

# **LLEIDA NETWORKS SERVEIS TELEMÀTICS S.A. BOARD OF DIRECTORS REGULATIONS**

## **CHAPTER I: PRELIMINARY**

### **Article 1. Purpose**

These Regulations aim to outline the working principles for the Board of Directors of LLEIDA NETWORKS SERVEIS TELEMÀTICS S.A. (hereinafter, the "Company"), as well as the basic organizational and functional rules in addition to the standards of conduct applicable to the members thereof.

### **Article 2. Scope of application**

1. These Regulations are applicable to the Board of Directors, its delegated bodies (one-person or groups) and internal commissions.
2. The people covered by these Regulations shall be required to know them, comply with them and ensure others comply with them.

## **CHAPTER II: THE BOARD OF DIRECTORS**

### **Article 3. General role**

1. The Board of Directors shall have the broadest of powers to manage and represent the company in and out of court and in all matters included in its corporate purpose as defined in article 4 of the company's Articles of Association.
2. In any case, all powers that legally correspond to General Meetings of Shareholders are excluded.

### **Article 4. Composition**

1. The Board of Directors shall be comprised of the number of members determined by a General Meeting of Shareholders within the limits established by the Company's Articles of Association.
2. In accordance with the different circumstances affecting the Company, the Board shall propose the number to a General Meeting that adequately ensures due representability and effective functioning for this body.

### **Article 5. Board of Directors Meetings**

1. The Board shall meet once a quarter and whenever in the best interest of the company. It must meet within the first three months of each fiscal year to prepare the annual accounts and management report for the previous year and whenever a General Meeting of Shareholders needs to be called. Such meetings shall be called by the President or acting President.
2. Board of Director meetings shall be called by the Secretary, at the request of the President.

3. The Board of Directors shall be called by written notification indicating the meeting agenda. This notification shall be sent by regular mail, fax, email or any other means allowing proof of receipt by members. Notification by said means is not necessary in cases where all of the members confirm by regular mail, fax, email or any other means that they are aware a Board of Directors meeting is to be held. Moreover, the Board shall be understood as validly constituted without the need for a formal call if all of the members are present or represented and unanimously agree to hold a meeting.

4. In general, Board of Directors meetings shall be called at least five (5) calendar days in advance. Exceptionally and when the party responsible for calling Board meetings believes there are reasons for an urgent meeting, said call may be made forty-eight (48) hours in advance. The provisions above concerning the means of formal calls shall apply. The reasons for calling an urgent meeting must be explained at the start of the Board meeting called in such manner by the party requesting said meeting.

5. The Board may pass resolutions in writing outside physical sessions in accordance to the requirements established by law.

#### **Article 6. Meeting procedures**

1. The Board of Directors shall be validly constituted to discuss any matter when half plus one of the members are present or represented by another member. Any member may grant representation powers to another member in writing expressly for a specific meeting. The adoption of resolutions requires votes in favor by absolute majority of the members attending a meeting except in cases when a particular power attributed to the Board of Directors is permanently delegated to the Executive Commission or the CEO and when designating directors to occupy such offices. In these cases, votes in favor by two-thirds of the members of the Board will be required.

Board members may participate in the corresponding Board of Directors meeting by telephone conference, video conference or any other means of communication in virtue of which the people participating in the meeting may all hear each other. It shall be understood that a person participating through the foregoing described means is personally attending said Board of Directors meeting.

Third parties other than the board members may attend Board of Directors meetings as long as they are invited by the President and/or Secretary.

2. Board discussions and resolutions shall be recorded in a minutes book and all minutes must be signed by the President and the Secretary or the parties substituting them at the meeting referred to in the minutes. In cases of written, out-of-session voting, the resolutions adopted and the votes issued in writing shall also be recorded in the minutes book.

3. The President shall organize the debate, attempting to ensure and encouraging all members participate in the body's deliberations.

4. Board of Directors resolutions shall be adopted by absolute majority of those in attendance. In the event of a tie, the President of the Board may cast the deciding vote.

5. All Board of Directors discussions and resolutions shall be recorded in a minutes book which shall be signed by the President and Secretary.

6. These minutes shall be subject to approval by the Board of Directors at the end of the meeting or at a later meeting.

#### **Article 7. Structure**

1. Board Members shall choose a President from among them as well as a Secretary, who does not have to be a member of the Board of Directors, as long as these appointments are not made by the General Meeting of Shareholders at the time the Board Members are elected. Moreover, a Vice-President may be chosen. The Board may accept resignations from Members.

2. The Board may designate one or several Vice-Presidents, who shall act in substitution of the President if the latter is not able to attend or is absent. Furthermore, the Board may appoint a Vice-Secretary, who does not have to be a Member, to assist the Secretary of the Board of Directors and perform said role in substitution if the Secretary is absent.

3. The Board may designate an Executive Commission from among its members or one or more CEOs, without prejudice to any legal representation powers that may be granted to any person. All powers, which cannot be delegated pursuant to applicable laws and the Articles of Association, may be granted to the CEOs fully or partially, or temporarily or permanently. The delegation and designation of members of the Board who shall occupy such offices shall require votes in favor by two-thirds of the Board members to be considered valid.

Moreover, the Board may constitute other commissions with consulting or advisory functions without prejudice to any other decision power that may be attributed by exception.

In any case, the Board must constitute an Audit Commission with information, supervision, advisory and proposal powers in relation to matters under its competence as specified in article 9.

#### **Article 8. Conflicts of interest**

Pursuant to the provisions of the Spanish Corporate Enterprises Act, the members of the Board of Directors must irrevocably abstain from voting on any matter that may be considered a conflict of interest. In the event of a dispute between the members of the Board on whether a matter may be considered a conflict of interest, the President shall determine whether the affected member must abstain from voting.

### **CHAPTER III. THE AUDIT COMMISSION**

#### **Article 9. The Audit Commission**

1. An Audit Commission shall be constituted from among the Board of Directors pursuant to the following rules:

2. The Audit Commission shall be formed by a minimum of two (2) and a maximum of five (5) non-executive members appointed by the Board of Directors. At least two of them must be independent members. If the Commission is formed by two (2) independent members, the President of the Commission shall cast deciding votes.

3. The President of the Audit Commission must be replaced every four years and may be re-elected, as appropriate, once a period of one year has passed since the most recent cessation date.

4. Attempts shall be made to ensure all members of the Audit Commission and, particularly the President, are designated considering their knowledge and experience in accounting and auditing or both.

5. Without prejudice to any other tasks assigned at any given time by the Board of Directors, the Audit Commission shall exercise the following basic duties:

5.1. Reporting to the General Meeting of Shareholders on all matters raised by the shareholders under its competence.

5.2. Proposing the appointment of external account auditors as indicated in article 264 of the Spanish Corporate Enterprises Act as well as their contract conditions, the scope of their professional mandates and, as applicable, their revocation or non-revocation to the Board of Directors for submission to the General Meeting of Shareholders. In order to ensure the independence of external auditors, the Company must communicate such changes in auditor as Relevant Events to the governing body of the Spanish Alternative Investment Market.

5.3. Supervising internal auditing systems; ensuring their independence and efficacy.

5.4. Reviewing the Company's accounts, supervising compliance with all legal requirements and the proper application of accounting principles, seeking direct collaboration from external and internal auditors for this purpose.

5.5. Knowing and supervising the preparation process and integrity of the financial information concerning the Company and, where applicable, the group it belongs to; reviewing compliance with regulatory requirements and the proper application of accounting criteria; knowing and supervising the Company's internal control systems, verifying their suitability and integrity; and reviewing the designation or substitution of responsible parties.

5.6. Periodically reviewing internal control and risk management systems so the main risks are identified, managed and adequately reported.

5.7. Maintaining relations with external auditors to receive information on matters that may pose a risk to the independence thereof and any other matters related to the account auditing process and other communications provided for by account auditing laws and technical audit standards.

5.8. Supervising compliance with the audit contract, attempting to ensure opinions of the annual accounts and main content of audit reports are written clearly and accurately as well as evaluating the results of each audit.

5.9. Reviewing any periodical financial information that must be provided by the Board to the markets and supervisory bodies, ensuring all mid-term accounts are prepared under the same accounting criteria as annual accounts.

5.10. Reporting to the Board of Directors prior to the adoption by said body of the corresponding decisions on all matters provided for by law, the Articles of Association and Board Regulations and, in particular, on the following matters: (i) the financial information the Company must periodically make public; (ii) the creation or acquisition of stakes in special purpose entities or entities registered in countries considered tax havens as well as any other transaction or operation of a similar nature which may undermine the group's transparency due to the complexity; and (iii) Related Party Transactions.

6. The Audit Commission shall meet ordinarily on a half-yearly basis to review the periodical financial information that must be sent to the Spanish Alternative Investment Market regulatory body as well as any information the Board of Directors must approve and include as part of its annual public documentation.

7. Moreover, it shall meet each time convened by its President who must always do so when the Board or its President requests the issuance of a report or the adoption of proposals by the Audit Commission and, in any case, whenever requested by any of the Audit Commission members or appropriate for the proper performance of its duties.

8. The members of the Company's executive team and personnel shall be required to attend Audit Commission meetings and offer collaboration and access to any information they may have when the Commission so requests. The Commission may also require the attendance of account auditors at its meetings.

9. In order to best perform its duties, the Audit Commission may seek advice from external experts when deemed necessary for adequate performance of its duties.

## **CHAPTER IV: FINAL PROVISIONS**

### **Article 10. Interpretation**

1. These Regulations shall be interpreted pursuant to all applicable legal and statutory standards as well as any major recommendations on the corporate governance of listed companies, which are approved or issued by Spanish authorities.

2. The Board of Directors must resolve any questions that may arise concerning the application and interpretation of these Regulations pursuant to the general criteria for interpreting legal standards.

### **Article 11. Modifications**

1. These Regulations may only be modified at the request of the President or one-third of the members of the Audit Commission, who must attach a report of justification to any proposed modification.

2. The text of the proposal and report of justification by the authors of the proposal must be attached to the call for the Board meeting at which such matter is to be discussed.

3. Any modification of the Regulations shall require a resolution adopted for such purpose by a two-thirds majority of the members present or represented in order to be considered valid.

4. These Regulations must be updated whenever necessary to adjust the content to the applicable legal provisions in effect.

### **Article 12. Publication**

Following approval, these Regulations shall be made public so that shareholders and investors may be aware of them as provided for in the Articles of Association and current law.