

## DIRECTORS SENIOR MANAGEMENT AND EMPLOYEES

### 5.3 Board and Committee rules and practices

#### 5.3.5 Powers of the Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer represents the Company in its relations with third parties. He has broad powers to act on behalf of our Company in all circumstances.

In addition, as Chairman of the Board, the Chairman and Chief Executive Officer represents the Board of Directors. He organizes and directs the work of the Board in accordance with the provisions of its internal regulations.

The Company's strategic priorities are proposed by the Chairman and Chief Executive Officer and are discussed annually by the Board of Directors. Specific strategic presentations may be submitted to the Board of Directors as often as necessary. The Company's strategic priorities are approved by the Board of Directors.

Limitations of the Chairman and Chief Executive Officer's powers are contained in the Board's internal regulations and concern investment and divestment decisions, as well as certain financial transactions.

#### Investments and divestments

The Board's internal regulations stipulate that investment and divestment decisions must be submitted to the Board of Directors as follows:

- as regards transactions, in line with our strategies as previously approved by the Board:
  - submission for information purposes following the closing of the transaction: for transactions below 200 million euros;
  - submission for approval of the principle of the transaction, either during a Board meeting or in writing, enabling Directors to comment on the proposed transaction or request a Board decision: for transactions between 200 and 600 million euros;
  - submission for prior approval of the transaction and its terms: for transactions in excess of 600 million euros;
- as regards transactions that do not fall within the scope of the Company's strategy as previously defined by the Board: submission for prior approval of transactions exceeding 100 million euros.

The above amounts refer to the Company's total commitment including assumed debt and deferred commitments.

#### Financial transactions

The Board's internal regulations provide that transactions relating to the arrangement of debt and financing that can be decided by Chief Executive Officers by law, or pursuant to a delegation by the Board of Directors and the General Meeting, are subject to the following rules:

- financing transactions carried out through bilateral or syndicated credit facilities for an amount below 2 billion euros are submitted to the Board of Directors by the Chairman and Chief Executive Officer for information purposes when the transaction closes. Those transactions exceeding 2 billion euros are submitted to the Board for prior approval;
- bond issues, which may be decided by the Chairman and Chief Executive Officer pursuant to a Board delegation, must be submitted to the Board as follows:
  - for information purposes following the closing of the issue: for bond issues below 300 million euros;
  - for information purposes prior to the launch of the issue: for bond issues between 300 million and 1 billion euros, the Chief Executive Officer is in charge of defining the terms and conditions of the issue;
  - for prior approval of the issue and its terms: for bond issues in excess of 1 billion euros;
  - for prior approval of the issue and its terms for bond issues convertible or exchangeable into shares.