
- (iv) to ensure that, in proposals for reappointment, the Committee takes into account the same factors as for the first appointment and, moreover, assesses the performance and the evaluation of the director during the time they have held office and their ability to continue to discharge it satisfactorily, as well as the need for the progressive renewal of the board;
- (v) to procure, in the case of removal of independent directors, that the proposal comes from the Committee (without prejudice to the powers of the shareholders' meeting) and to assess whether there are justified grounds. In particular, just cause shall be deemed to exist when directors take on new offices or responsibilities that prevent them from dedicating the necessary time to the performance of their functions as director, fail to fulfill the duties inherent in their office or become subject to any circumstances that strip them of their status as an independent director, in accordance with the provisions of the applicable legislation;
- (vi) to assess the reasons for the resignation or removal of a director before the end of their mandate and ensure that the board of directors sufficiently disseminates the reasons and circumstances for the removal or resignation and, in the case of executive directors, its opinion on the grounds for removal by the shareholders' meeting, and to report on all of the foregoing in the annual corporate governance report;
- (vii) to assess whether the appointment policy and procedures established by the Company have been respected in the selection of candidates on which it has to report and to reflect in the report to the board of directors any irregularities or significant deviations observed;

- (viii) to gather information, in the case of a proposal for the appointment of a nominee director at the request of a shareholder whose shareholding is less than 3%, on the reasons for the proposal and explain the reasons in the Committee's report on the appointment. To verify that the annual corporate governance report discloses the reasons for the appointment of nominee directors at the request of shareholders whose shareholding is less than 3% of capital and explains any rejection of formal requests for presence on the board of directors from shareholders whose shareholding is equal to or greater than that of other shareholders who have successfully requested the appointment of nominee directors.

Article 8. Powers relating to the composition of the board of directors, its committees and to the process for designating internal offices on the board of directors and members of senior management

In this area of its powers, the Committee shall have the following main functions:

- (i) to report on the appointment of the chairman, deputy chairmen, secretary and deputy secretary of the board of directors;
- (ii) to report on proposals for appointment of members of the audit and control committee and of the compensation committee, as well as of any committee that may be established by the board of directors;
- (iii) to report to the board of directors on the performance of the functions of the board chairman;
- (iv) to report to the board of directors on the periodic evaluation of the performance of the directors and Senior Executives of the Company;
- (v) to propose the designation by the board of directors (on an obligatory or voluntary basis) of a lead director from among the independent directors;
- (vi) to examine and organize the process for succession of the chairman of the board of directors and of the managing director of the Company, if any, and, if appropriate, to make proposals to the board of directors and draw up a succession plan to ensure that the handover takes place in a planned and orderly fashion;
- (vii) to consult, when organizing the succession of the chief executive, with the current chairman and chief executive of the Company;
- (viii) to involve, where appropriate, the lead independent director in organizing the succession of the chairman, provided that the lead independent director is not already a member of the Committee;
- (ix) to report on proposals for the appointment and removal of Senior Executives and the basic terms of their contracts;

- (x) to establish a target for representation of the underrepresented gender on the board of directors and among senior management and prepare guidelines on how to achieve this target;
- (xi) to report to the board of directors on gender diversity matters, proposing to the board of directors a diversity policy for directors and, as the case may be, in relation to senior management;
- (xii) to consider the suggestions made by the chairman, board members, Senior Executives or shareholders of the Company.

Article 9. Powers relating to the evaluation of the board of directors and its specialized committees

In this area of its powers, the Committee shall have the following main functions:

- (i) to report to the board of directors on the periodic evaluation of the functioning of the board of directors and its committees;
- (ii) to coordinate the evaluation of the functioning of the board of directors and its committees and to submit to the board of directors along with the findings of its evaluation a proposed action plan or recommendations to correct any deficiencies detected or to improve the functioning of the board of directors or its committees, involving, where appropriate, the lead independent director.

In particular, the Committee shall, on an annual basis, coordinate the evaluation of:

- (a) the quality and efficiency of the functioning of the board of directors and its committees, including the extent to which the board and its committees make effective use of their members' contributions;
- (b) the size, composition and diversity of the board of directors and its committees;
- (c) the performance of the chairman of the board of directors and of the Company's chief executive;
- (d) the performance and contribution of each director, focusing in particular on the heads of the various board committees;
- (e) the frequency and duration of meetings;
- (f) the content of the agenda and whether the time dedicated to the different items is sufficient in light of their importance;
- (g) the quality of the information received;
- (h) the breadth and openness of the debates, to avoid groupthink;

- (i) whether the decision-making process within the board of directors is dominated or heavily influenced by one member or a small group of members;
- (iii) to monitor directors' attendance at meetings of the board of directors and the committees of which they form part, keeping a tally of absences. Where absences by any director are more frequent than usual, to obtain information on the reasons why, in order to propose remedial action, insofar as possible;
- (iv) to ensure, in the event of unavoidable absences of directors at meetings of the board of directors and of the committees of which they form part, that proxies are granted in general with precise voting instructions;
- (v) to adequately assess the independence of the external consultant who assists the board of directors every three years in carrying out the evaluation, and ensure, insofar as possible, that it is not the same external consultant who advises the Company on appointments of directors or Senior Executives or on compensation systems;
- (vi) to discuss with each director, through the Committee chairman, the results of their personal evaluation and, where appropriate, the measures to be adopted to improve their performance;
- (vii) to periodically design and organize refresher programs.

Article 10. Other powers entrusted to the Committee

The Committee shall also have the following powers:

- (i) to get involved, through the Committee chairman or any of its members, in communicating with and contacting shareholders and institutional investors, and primarily with those who are not represented on the board;
- (ii) to oversee compliance with the corporate governance rules and internal codes of conduct of the Company, ensuring that the corporate culture is aligned with its purpose and values;
- (iii) to oversee the application of the general policy regarding disclosure of non-financial and corporate information, and regarding communication with shareholders and investors, proxy advisors and other stakeholders. to monitor the way in which the Company communicates and interacts with small and medium-sized shareholders;
- (iv) to report on and oversee, prior to its approval, the non-financial information of the Company as regards any information pertaining to its remit;
- (v) to periodically evaluate and review the corporate governance system and environmental, social and corporate governance rules of the Company in order to ensure they fulfill the mission of promoting the corporate interest and take into account the legitimate interests of the stakeholders;

- (vi) to monitor and evaluate interaction with the different stakeholders;
- (vii) to ensure that the Company's environmental and social practices are in keeping with the strategy and policies set;
- (viii) in relation to the Company's corporate governance obligations:
 - (a) to periodically review the Company's internal corporate governance regulations and propose to the board, for approval or submission to the shareholders' meeting, as appropriate, any amendments or updates that contribute to their ongoing improvement and development;
 - (b) to promote the Company's corporate governance strategy;
 - (c) to supervise compliance with the requirements of the law and of the Company's internal corporate governance regulations;
 - (d) to know, promote, guide and supervise the actions of the Company in corporate social responsibility and sustainability matters and report on same to the board or, as the case may be, to the executive committee;
 - (e) to know, promote, guide and supervise the actions of the Company in corporate reputation matters and report on same to the board or, as the case may be, to the executive committee;
 - (f) to report, prior to its approval, on the Company's annual corporate governance report, obtaining for such purposes the audit and control committee reports relating to the sections of the report pertaining to its remit;
- (ix) to check that information shared by the Company on its website regarding matters pertaining to the Committee's remit is sufficient and appropriate;
- (x) to participate in possible updates to the board regulations in relation to matters pertaining to the Committee's remit;
- (xi) to report to the board of directors on situations affecting directors, whether or not relating to their actions at the Company (in particular, on any criminal proceedings in which they appear as a party facing investigation and any developments in the proceeding) which may adversely affect the credit and reputation of the Company and to report on the advisability of adopting any measure, such as opening an internal investigation, requesting the resignation of the director, or proposing their removal;
- (xii) in relation to the management and promotion of talent:
 - (a) to analyze and monitor international best practices in the areas of attracting, retaining, managing and promoting talent;
 - (b) to help attract and retain talent, endeavoring to ensure that the Company has the best professionals on its governing and senior management bodies;

- (c) to collaborate with the chief executive in attracting and promoting executive talent;
 - (d) to oversee the implementation of the measures adopted at the Company to attract, retain, manage and promote talent; and
- (xiii) any other powers attributed to it by virtue of the bylaws, the board regulations, the law and any other legislation applicable to the Company.

Chapter III Composition

Article 11.- Induction program

1. The Committee shall ensure that new Committee members receive an induction program on the functions of the Committee and the Company's other bodies, to ensure that they all have a uniform level of knowledge that facilitates their active participation from the outset.
2. The induction program shall cover at least:
 - (i) the Committee's role, responsibilities and objectives;
 - (ii) the functioning of the other specialized committees set up by the Company;
 - (iii) the time each Committee member is expected to dedicate to the Committee (commitment regarding level of dedication);
 - (iv) an overall view of the Company's business and organizational model and of its strategy; the Company's main activities; its financial structure; the most significant risks, both financial and non-financial; the entity's most important policies, including its code of ethics (meetings with key staff of the entity should be included); and
 - (v) the Company's reporting obligations.

Article 12. Quantitative and Qualitative Composition

1. The Committee shall be made up of a minimum of three (3) and a maximum of five (5) members, who shall all be non-executive directors and a majority of whom shall be independent directors. They shall be appointed by the board of directors in all cases. The composition of the Committee shall take into account diversity and the principle of proportionality as regards gender, professional experience, skills, personal capabilities and industry knowledge.
2. It is presumed that Committee members, as members of the board of directors, ought to have the appropriate knowledge, skills and experience for the functions they are called on to discharge. This notwithstanding, as a whole they should have knowledge and experience in the following areas:

- (i) corporate governance;
- (ii) analysis and strategic assessment of human resources;
- (iii) selection of directors and Senior Executives, including evaluation of the suitability requirements that may be stipulated by virtue of the rules applicable to the Company; and
- (iv) performance of senior management functions.

In addition to the above, the board of directors shall procure that:

- (i) the Committee chairman has prior experience at comparable companies, in terms of size or complexity, as a member of the appointments committee, an executive director or member of senior management;
 - (ii) where nominee directors are members of the Committee, the board shall procure that the following requirements are met:
 - (a) due to the characteristics, percentage and value of their shareholding (including its value in relative terms, compared with the rest of their assets), the represented shareholder must not exercise control or significant influence over the management of the Company, and must not hold a significant percentage of the capital (for example, more than 5%) or be affected by interests other than those which are generally specific to the minority shareholders of the Company; or, if what is indicated in this subarticle is the case,
 - (b) where they represent a significant shareholder, that they meet the requirements to be considered independent directors in accordance with subarticle 4 of article 529 duodecies of the Capital Companies Law, including what is envisaged in the general definition that appears at the beginning of such subarticle, except as regards the fact in itself of having a relationship with a significant shareholder.
3. The number of members, the powers and the rules on the functioning of the Committee must favor its independent functioning. Thus, within the aforementioned limits, the Committee may submit a proposal to the board of directors to modify the number of its members, with a view to ensuring the most suitable number for its effective functioning.
 4. Efforts shall be made to ensure the composition of the Committee is diverse, particularly as regards gender, professional experience, skills, personal capabilities and industry knowledge.

Article 13. Offices

1. The Committee shall appoint a Committee chairman from among the independent Committee members.

Among other aspects, the Committee chairman:

- (i) shall maintain regular contact with the key staff involved in the governance and management of the Company;
 - (ii) shall be the person who channels and provides the necessary information and documentation to the other Committee members, with sufficient time for them to be able to analyze it prior to Committee meetings; and
 - (iii) with a view to favoring a diversity of opinions that enriches the Committee's analyses and proposals, shall ensure that Committee members participate freely in deliberations and shall foster constructive dialog among its members, promoting free speech and a critical mindset.
2. The Committee shall appoint a secretary and may appoint a deputy secretary, neither of whom need be a Committee member. Where no such appointments are made, the board secretary and deputy board secretary shall act as the Committee secretary and deputy secretary.

Article 14. Term of office

1. Committee members shall hold office for as long as their appointment as Company directors remains in force, unless the board resolves otherwise. The renewal, reappointment and removal of directors making up the Committee shall be governed by what is resolved by the board.
2. The chairman must be reappointed or replaced every two (2) years, and may be reappointed for successive terms of equal duration.
3. Committee members reappointed as Company directors pursuant to a resolution of the shareholders' meeting shall continue to hold office on the Committee, without having to be reappointed, unless the board resolves otherwise.

Article 15. Vacation of office

Committee members shall cease to hold office:

- (i) when they cease to be Company directors;
- (ii) when, despite continuing to be Company directors, they cease to be nonexecutive directors;
- (iii) when so resolved by the board of directors.

**Chapter IV
Functioning**

Article 16. Annual work plan

1. Prior to the start of each year, the Committee shall approve an annual work plan covering at least:
 - (i) the specific objectives for each of the Committee's functions, particularly for any objectives that are new or refer to the most relevant matters;
 - (ii) the organization of the information and agenda for meetings, planning fixed sections (matters to be habitually discussed) and matters to be discussed only at certain meetings;
 - (iii) meetings or other means of periodic communication with the Senior Executives of the Company;
 - (iv) the training deemed appropriate for the correct performance of the Committee's functions.
2. When preparing the plan, it should be taken into account that the responsibilities of the Committee members are fundamentally supervisory and advisory in nature, and they should not take part in enforcement or management functions specific to the management and the executive bodies of the Company.

Article 17. Meetings

1. Following the approval of the annual work plan, the Committee chairman must draw up the annual meeting calendar, having regard to the time to be dedicated to the various Committee functions, as well as to the meeting calendar of the board and of the shareholders' meeting, all of the foregoing with a view to preparing, as appropriate, the reports to be sent on the matters to be discussed by the board and the shareholders' meeting, as well as the report on the activities carried out by the Committee.
2. In any event, the Committee shall be called and shall meet at least once every quarter.
3. Notwithstanding the provisions of the preceding subarticles, the Committee shall meet whenever it is called by the Committee chairman, who must do so whenever the board or the board chairman request the issue of a report or the adoption of proposals and, in any event, when it is appropriate for the proper pursuit of its functions.
4. The board chairman and the managing director may request informative meetings of the Committee on an exceptional basis.

Article 18. Call notice

Committee meetings shall be called by the Committee chairman, either at his own initiative or at the request of the board chairman or any Committee member. Calls shall be made by letter, telegram, fax, email or any other means capable of providing evidence of its receipt.

Article 19. Meeting venue

1. Committee meetings shall ordinarily be held at the registered office but may also be held at any other venue determined by the chairman, whether in Spain or abroad.
2. In addition, provided there are justified reasons to explain any member's inability to attend, the chairman may authorize the holding of Committee meetings with simultaneous attendance at different venues connected by audiovisual or telephonic means, provided that the identification of the members present and real-time interactivity and intercommunication and, consequently, the integrity of the meeting, is guaranteed.
3. Members not physically present at the meeting venue who use means of communication that allow for the meeting to be held simultaneously and reciprocally with the meeting venue and with other members using means of distance communication, shall be considered attendees for all purposes and may cast their vote via the means of communication used.

Article 20. Constitution

1. Committee meetings shall be validly constituted when the majority of the Committee members are present, in person or by proxy. This notwithstanding, the Committee shall also be deemed validly constituted without prior call if all Committee members are present, in person or by proxy, and unanimously resolve to hold the meeting and agree on the items to be discussed on the agenda.
2. The meeting shall be chaired by the Committee chairman. In the event of vacancy, illness, impossibility or absence of the Committee chairman, the meeting shall be chaired by the longest-serving Committee member and, where two or more members have served an equal term, by the eldest of them.
3. The board secretary shall act as meeting secretary. In the event of vacancy, illness, impossibility or absence of the Committee secretary, the board secretary or deputy secretary shall act as secretary and, in their absence, the person designated by the Committee for such purpose.
4. Committee members may grant a proxy to another member by serving notice thereof on the Committee secretary, stating the terms of the proxy. They cannot, however, grant a proxy in relation to matters that involve them personally or with respect to which they have a conflict of interest.

Article 21. Resolutions

1. Resolutions shall be adopted by a majority of the members present, in person or by proxy. In the event of a tie, the chairman shall have the casting vote.
2. The Committee may also adopt resolutions in writing and without holding a meeting where no member objects to the procedure, in accordance with the provisions of

the law and the bylaws, and votes may be cast in writing or via email, provided that the identity of the member casting their vote can be guaranteed.

3. Minutes shall be taken of the resolutions adopted at each meeting, and details thereof shall be reported to the plenary session of the board, sending or delivering a copy of the minutes to all board members.

Article 22. Conflicts of interest

Where the matters to be discussed at Committee meetings have a direct impact on any Committee member or on persons related to them and, in general, where the Committee member is subject to a conflict of interest, they must leave the meeting until the decision is made, and shall be discounted from the number of Committee members used to calculate the quorum and majorities in connection with the matter in question.

Article 23. Attendance

1. At the request of the Committee chairman, by way of a petition addressed to the board chairman, any director may be asked to attend Committee meetings.
2. By way of a reasoned request, the Committee chairman may also require the attendance of any director, manager or employee of the Company, as well as of any member of the managing bodies of investees whose nomination was proposed by the Company, provided that there is no legal impediment, or of any adviser or external guest.
3. Meetings cannot be attended by persons who do not form part of the Committee if the aspects discussed are not within the scope of the powers or functions of such persons or they have not been invited by the Committee chairman.
4. The presence of executives or other directors, executive or otherwise, or of advisers or guests at Committee meetings shall be occasional and only where necessary, following an invitation by the Committee chairman, and shall be limited strictly to those items on the agenda for which they are invited.

Chapter V. Relations

Article 24. Relations with the board

1. The Committee chairman shall report to the board on the matters discussed and the resolutions adopted at Committee meetings at the first board meeting held after each Committee meeting.
2. Within the first three months following the end of the Company's fiscal year, the Committee shall submit a report on the Committee's work during the preceding year to the board for approval.

Chapter VI
Prerogatives of the Committee, duties of Committee members and evaluation of its functioning

Article 25. Prerogatives

1. The Committee may access, without restriction, any type of information or documentation available to the Company in connection with the matters under the Committee's remit and deemed necessary by the Committee for the performance of its functions.
2. The Committee may also enlist, with a charge to the Company, the cooperation or advisory services of external professionals, who must address their reports directly to the Committee chairman. In such case, the Committee must prevent any conflicts of interest from jeopardizing the independence of the external advice received.

Article 26. Duties of Committee members

1. Committee members must act with independence of judgement and action with respect to the rest of the organization and must perform their work with the utmost professional diligence and skill.
2. Committee members shall be subject, in such capacity, to all duties of directors provided for in the board regulations, insofar as they apply to the functions performed by the Committee.

Article 27. Evaluation

As a part of the annual evaluation of the board of directors, the Committee shall independently evaluate its performance, with a view to enhancing its functioning and improving the planning for the following year. For such purpose, it shall request an opinion from the other directors and, if it deems it appropriate, shall enlist the aid of an external consultant. Independently of the procedure chosen, the board of directors shall be informed of the aspects evaluated and of the findings of the evaluation, so that they can be taken into account in the annual evaluation of the board.