

OPERATION



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POWERS

Article 32 of the [By-Laws](#) and Article 13 of the [Regulations of the Board of Directors \[PDF\]](#) provide that the Board of Directors has the broadest powers and authority to manage and represent the Company, which develops the duties relating to strategy, oversight, and control of the Group as a whole in accordance with the [corporate and governance structure](#).



APPOINTMENT

Pursuant to Article 17.1 (b) of the By-Laws and Article 17 of the Regulations of the Board of Directors, the appointment of directors is, as a general rule, within the purview of the shareholders acting at a General Shareholders' Meeting, while the Appointments Committee is in charge of submitting to the Board of Directors the proposals for appointment of independent directors and of reporting on the proposals for appointment of the other directors.

Individuals or legal entities that are subject to any of the instances of incompatibility or prohibition established in the Company's Corporate Governance System may not be appointed as directors.

The directors appointed shall be respectable and qualified persons, widely recognised for their expertise, competence, experience, qualifications, training, availability, and commitment to their duties.



TERM OF OFFICE

The directors shall serve in their position for a term of four years, so long as the shareholders acting at a General Shareholders' Meeting do not resolve to remove them and they do not resign from their position. Directors may be re-elected to one or more terms of four years.



DUTIES

The directors are subject to the general obligations and to the legal, by-law, regulatory, and ethical duties established in the Company's Corporate Governance System. [See the Director's Code of Ethics \[PDF\]](#)



RESIGNATION

As provided by Article 47 of the By-Laws and Article 21.3 of the Regulations of the Board of Directors, the directors must submit their resignation to the Board of Directors and formally resign from their position when, due to supervening circumstances, they are involved in any circumstance of incompatibility or prohibition provided by law or the Corporate Governance System.



MEETINGS

The Board of Directors meets with the frequency that the chairman thereof deems appropriate, but at least eight times per year, and must hold at least one meeting each calendar quarter.

The number of the meetings held and the attendance of the directors are disclosed in the [Annual Corporate Governance Report](#).



COMPENSATION

Directors shall have the right to receive the remuneration to which they are entitled in accordance with the provisions of the director remuneration policy approved by the shareholders at the General Shareholders' Meeting, upon the terms provided by law.

The Board of Directors prepares the [Annual Director Remuneration Report](#), which is available to the shareholders upon the call to the Annual General Shareholders' Meeting and submitted to a consultative vote as a separate item on the agenda.