



REPORT OF THE BOARD OF DIRECTORS OF AENA, SA ON AMENDMENTS TO THE BOARD OF DIRECTORS REGULATION

1. Introduction

During 2015 a series of laws was approved containing amendments to the Corporate Enterprises Law; in particular, Law 9/2015, of 25 May, of Urgent Measures in Matters of Bankruptcy, Law 15/2015, of 2 July, on Voluntary Jurisdiction and Law 22/2015, of 20 July, on the Auditing of Accounts. To the degree that these amendments have affected questions which are reflected in the rules of corporate government of the Company, the Board of Directors has considered it appropriate to review these rules in order to update them in the light of those amendments.

It has also been found appropriate to amend the regulation on the functioning of the Executive Committee, to make holding its meetings more flexible.

Continuing the objective of adapting as much as possible to the recommendations of good government in everything appropriate to the particular characteristics of the Company, after internal study the functions envisaged in Recommendation 53 of the Good Government Code published in February 2015 by the CNMV (National Securities Market Commission) have been apportioned between the Appointments and Remuneration Committee and the Audit Committee.

With the aim of updating the functions of the Board committees, a technical improvement has been introduced since there was some confusion with regard to the competence to report on related-party transactions, clarifying, in line with what is envisaged in the Corporate Enterprises Law, that the function remains with the Audit Committee.

Finally, the opportunity is taken to make an amendment with respect to the existence of a certain policy which should, rather, be an inspiring principle.

On the basis of the above, the Board of Directors of the Company has reviewed its rules of corporate government and will resolve, in its meeting of 23 February 2016, an amendment of the AENA Board of Directors Regulation (hereafter referred to as the “**Board of Directors Regulation**” or the “**Board Regulation**”).

Through this Report, the Board of Directors explains the causes and scope of the amendments made.

The reform of the Board Regulation is complementary to the reform of the Company Bylaws, which the Board of Directors will propose for approval by the

next Ordinary General Meeting of Shareholders of the Company, to which end the Board of Directors has prepared the relevant specific justifying reports. In consequence, approval of the reform of the Board Regulation will be conditional on approval by the General Meeting of Shareholders of the reform of the Bylaws, and will come into effect, as applicable, on the day of that approval.

2. Justification

Details are set out hereunder of the justification for the amendments proposed:

a) Article 6 (Principles of action by the Board of Directors)

The current section 3 of this article mentions that the Board of Directors will approve a “policy of full transparency in the information transmitted to the markets”. In reality, more than a policy, in the sense of a written document, what the Board of Directors intended to get across was that it will encourage full transparency in the information transmitted to the markets, as a principle of action.

To avoid any confusion in this respect, it is proposed to amend this section in the sense indicated in the previous paragraph.

b) Article 22 (Executive Committee)

Aena, following the good government recommendations, envisages in its Board Regulation that the Board of Directors will hold a minimum of eight meetings in the year.

However, with respect to the functioning of the Executive Committee, the current article 22.(iii).6 of the Board Regulation envisages that this Committee “*will meet as often as it is called by its Chairman, holding ordinary meetings every fifteen (15) days*”.

In practice, in this the Company’s first year as a quoted company, it appears that it is probably not operational to combine the minimum eight meetings of the Board of Directors with the fortnightly meetings of the Executive Committee and that, therefore, it would be appropriate to have a more flexible regulation with regard to the frequency of meetings of the Executive Committee.

For this reason, it is proposed to amend that section to remove the reference to meetings every fifteen days and replace it by a more generic reference to the frequency necessary in the judgment of the Chairman, or whenever requested by three of its members.

c) Article 23 (Audit Committee)

A first amendment of this article is aligned with the corresponding amendment of the Company Bylaws, so that the justification is repeated here:

The Fourth final provision of Law 22/2015, of 20 July, on the Auditing of Accounts, amends article 529 quaterdecies of the Corporate Enterprises Law with regard to the Audit Committee, including new points both on its composition and on its functions. With regard to the composition, a reference is added to the effect that, as a whole, the members of the committee need to have the relevant technical knowledge in relation with the sector of activity to which the entity audited belongs.

To the degree that article 23 of the Board Regulation (the same as for article 43 of the Company Bylaws) regulates the composition of this Committee, it is proposed to add a paragraph in line with the aforesaid legislative change. In addition it is proposed to complete the constitutional regulation on the validity and re-election of the post of Chairman of this Committee with what is envisaged in section two of that article 529 quaterdecies.

On the other hand, the aforesaid amendment of article 529 quaterdecies also implies the inclusion of new functions for the Audit Committee, which it is proposed to include in the relevant sections of article 23 of the Board Regulation.

Additionally, Recommendation 53 of the Good Government Code lays down:

“That supervision of compliance with the rules of corporate government, the internal codes of conduct and the corporate social responsibility policy is attributed to one or shared between several Board of Directors committees, which may be the Audit Committee, the Appointments Committee, the Social Corporate Responsibility Committee, should there be one, or a specialised committee which the Board of Directors, in the exercise of its powers of self-organisation, may decide to create for the purpose, to which the following minimum functions are attributed:

- a) Supervision of compliance with the internal codes of conduct and the company’s corporate government rules.*
- b) Supervision of the strategy on communication and relations with shareholders and investors, including small and medium shareholders.*
- c) Regular assessment of the suitability of the company’s corporate government system, to ensure that it fulfils its mission of promoting the company interests and takes into account, where relevant, the legitimate interests of the other interest groups.*
- d) Revision of the company’s corporate responsibility policy, ensuring that it is*

orientated to the creation of value.

e) Following up the strategy and practices of corporate social responsibility and assessing the degree of compliance.

f) Supervision and evaluation of the processes of relations with the various interest groups.

g) An assessment of everything relating to the non-financial risks of the company –including those operational, technological, legal, social, environmental, political and reputational.

h) Coordination of the process of reporting non-financial information and on diversity, in accordance with the regulations applicable and the international standards of reference.”

Continuing the objective of adapting to the good government recommendations as far as possible in everything which is appropriate to the particular characteristics of the Company, after adequate internal study the Board of Directors has decided to assign the functions envisaged in letters b) and g) of Recommendation 53 to the Audit Committee and the others, as set out below, to the Appointments and Remuneration Committee.

Finally, in order to clarify that the competence for reporting on related-party transactions is in the competence of the Audit Committee, as set out in the Corporate Enterprises Law, the possibility that it may fall on another Committee is deleted from section 10.d) of this article 23.

d) Article 24 (Appointments and Remuneration Committee)

As continuation to the amendment of the article referring to the Audit Committee, the Board of Directors has decided to assign to the Appointments and Remuneration Committee the remaining functions envisaged in Recommendation 53, that is, letters a), c), d), e), f) and h). Among the criteria for that assignment (greater in numbers than that envisaged for the Audit Committee), the Board has taken into consideration, among other factors, that the Aena Appointments and Remuneration Committee does not deal with a large part of the functions relative to remuneration, given the character of the Company as a public-interest entity, in which the remuneration policy is predetermined by administrative rules of imperative application.

Additionally, in line with the change in the functions of the Audit Committee and to clarify that the function of reporting on related-party transactions is in the competence of that Audit Committee, the old section 7.(r), in which this function overlapped with the Appointments and Remuneration Committee, is removed from this article 24.

e) Article 38 (Related-party transactions)

In line with the changes introduced in the functions of the Audit Committee and the Appointments and Remuneration Committee and to clarify that the function of reporting on related-party transactions is in the competence of the Audit Committee, this article is amended in the same sense and with the same purpose.

3. Full text of the proposed amendment

Hereunder follows the full draft of the articles which it is proposed to amend:

“Article 6. Principles of action by the Board of Directors

- 1. The Board of Directors shall develop its functions attending at all times to the principle of the Company’s interests. This principle must be understood as the safeguarding of the Company’s future long-term viability and the maximisation of its value in the interests of the shareholders, also weighting the many legitimate interests, both public and private, which come together in the development of all business activity.*
- 2. The search for the company’s interest will be carried out attending to the demands imposed by the Law, in accordance with criteria and ethical models of conduct of general acceptance, in a framework of respect and strengthening of the environment in which the Company develops its activity, with special attention to promoting the Company’s corporate social responsibility, endeavouring to reconcile the interests of the company itself with, where applicable, the legitimate interests of its employees, suppliers, clients and the other interest groups which may be affected, and the impact of the Company’s activities on the community as a whole and on the environment.*
- 3. The Board of Directors will encourage full transparency in the information transmitted to the markets, watching over the correct pricing of the Company shares.*
- 4. Also the Board of Directors will watch over compliance by the executives of the Company, in the exercise of their functions, with the aforesaid ethical standards and a respect for the principle of egalitarian treatment for the shareholders.”*

“Article 22. Executive Committee

(i) Composition

1. *The Board of Directors will set up a permanent Executive Committee composed of five (5) members, on a proposal by the Appointments and Remuneration Committee.*
2. *The appointment of the members of the Executive Committee and the delegation of powers in their favour will be implemented by the Board of Directors by a two-thirds majority of its members. Renewals will take place in the time, form and number decided by the Company Board of Directors.*
3. *The Executive Committee will be comprised of the Chairman of the Board of Directors, three (3) Proprietary Directors, and one (1) Independent Director.*
4. *The Secretary of the Executive Committee can be one of its members or the Secretary or Vice-Secretary of the Board of Directors. In the last case the Secretary need not be a member of the Executive Committee.*

(ii) Competences

5. *Without prejudice to the delegation of powers to the Chairman of the Board of Directors and, as applicable, the Managing Director and the Vice-Chairman of the Board of Directors, the Executive Committee will have the capacity of decision in the general ambit and, consequently, will have express delegation of all the powers which correspond to the Board of Directors except those which are not able to be delegated in virtue of the Law, regulations applicable in matters of corporate government, the Company Bylaws and this Regulation.*

(iii) Functioning

6. *The Executive Committee will meet with the necessary frequency, in the judgment of the Chairman or when requested by three of its members.*
7. *The Executive Committee will be validly formed when the meeting is attended, in person or represented, by more than half of its members.*
8. *The resolutions will be adopted by absolute majority of the Directors attending (in person or represented) at the meeting, with the Chairman having a casting vote in the event of a tie.*

(iv) Relations with the Board of Directors

9. *The Board of Directors will be advised of the matters dealt with and the decisions adopted by the Executive Committee and all its members will receive copies of the minutes of Executive Committee meetings.”*

“Article 23. Audit Committee

(i) Composition

- 1. The Board of Directors will set up a permanent Audit Committee comprising five (5) members, who must be External Directors.*
- 2. The Audit Committee is formed as an internal body of an informative and consultative character, with no executive functions, with powers of information, advice and proposal within its scope of action.*
- 3. The members of the Audit Committee, and particularly its Chairman, will be appointed taking into account their knowledge and experience in matters of accounting and auditing or both. As a group, the Committee members will have the relevant technical knowledge in relation with the Company’s sector of activity. The majority of these members will be Independent Directors.*
- 4. The Chairman of the Audit Committee will be appointed from among the Independent Directors who are its members and must be replaced every four years, being able to be re-elected after a gap of one year from the date of cessation.*
- 5. The appointment of the members of the Audit Committee, as well as the appointment of its Chairman and Secretary, will be made by the Board of Directors by absolute majority. Renewals will be in the time, form and number decided by the Board of Directors of the Company.*
- 6. The Secretary of the Audit Committee can be one of its members or the Secretary or Vice-Secretary of the Board of Directors. In this last case the Secretary need not be a member of the Audit Committee.*

(ii) Competences

- 7. Without prejudice to any other task that may be assigned to it by the Board of Directors or which is established in this Regulation, the primary function of the Audit Committee will be that of providing support to the Board of Directors in its functions of supervision and, specifically, it will have as a minimum the competence to report to the General Meeting of Shareholders on questions raised in relation with those matters which are in the competence of the Audit Committee and, in particular, on the results of the audit, explaining how this has contributed to the integrity of the financial information and the function that the committee has undertaken in this process. In this sense, the*

Audit Committee will see that the Board of Directors endeavours to present the financial statements to the General Meeting of Shareholders without limitations or reservations in the audit report and that, in the exceptional circumstances that there should be reservations, both the Chairman of the Audit Committee and the auditors explain with clarity to the shareholders the content and scope of such limitations or reservations.

8. *In relation with information and internal control systems, the Audit Committee will have the following functions:*

- (a) Supervising the process of preparation, presentation and integrity of the essential financial information relating to the Company and, where applicable, the group, presenting to the administration body recommendations or proposals intended to safeguard its integrity, reviewing compliance with regulatory requirements, the adequate definition of the perimeter of consolidation and the correct application of accounting criteria.*
- (b) A regular review of internal control and risk management systems, to ensure that the principal risks are identified, managed and properly recorded.*
- (c) Evaluating everything relative to non-financial risks in the company –including those operational, technological, legal, social, environmental, political and reputational.*
- (d) Supervising the effectiveness of internal control in the Company, the internal audit and systems of risk management, discussing with the auditor of accounts any significant weaknesses in the internal control system detected during the audit, all this without impairing its independence. To these ends, and where applicable, it can make recommendations or proposals to the administration body and the relevant period for their follow-up.*
- (e) Establishing and supervising a mechanism which allows the employees to communicate, confidentially and, if possible and considered appropriate, anonymously, irregularities of potential importance, especially where financial and to do with the accounting, that may be noticed in company headquarters.*
- (f) Watching over the independence of the unit which takes on the function of internal audit; proposing the selection, appointment, re-election and cessation of the internal audit service manager; proposing the budget for this service; approving the orientation*

and working plans, ensuring that its activity is focused principally towards the company's relevant risks; receiving information regularly on its activities; and verifying that the top management takes into account the conclusions and recommendations of its reports.

9. *In relation with the external auditor:*

- (a) Presenting to the Board of Directors, for submission to the General Meeting of Shareholders, proposals for the selection, appointment, re-election and replacement of the auditors of accounts, taking responsibility for the selection process, in accordance with the terms of articles 16, sections 2, 3 and 5, and 17.5 of Regulation (EU) No 537/2014, of 16 April, and the conditions of their contracting.*
- (b) Receiving regularly from the external auditor information on the audit plan and the results of its workings, and seeing to it that the senior management takes its recommendations into account.*
- (c) Ensuring and preserving the independence of the external auditor in the exercise of its functions and, to that end:*
 - Ensuring that the Company communicates to the National Securities Market Commission, as an important event, the change of external auditor and attaches a declaration on the possible existence of disagreements with the outgoing auditor and, if there were such, their content.*
 - Ensuring that the Company and the external auditor respect the current rules on the supply of services other than those of auditing, the limits on the concentration of the external auditor's business and, in general, other standards established to ensure the independence of the auditors.*
 - In the event of the external auditor's resignation, examining the circumstances causing it.*
 - Watching to see that the remuneration to the external auditor for the work does not compromise quality or independence.*
- (d) Establishing the appropriate relations with the auditors of accounts or audit companies in order to receive information on those questions which may constitute a threat to their independence for their examination by the Audit Committee, and any others related with the procedure of the audit of accounts*

and, when necessary, the authorisation of services other than those prohibited, in the terms set out in articles 5, section 4, and 6.2.b) of Regulation (EU) No 537/2014, of 16 April, and the terms of section 3 of chapter IV, title I of Law 22/2015, of 20 July, on the Auditing of Accounts, on the regime of independence, as well as those other communications provided for in the legislation on accounts auditing and in the audit standards. In every case, they must receive annually from the external auditors a declaration of their independence in relation to the Company or companies linked to it directly or indirectly, and detailed and individualised information on additional services of any kind supplied and the relevant fees received from these companies by the external auditor or by persons or entities linked to it in accordance with the terms set out in the regulations governing the activity of auditing accounts.

- (e) The annual issue, prior to the issue of the audit report, of a report in which an opinion is expressed on whether the independence of the auditors of accounts or audit companies has been compromised. This report must contain, in every case, a reasoned assessment of each and every one of the additional services referred to in the preceding section, considered individually and as a whole, other than the legal audit and in relation with the regime of independence or with the regulations governing the activity of auditing accounts.*
- (f) Where applicable, being in favour of the group auditor taking on responsibility for the audits of the group companies.*
- (g) Supervising that the Company communicates to the CNMV as a relevant event any change of auditor and attaches a declaration on the possible existence of disagreements with the outgoing auditor and, if there are such, their content.*
- (h) Ensuring that the external auditor has an annual meeting with the Board of Directors in plenary session to report on the work done and on the progress of the accounting situation and risks affecting the Company.*
- (i) Ensuring that the Company and the external auditor respect the rules in force on the supply of services other than those of audit, the limits on the concentration of the auditor's business and, in general, other standards on the independence of the auditors.*

10. Reporting to the Board of Directors, prior to its adoption of the

relevant decisions reserved to the Board of Directors, on the following subjects:

- (a) The financial information that, due to its status as quoted, the Company must regularly make public. The Audit Committee must ensure that the intermediate financial statements are formulated with the same accounting criteria as those annual and, to that end, consider the appropriateness of a limited review by the external auditor.*
- (b) The issue and admission leaflets and other documentation relative to issues or admissions of shares.*
- (c) The creation or acquisition of holdings in entities with special purposes or domiciled in countries or territories which are considered to be tax havens, and any other transactions or operations of an analogous kind which, for their complexity, could diminish the transparency of the group.*
- (d) Related-party transactions.*

11. In relation to the internal audit:

- (a) The Company will have a unit which takes on the function of internal audit and which, under the supervision of the Audit Committee, will oversee the good functioning of the information and internal control systems and those which functionally depend on the Chairman of the Audit Committee.*
- (b) The manager of the unit which takes on the function of internal audit will submit its annual working plan to the Audit Committee; report directly to it any incidents which come up during its work; and submit to it a year-end report on the activities.*
- (c) The Audit Committee will watch over the independence and effectiveness of the internal audit function; propose the selection, appointment, re-election and cessation of the manager of the internal audit unit; propose the budget for this service; receive regular information on its activities; and check that senior management takes into account the conclusions and recommendations of its reports.*

12. In relation with the risk control and management policy:

- (a) The Audit Committee must identify:*

- *The various types of risk, financial and non-financial (among others, those operational, technological, legal, social, environmental, political and reputational), to which the Company is subject, including among those financial and economic, contingent liabilities and other risks outside the balance sheet.*
 - *Fixing the level of risk that the Company considers acceptable.*
 - *The measures envisaged to mitigate the impact of the risks identified, in the event that they should materialise.*
 - *The information and internal control systems which will be used to control and manage the aforesaid risks, including contingent liabilities and off-balance sheet risks.*
- (b) *Under the direct supervision of the Audit Committee, the Company will have a unit which carries out the internal function of risk control and management, and which will carry out the following functions:*
- *Ensuring the good functioning of the risk control and management systems and, in particular, that they identify, manage and adequately quantify all the important risks affecting the Company.*
 - *Participating actively in the preparation of the risk strategy and in important decisions on its management.*
 - *Seeing that the risk control and management systems mitigate the risks adequately in the framework of the policy defined by the Board of Directors.*

13. *The Audit Committee will supervise the strategy of communication and relations with shareholders and investors, including small and medium shareholders.*

14. *The Audit Committee must be informed on operations of structural and corporate amendments which the Company intends to carry out, for their analysis and prior report to the Board of Directors, on their economic conditions and accounting impact and, particularly, where applicable, on the proposed equation for exchange.*

(iii) *Functioning*

15. *The Audit Committee will meet at least once a quarter and whenever it is found appropriate, being summoned by its Chairman, on his own decision or in response to a request by two (2) of its members, by the Chairman of the Board of Directors, the Executive Committee or, where applicable, the Managing Director.*
16. *Notwithstanding the above, the Audit Committee will meet whenever the Board of Directors asks for a report or approval of proposals in the ambit of its competence and always when, in the judgment of the committee Chairman, it is seen as appropriate to the good progress of its purposes.*
17. *The Audit Committee will be validly constituted when the meeting is attended, in person or represented, by more than half of its members.*
18. *The resolutions will be adopted by absolute majority of the Directors attending the meeting (in person or represented), with the Chairman having a casting vote in the event of a tie.*
19. *The Audit Committee may call for attendance at its meetings of the Company's auditor of accounts and the internal audit manager. The Audit Committee may also invite any employee or executive of the Company and even require such appearance without the presence of any executive.*
20. *The Audit Committee will prepare an annual memorandum containing an account of its activities.*

(iv) Relations with the Board of Directors

21. *The Board of Directors will be informed of the matters dealt with and the decisions adopted by the Audit Committee and all its members will receive copies of the minutes of the Audit meetings."*

"Article 24. Appointments and Remuneration Committee

(i) Composition

1. *The Board of Directors will set up a permanent Appointments and Remuneration Committee composed of five (5) members, who must be External Directors.*
2. *The Appointments and Remuneration Committee is set up as an internal body with powers of evaluation and control of the Company's corporate government.*

3. *The members of the Appointments and Remuneration Committee will be appointed with the intention that they shall have adequate knowledge, aptitude and experience for the functions that they may be called upon to undertake. The majority of the members will be Independent Directors.*
4. *The Chairman of the Appointments and Remuneration Committee will be appointed from among the Independent Directors who sit on that committee.*
5. *The appointment of the members of the Appointments and Remuneration Committee, and the appointment of its Chairman and Secretary, will be made by the Board of Directors by absolute majority. Their renewals will take place in the time, form and number that the Board of Directors of the Company decides.*
6. *The Secretary of the Appointments and Remuneration Committee can be one of its members or can be the Secretary or Vice-Secretary of the Board of Directors. In this case the Secretary need not be a member of the Appointments and Remuneration Committee.*

(ii) *Competences*

7. *Without prejudice to any other task which may be assigned to it by the Board of Directors, the Appointments and Remuneration Committee will have the following competences:*
 - (a) *Evaluating the competence, knowledge and experience necessary for the Board of Directors, defining, in consequence, the functions and aptitudes necessary for the candidates to fill each vacancy, and evaluating the time and dedication required for them to undertake their tasks properly.*
 - (b) *Establishing an objective for representation of the sex less present on the Board of Directors, preparing orientation on how to achieve this objective and reporting to the Board on questions of gender diversity.*
 - (c) *Submitting to the Board of Directors proposals for the nomination of Independent Directors for their appointment by co-option or for submission to the decision of the General Meeting of Shareholders, and proposals for the re-election or dismissal of these Directors by the General Meeting of Shareholders.*
 - (d) *Reporting on proposals of appointment of other Directors for their nomination by co-option or for submission to the decision of*

the General Meeting of Shareholders, and proposals for their re-election or dismissal by the General Meeting of Shareholders.

- (e) Annual verification of compliance with the policy of selection of directors by the Board of Directors, reporting on this in the annual report on corporate government.*
- (f) Ensuring that the non-executive directors have sufficient time available for the correct undertaking of their functions.*
- (g) Reporting the proposals of nomination and dismissal of senior executives and proposing to the Board of Directors the basic conditions of their contracts.*
- (h) Examining and organising the succession of the Chairman of the Board of Directors and the chief executive of the company and, where applicable, making proposals to the Board of Directors so that this succession takes place in an ordered and planned manner.*
- (i) Regular revision of the remuneration policy applied for the Directors and senior executives, including the systems of remuneration with shares and their application, and guaranteeing that their individual remuneration is proportionate to what is paid to the other Directors and senior executives of the Company.*
- (j) Consulting the Chairman and chief executive of the Company, especially when dealing with matters relative to the executive directors and senior executives.*
- (k) Checking on observance of the remuneration policy established by the Company.*
- (l) Determining the regime of supplementary remuneration for the Chairman and Managing Director. The basic remuneration, which constitutes the obligatory minimum remuneration, will be set by the Minister of Finance and Public Administration.*
- (m) Reporting on incentive plans.*
- (n) Making an annual examination of the remuneration policy for the Directors and senior executives.*
- (o) Preparing and checking on information on remuneration of the Directors and senior executives contained in the various corporate documents, including the annual report on corporate*

government and the annual report on Directors' remuneration.

- (p) Proposing the appropriate amendments of this Regulation to the Board of Directors.*
- (q) Examining compliance with internal regulations (including the internal codes of conduct) and the rules of corporate government and making the necessary proposals of improvement.*
- (r) Regularly evaluating the suitability of the company's corporate government system, with the aim that it complies with its purpose of promoting the company interests and taking into account, as appropriate, the legitimate interests of the other interest groups.*
- (s) Seeing to it that any possible conflicts of interests do not compromise the independence of the external advice given to the Committee.*
- (t) Reviewing the Company's corporate social responsibility policy, seeing that it is orientated to the creation of value.*
- (u) Carrying out the follow-up of the strategy and practices of corporate social responsibility and evaluating the degree of compliance.*
- (v) Supervising and evaluating the processes of relations with the various interest groups.*
- (w) Coordinating the process of reporting of non-financial information and on diversity, in accordance with the regulations applicable and international standards of reference.*

(iii) Functioning

- 8. The Appointments and Remuneration Committee will meet as often as may be necessary, in the discretion of its Chairman, for the exercise of its competences. It will also meet when requested by, at least, two (2) of its members. The Chairman of the Board of Directors and the Managing Director can ask for informative meetings of the Appointments and Remuneration Committee, as an exceptional matter.*
- 9. Notwithstanding the above, the Appointments and Remuneration Committee will meet whenever the Board of Directors asks for the issue of a report or approval of proposals in the field of its competences and whenever, in the judgment of the Chairman of this committee, it is appropriate for the good development of its purposes.*

10. *The Appointments and Remuneration Committee will be validly met when the majority of its members are present at the meeting, in person or represented.*
 11. *Resolutions will be adopted by absolute majority of the Directors attending the meeting (in person or represented), the Chairman having a casting vote in the event of a tie.*
 12. *Also any Company Director may ask the Appointments and Remuneration Committee to take into consideration, if they could be considered suitable, potential candidates to fill vacancies for Directors.*
- (iv) *Relations with the Board of Directors.*
13. *The Board of Directors will be informed of the matters dealt with and the decisions adopted by the Appointments and Remuneration Committee and all its members will receive copies of the minutes of the meetings of the Appointments and Remuneration Committee.”*

“Article 38. Related-party transactions

1. *The Board of Directors will be informed of transactions that the Company carries out, directly or indirectly, with directors, with significant shareholders or with representation on the board or with persons linked to them. These operations or transactions will require the authorisation of the Board of Directors, following a favourable report by the Audit Committee, which must be approved with the favourable vote of at least eighty percent (80%) of the Directors attending, in person or represented, the meeting referred to.*

Directors who are affected by the aforesaid transactions, in addition to being unable to exercise or delegate their voting right, must absent themselves from the meeting room while the Board of Directors discusses and votes on the matter.

2. *The authorisation envisaged in the preceding section will not be required, however, when referring to transactions which simultaneously meet the following three conditions:*
 - (i) *That they take place in virtue of contracts the conditions of which are basically standardised and which apply normally to clients with contracts for the type of product or service in question.*
 - (ii) *That they are carried out at prices or tariffs established as a general matter by whoever acts as supplier of the goods or*

services in question or, when the transactions refer to goods or services in which there are no established tariffs, in normal market conditions, similar to those applied in commercial relationships maintained with clients of similar characteristics.

- (iii) *That the amount involved does not exceed one percent (1%) of the Company's annual receipts.*

If these conditions are met, the Directors affected will not be obliged to report these transactions or to apply to the Board for their authorisation as a precaution.

3. *The transactions referred to will be assessed from the viewpoint of equality of treatment and market conditions, and will be set out in the annual report on corporate government and in the information made public regularly in the terms envisaged in the regulations applicable.*
4. *Exceptionally, when advisable due to reasons of urgency, related-party transactions can be authorised by the Executive Committee, being ratified subsequently by the Board of Directors.*

To facilitate a comparison between the new text of the articles which it is proposed to amend and their current text, Schedule 1 to this report, for information, includes a comparative version in which the changes that it is proposed to introduce into the existing text are highlighted.

And for the appropriate legal purposes, the Board of Directors formulates this Report, in Madrid, on 23 February 2016.

SCHEDULE 1

COMPARED VERSION SHOWING THE PROPOSED AMENDMENTS TO THE BOARD OF DIRECTORS REGULATION OF AENA, SA

Article 6. Principles of action by the Board of Directors

1. The Board of Directors shall develop its functions attending at all times to the principle of the Company's interests. This principle must be understood as the safeguarding of the Company's future long-term viability and the maximisation of its value in the interests of the shareholders, also weighting the many legitimate interests, both public and private, which come together in the development of all business activity.
2. The search for the company's interest will be carried out attending to the demands imposed by the Law, in accordance with criteria and ethical models of conduct of general acceptance, in a framework of respect and strengthening of the environment in which the Company develops its activity, with special attention to promoting the Company's corporate social responsibility, endeavouring to reconcile the interests of the company itself with, where applicable, the legitimate interests of its employees, suppliers, clients and the other interest groups which may be affected, and the impact of the Company's activities on the community as a whole and on the environment.
3. The Board of Directors ~~will approve a policy of~~ will encourage full transparency in the information transmitted to the markets, watching over the correct pricing of the Company shares.
4. Also the Board of Directors will watch over compliance by the executives of the Company, in the exercise of their functions, with the aforesaid ethical standards and a respect for the principle of egalitarian treatment for the shareholders.

Article 22. Executive Committee

(i) Composition

1. The Board of Directors will set up a permanent Executive Committee composed of five (5) members, on a proposal by the Appointments and Remuneration Committee.
2. The appointment of the members of the Executive Committee and the delegation of powers in their favour will be implemented by the Board of Directors by a two-thirds majority of its members. Renewals will take place in the time, form and number decided by the Company Board of Directors.

3. The Executive Committee will be comprised of the Chairman of the Board of Directors, three (3) Proprietary Directors, and one (1) Independent Director.
4. The Secretary of the Executive Committee can be one of its members or the Secretary or Vice-Secretary of the Board of Directors. In the last case the Secretary need not be a member of the Executive Committee.

(ii) Competences

5. Without prejudice to the delegation of powers to the Chairman of the Board of Directors and, as applicable, the Managing Director and the Vice-Chairman of the Board of Directors, the Executive Committee will have the capacity of decision in the general ambit and, consequently, will have express delegation of all the powers which correspond to the Board of Directors except those which are not able to be delegated in virtue of the Law, regulations applicable in matters of corporate government, the Company Bylaws and this Regulation.

(iii) Functioning

6. The Executive Committee will meet with the necessary frequency, in the judgment of the Chairman or when requested by three of its members~~as often as it is called by the Chairman, holding ordinary meetings every fifteen (15) days.~~
7. The Executive Committee will be validly formed when the meeting is attended, in person or represented, by more than half of its members.
8. The resolutions will be adopted by absolute majority of the Directors attending (in person or represented) at the meeting, with the Chairman having a casting vote in the event of a tie.

(iv) Relations with the Board of Directors

9. The Board of Directors will be advised of the matters dealt with and the decisions adopted by the Executive Committee and all its members will receive copies of the minutes of Executive Committee meetings.

Article 23. Audit Committee

(i) Composition

1. The Board of Directors will set up a permanent Audit Committee comprising five (5) members, who must be External Directors.
2. The Audit Committee is formed as an internal body of an informative and

consultative character, with no executive functions, with powers of information, advice and proposal within its scope of action.

3. The members of the Audit Committee, and particularly its Chairman, will be appointed taking into account their knowledge and experience in matters of accounting and auditing, or risk management~~both~~. As a group, the Committee members will have the relevant technical knowledge in relation with the Company's sector of activity. The majority of these members will be Independent Directors.
4. The Chairman of the Audit Committee will be appointed from among the Independent Directors who are its members and must be replaced every four years, being able to be re-elected after a gap of one year from the date of cessation.
5. The appointment of the members of the Audit Committee, as well as the appointment of its Chairman and Secretary, will be made by the Board of Directors by absolute majority. Renewals will be in the time, form and number decided by the Board of Directors of the Company.
6. The Secretary of the Audit Committee can be one of its members or the Secretary or Vice-Secretary of the Board of Directors. In this last case the Secretary need not be a member of the Audit Committee.

(ii) Competences

7. Without prejudice to any other task that may be assigned to it by the Board of Directors or which is established in this Regulation, the primary function of the Audit Committee will be that of providing support to the Board of Directors in its functions of supervision and, specifically, it will have as a minimum the competence to report to the General Meeting of Shareholders on questions raised in relation with those matters which are in the competence of the Audit Committee and, in particular, on the results of the audit, explaining how this has contributed to the integrity of the financial information and the function that the committee has undertaken in this process. In this sense, the Audit Committee will see that the Board of Directors endeavours to present the financial statements to the General Meeting of Shareholders without limitations or reservations in the audit report and that, in the exceptional circumstances that there should be reservations, both the Chairman of the Audit Committee and the auditors explain with clarity to the shareholders the content and scope of such limitations or reservations.
8. In relation with information and internal control systems, the Audit Committee will have the following functions:

- (a) Supervising the process of preparation, presentation and integrity of the essential financial information relating to the Company and, where applicable, the group, presenting to the administration body recommendations or proposals intended to safeguard its integrity, reviewing compliance with regulatory requirements, the adequate definition of the perimeter of consolidation and the correct application of accounting criteria.
- (b) A regular review of internal control and risk management systems, to ensure that the principal risks are identified, managed and properly recorded.
- (c) Evaluating everything relative to non-financial risks in the company – including those operational, technological, legal, social, environmental, political and reputational.
- ~~(e)~~(d) Supervising the effectiveness of internal control in the Company, the internal audit and systems of risk management, ~~including those concerned with tax~~ discussing with the auditor of accounts any significant weaknesses in the internal control system detected during the audit, all this without impairing its independence. To these ends, and where applicable, it can make recommendations or proposals to the administration body and the relevant period for their follow-up.
- ~~(d)~~(e) Establishing and supervising a mechanism which allows the employees to communicate, confidentially and, if possible and considered appropriate, anonymously, irregularities of potential importance, especially where financial and to do with the accounting, that may be noticed in company headquarters.
- ~~(e)~~(f) Watching over the independence of the unit which takes on the function of internal audit; proposing the selection, appointment, re-election and cessation of the internal audit service manager; proposing the budget for this service; approving the orientation and working plans, ensuring that its activity is focused principally towards the company's relevant risks; receiving information regularly on its activities; and verifying that the top management takes into account the conclusions and recommendations of its reports.

9. In relation with the external auditor:

- (i) Presenting to the Board of Directors, for submission to the General Meeting of Shareholders, proposals for the selection, appointment, re-election and replacement of the auditors of accounts, external, taking responsibility for the selection process, in accordance with the terms of

[articles 16, sections 2, 3 and 5, and 17.5 of Regulation \(EU\) No 537/2014, of 16 April](#), and the conditions of their contracting.

- (ii) Receiving regularly from the external auditor information on the audit plan and the results of its workings, and seeing to it that the senior management takes its recommendations into account.
- (iii) Ensuring [and preserving](#) the independence of the external auditor [in the exercise of its functions](#) and, to that end:
 - Ensuring that the Company communicates to the National Securities Market Commission, as an important event, the change of external auditor and attaches a declaration on the possible existence of disagreements with the outgoing auditor and, if there were such, their content.
 - Ensuring that the Company and the external auditor respect the current rules on the supply of services other than those of auditing, the limits on the concentration of the external auditor's business and, in general, other standards established to ensure the independence of the auditors.
 - In the event of the external auditor's resignation, examining the circumstances causing it.
 - Watching to see that the remuneration to the external auditor for the work does not compromise quality or independence.
- (iv) Establishing the appropriate relations with the auditors of accounts or audit companies in order to receive information on those questions which may [endanger constitute a threat to](#) their independence for their examination by the Audit Committee, and any others related with the procedure of the audit of accounts [and, when necessary, the authorisation of services other than those prohibited, in the terms set out in articles 5, section 4, and 6.2.b\) of Regulation \(EU\) No 537/2014, of 16 April, and the terms of section 3 of chapter IV, title I of Law 22/2015, of 20 July, on the Auditing of Accounts, on the regime of independence](#), as well as those other communications provided for in the legislation on accounts auditing and in the audit standards. In every case, they must receive annually from the external auditors a declaration of their independence in relation to the Company or companies linked to it directly or indirectly, and [detailed and individualised](#) information on additional services of any kind supplied and the relevant fees received from these companies by the external auditor or by persons or entities linked to it in accordance with the

terms set out in the ~~legislation on~~ regulations governing the activity of auditing accounts.

- (v) The annual issue, prior to the issue of the audit report, of a report in which an opinion is expressed on whether the independence of the auditors of accounts or audit companies has been compromised. This report must ~~be a pronouncement~~ contain, in every case, ~~on the supply of a reasoned assessment~~ of each and every one of the additional services referred to in the preceding section, considered individually and as a whole, other than the legal audit and in relation with the regime of independence or with the regulations governing the activity of auditing accounts.
- (vi) Where applicable, being in favour of the group auditor taking on responsibility for the audits of the group companies.
- (vii) Supervising that the Company communicates to the CNMV as a relevant event any change of auditor and attaches a declaration on the possible existence of disagreements with the outgoing auditor and, if there are such, their content.
- (viii) Ensuring that the external auditor has an annual meeting with the Board of Directors in plenary session to report on the work done and on the progress of the accounting situation and risks affecting the Company.
- (ix) Ensuring that the Company and the external auditor respect the rules in force on the supply of services other than those of audit, the limits on the concentration of the auditor's business and, in general, other standards on the independence of the auditors.

10. Reporting to the Board of Directors, prior to its adoption of the relevant decisions reserved to the Board of Directors, on the following subjects:

- (a) The financial information that, due to its status as quoted, the Company must regularly make public. The Audit Committee must ensure that the intermediate financial statements are formulated with the same accounting criteria as those annual and, to that end, consider the appropriateness of a limited review by the external auditor.
- (b) The issue and admission leaflets and other documentation relative to issues or admissions of shares.
- (c) The creation or acquisition of holdings in entities with special purposes or domiciled in countries or territories which are considered to be tax havens, and any other transactions or operations of an analogous kind which, for their complexity, could diminish the transparency of the

group.

- (d) The related-party transactions ~~unless, in virtue of this Regulation or subsequent decisions of the Board of Directors, this corresponds to another committee.~~

11. In relation to the internal audit:

- (a) The Company will have a unit which takes on the function of internal audit and which, under the supervision of the Audit Committee, will oversee the good functioning of the information and internal control systems and those which functionally depend on the Chairman of the Audit Committee.
- (b) The manager of the unit which takes on the function of internal audit will submit its annual working plan to the Audit Committee; report directly to it any incidents which come up during its work; and submit to it a year-end report on the activities.
- (c) The Audit Committee will watch over the independence and effectiveness of the internal audit function; propose the selection, appointment, re-election and cessation of the manager of the internal audit unit; propose the budget for this service; receive regular information on its activities; and check that senior management takes into account the conclusions and recommendations of its reports.

12. In relation with the risk control and management policy:

- (a) The Audit Committee must identify:
 - The various types of risk, financial and non-financial (among others, those operational, technological, legal, social, environmental, political and reputational), to which the Company is subject, including among those financial and economic, contingent liabilities and other risks outside the balance sheet.
 - Fixing the level of risk that the Company considers acceptable.
 - The measures envisaged to mitigate the impact of the risks identified, in the event that they should materialise.
 - The information and internal control systems which will be used to control and manage the aforesaid risks, including contingent liabilities and off-balance sheet risks.
- (b) Under the direct supervision of the Audit Committee, the Company will

have a unit which carries out the internal function of risk control and management, and which will carry out the following functions:

- Ensuring the good functioning of the risk control and management systems and, in particular, that they identify, manage and adequately quantify all the important risks affecting the Company.
- Participating actively in the preparation of the risk strategy and in important decisions on its management.
- Seeing that the risk control and management systems mitigate the risks adequately in the framework of the policy defined by the Board of Directors.

13. The Audit Committee will supervise the strategy of communication and relations with shareholders and investors, including small and medium shareholders.

~~13.~~14. The Audit Committee must be informed on operations of structural and corporate amendments which the Company intends to carry out, for their analysis and prior report to the Board of Directors, on their economic conditions and accounting impact and, particularly, where applicable, on the proposed equation for exchange.

(iii) Functioning

~~14.~~15. The Audit Committee will meet at least once a quarter and whenever it is found appropriate, being summoned by its Chairman, on his own decision or in response to a request by two (2) of its members, by the Chairman of the Board of Directors, the Executive Committee or, where applicable, the Managing Director.

~~15.~~16. Notwithstanding the above, the Audit Committee will meet whenever the Board of Directors asks for a report or approval of proposals in the ambit of its competence and always when, in the judgment of the committee Chairman, it is seen as appropriate to the good progress of its purposes.

~~16.~~17. The Audit Committee will be validly constituted when the meeting is attended, in person or represented, by more than half of its members.

~~17.~~18. The resolutions will be adopted by absolute majority of the Directors attending the meeting (in person or represented), with the Chairman having a casting vote in the event of a tie.

~~18.~~19. The Audit Committee may call for attendance at its meetings of the

Company's auditor of accounts and the internal audit manager. The Audit Committee may also invite any employee or executive of the Company and even require such appearance without the presence of any executive.

| ~~19.20.~~ The Audit Committee will prepare an annual memorandum containing an account of its activities.

(iv) Relations with the Board of Directors

| ~~20.21.~~ The Board of Directors will be informed of the matters dealt with and the decisions adopted by the Audit Committee and all its members will receive copies of the minutes of the Audit meetings.

Article 24. Appointments and Remuneration Committee

(i) Composition

1. The Board of Directors will set up a permanent Appointments and Remuneration Committee composed of five (5) members, who must be External Directors.
2. The Appointments and Remuneration Committee is set up as an internal body with powers of evaluation and control of the Company's corporate government.
3. The members of the Appointments and Remuneration Committee will be appointed with the intention that they shall have adequate knowledge, aptitude and experience for the functions that they may be called upon to undertake. The majority of the members will be Independent Directors.
4. The Chairman of the Appointments and Remuneration Committee will be appointed from among the Independent Directors who sit on that committee.
5. The appointment of the members of the Appointments and Remuneration Committee, and the appointment of its Chairman and Secretary, will be made by the Board of Directors by absolute majority. Their renewals will take place in the time, form and number that the Board of Directors of the Company decides.
6. The Secretary of the Appointments and Remuneration Committee can be one of its members or can be the Secretary or Vice-Secretary of the Board of Directors. In this case the Secretary need not be a member of the Appointments and Remuneration Committee.

(ii) Competences

7. Without prejudice to any other task which may be assigned to it by the Board of Directors, the Appointments and Remuneration Committee will have the following competences:
- (a) Evaluating the competence, knowledge and experience necessary for the Board of Directors, defining, in consequence, the functions and aptitudes necessary for the candidates to fill each vacancy, and evaluating the time and dedication required for them to undertake their tasks properly.
 - (b) Establishing an objective for representation of the sex less present on the Board of Directors, preparing orientation on how to achieve this objective and reporting to the Board on questions of gender diversity.
 - (c) Submitting to the Board of Directors proposals for the nomination of Independent Directors for their appointment by co-option or for submission to the decision of the General Meeting of Shareholders, and proposals for the re-election or dismissal of these Directors by the General Meeting of Shareholders.
 - (d) Reporting on proposals of appointment of other Directors for their nomination by co-option or for submission to the decision of the General Meeting of Shareholders, and proposals for their re-election or dismissal by the General Meeting of Shareholders.
 - (e) Annual verification of compliance with the policy of selection of directors by the Board of Directors, reporting on this in the annual report on corporate government.
 - (f) Ensuring that the non-executive directors have sufficient time available for the correct undertaking of their functions.
 - (g) Reporting the proposals of nomination and dismissal of senior executives and proposing to the Board of Directors the basic conditions of their contracts.
 - (h) Examining and organising the succession of the Chairman of the Board of Directors and the chief executive of the company and, where applicable, making proposals to the Board of Directors so that this succession takes place in an ordered and planned manner.
 - (i) Regular revision of the remuneration policy applied for the Directors and senior executives, including the systems of remuneration with shares and their application, and guaranteeing that their individual remuneration is proportionate to what is paid to the other Directors and senior executives of the Company.

- (j) Consulting the Chairman and chief executive of the Company, especially when dealing with matters relative to the executive directors and senior executives.
- (k) Checking on observance of the remuneration policy established by the Company.
- (l) Determining the regime of supplementary remuneration for the Chairman and Managing Director. The basic remuneration, which constitutes the obligatory minimum remuneration, will be set by the Minister of Finance and Public Administration.
- (m) *Reporting on incentive plans.*
- (n) Making an annual examination of the remuneration policy for the Directors and senior executives.
- (o) Preparing and checking on information on remuneration of the Directors and senior executives contained in the various corporate documents, including the annual report on corporate government and the annual report on Directors' remuneration.
- (p) Proposing the appropriate amendments of this Regulation to the Board of Directors.
- (q) Examining compliance with internal regulations [\(including the internal codes of conduct\)](#) and the rules of corporate government and making the necessary proposals of improvement.
- ~~(q)(r)~~ Regularly evaluating the suitability of the company's corporate government system, with the aim that it complies with its purpose of promoting the company interests and taking into account, as appropriate, the legitimate interests of the other interest groups.
- ~~(r)~~ In relation with transactions with linked parties or which imply or could imply conflicts of interests, reporting and taking decisions tending to their approval or denial, as well as requesting the reports from independent experts which, as applicable, may be appropriate for their assessment.
- (s) Seeing to it that any possible conflicts of interests do not compromise the independence of the external advice given to the Committee.
- (t) Reviewing the Company's corporate social responsibility policy, seeing that it is orientated to the creation of value.

- (u) Carrying out the follow-up of the strategy and practices of corporate social responsibility and evaluating the degree of compliance.
- (v) Supervising and evaluating the processes of relations with the various interest groups.
- ~~(s)~~(w) Coordinating the process of reporting of non-financial information and on diversity, in accordance with the regulations applicable and international standards of reference.

(iii) Functioning

8. The Appointments and Remuneration Committee will meet as often as may be necessary, in the discretion of its Chairman, for the exercise of its competences. It will also meet when requested by, at least, two (2) of its members. The Chairman of the Board of Directors and the Managing Director can ask for informative meetings of the Appointments and Remuneration Committee, as an exceptional matter.
9. Notwithstanding the above, the Appointments and Remuneration Committee will meet whenever the Board of Directors asks for the issue of a report or approval of proposals in the field of its competences and whenever, in the judgment of the Chairman of this committee, it is appropriate for the good development of its purposes.
10. The Appointments and Remuneration Committee will be validly met when the majority of its members are present at the meeting, in person or represented.
11. Resolutions will be adopted by absolute majority of the Directors attending the meeting (in person or represented), the Chairman having a casting vote in the event of a tie.
12. Also any Company Director may ask the Appointments and Remuneration Committee to take into consideration, if they could be considered suitable, potential candidates to fill vacancies for Directors.

(iv) Relations with the Board of Directors.

13. The Board of Directors will be informed of the matters dealt with and the decisions adopted by the Appointments and Remuneration Committee and all its members will receive copies of the minutes of the meetings of the Appointments and Remuneration Committee.

Article 38. Related-party transactions

1. The Board of Directors will be informed of transactions that the Company carries out, directly or indirectly, with directors, with significant shareholders or with representation on the board or with persons linked to them. These operations or transactions will require the authorisation of the Board of Directors, following a favourable report by the ~~Appointments and Remuneration~~ Audit Committee, which must be approved with the favourable vote of at least eighty percent (80%) of the Directors attending, in person or represented, the meeting referred to.

Directors who are affected by the aforesaid transactions, in addition to being unable to exercise or delegate their voting right, must absent themselves from the meeting room while the Board of Directors discusses and votes on the matter.

2. The authorisation envisaged in the preceding section will not be required, however, when referring to transactions which simultaneously meet the following three conditions:
 - (iv) That they take place in virtue of contracts the conditions of which are basically standardised and which apply normally to clients with contracts for the type of product or service in question.
 - (v) That they are carried out at prices or tariffs established as a general matter by whoever acts as supplier of the goods or services in question or, when the transactions refer to goods or services in which there are no established tariffs, in normal market conditions, similar to those applied in commercial relationships maintained with clients of similar characteristics.
 - (vi) That the amount involved does not exceed one percent (1%) of the Company's annual receipts.

If these conditions are met, the Directors affected will not be obliged to report these transactions or to apply to the Board for their authorisation as a precaution.

3. The transactions referred to will be assessed from the viewpoint of equality of treatment and market conditions, and will be set out in the annual report on corporate government and in the information made public regularly in the terms envisaged in the regulations applicable.
4. Exceptionally, when advisable due to reasons of urgency, related-party transactions can be authorised by the Executive Committee, being ratified subsequently by the Board of Directors.